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**MINISTERI  
Y'ABAKOZI BA LETA  
N'UMURIMO**



**MINISTRY  
OF PUBLIC SERVICE  
AND LABOR**

**REPUBLIC OF RWANDA**

# **REVISED NATIONAL EMPLOYMENT POLICY**

**2019**

## **PREFACE**

The issues of unemployment, under-employment and potential labour force have been considered as serious developmental challenges that require immediate, concerted and collaborative efforts. Government of Rwanda recognizes the threats they impose to national stability, economic growth and development, and has shown commitment to create productive and decent jobs for its citizens through the National Strategy for Transformation and in the Employment Policy itself.

This employment policy provides a coherent and comprehensive approach to promoting decent and productive employment so essential to the eradication of poverty, in line with international, continental and East African frameworks and commitments.

The National Employment Policy is a guiding document for the implementation of other policies in which some of the interventions have interfaces in promoting employment and income generating opportunities for Rwandans. Since the adoption of National Employment Policy in 2007, progress was registered in areas such as skills development, entrepreneurship promotion, improvement of the business climate and access to finance for small and medium enterprises, among others.

Through this Policy, the Government of Rwanda recognizes that productive employment and decent work cannot be achieved through fragmented and isolated interventions which call for sustained, determined and concerted efforts by all stakeholders, from government, private sector and civil society among others. This will be achieved through strong coordination and cooperation across government institutions and agencies at both central and local levels. This entails a paradigm shift where employment is integrated in all policy frameworks, including macroeconomic and sectorial policies. It also seeks to provide the necessary coherent and coordinated approach that outlines supportive policies on two fronts, namely, an integrated strategy for growth and job creation, and targeted interventions to help the un- and under-employed overcome the specific barriers to their smooth entry into the labour market.

The main purpose for this Policy is to realize as much as possible fully productive, decent and freely chosen employment especially for youth, women and Persons With Disabilities through economic growth in accordance with the dignity and respect of fundamental human rights. The Policy focuses also to creating a favorable environment for private investment growth and employment creation. This implies mainly economic stability by inflation management, liberalization, promoting savings and productivity as well as promoting investments for a quick economic recovery.

The Government will therefore deliberately develop strategies, programmes and sector policies that put employment at the centre of both national and sectorial development. The policy will influence poverty eradication through strategic investments towards social development, Labour and employment promotion interventions.

Since not every type of work enhances poverty reduction and human development, exploitative work, especially among women and children (e.g. child and forced labour), including work that is hazardous i.e. lacking occupational safety and health measures, fundamental principles and labour rights, this policy will strengthen the social protection, labour administration standards to ensure the smooth transition from informal to formal employment.

The policy implementation will be guided by five major questions:

1. Where will jobs of the future come from?
2. What kind of skills that will be needed for the future work?
3. How will technology change the way we work? The internet of things and the Artificial intelligence.
4. How do we get more people into decent work?
5. And finally how do we ensure social dialogue and tripartism remain relevant to the work of the future?

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## Acronyms

ALMPs	Active Labour Market Policies
AMIR	Association of Micro-finances Institutions in Rwanda
BDF	Business Development Fund
BNR	National Bank of Rwanda
CESTRAR	<i>La Centrale des Syndicats des Travailleurs du Rwanda</i>
CRPD	Convention on the Rights of Persons with Disabilities
DGIE	Directorate General of Immigration and Emigration
EAC	East African Community
EALA	East African Legislative Assembly
EDPRS	Economic Development & Poverty Reduction Strategy
EICV	Integrated Household Living Conditions Survey
FBOs	Faith-Based Organizations
FDI	Foreign Direct Investment
Frw	Franc Rwandais
GDP	Gross Domestic Product
GoR	Government of Rwanda
GIZ	German Development Agency
HEC	Higher Education Council
HLIs	Higher Learning Institutions
ICT	Information and Communications Technology
ILO	International Labour Organisation
IMF	International Monetary Fund
IPAR	Institute of Policy Analysis and Research
IPRCs	Integrated Polytechnic Regional Centres
KESC	Kigali Employment Services Centre
KILM	Key Indicators of the Labour market
LFS	Labour Force Survey
LMIS	Labour Market Information System
M & E	Monitoring and Evaluation
MIFOTRA	Ministry of Public Service and Labour
MIGEPROF	Ministry of Gender and Family Promotion
MINAFFET	Ministry of Foreign Affairs and International Cooperation
MINAGRI	Ministry of Agriculture and Animal Resources
MINALOC	Ministry of Local Government
MINICOM	Ministry of Trade and Industry
MINECOFIN	Ministry of Finance and Economic Planning
MININFRA	Ministry of Infrastructure
MINIJUST	Ministry of Justice
MINISANTE	Ministry of Health
MINISPOC	Ministry of Sports and Culture
MSMEs	Micro, Small and Medium-sized Enterprises
NAEB	National Agricultural Export Development Board
NCL	National Labour Council
NCPD	National Council of Persons with Disabilities
NEET	Neither in Education nor in Employment and Training
NEP	National Employment Programme
NIRDA	National Industrial Research and Development Agency
NISR	National Institute of Statistics of Rwanda

NRS	National Rehabilitation Service
NST1	National Strategy for Transformation 1
NUDOR	National Union of Disability Organizations of Rwanda
NWC	National Women's Council
NYC	National Youth Council
ODL	Occupations in Demand List
OSH	Occupational Health and Safety
PES	Public Employment Services
PSI	Policy Support Instrument
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PSF	Private Sector Federation
PWDs	Persons With Disabilities
RAB	Rwanda Agriculture and Animal Resources Development Board
RCA	Rwanda Cooperative Agency
RCSP	Rwanda Civil Society Platform
RDB	Rwanda Development Board
REB	Rwanda Education Board
RLRC	Rwanda Law Reform Commission
RNP	Rwanda National Police
RPPA	Rwanda Public Procurement Authority
RRA	Rwanda Revenue Authority
RSB	Rwanda Standards Board
RSSB	Rwanda Social Security Board
SACCOs	Savings and Credit Cooperatives
SDGs	Sustainable Development Goals
SMEs	Small and Medium-sized Enterprises
SSCs	Sector Skills Councils
STEM	Science, Technology, Mathematics and Engineering
TVET	Technical and Vocational Education and Training
UN	United Nations
USD	United States Dollar
VUP	Vision 2020 Umurenge Programme
WDA	Workforce Development Authority

## **EXECUTIVE SUMMARY**

The experience of Rwanda and elsewhere shows that employment is not simply a derivative of economic growth, and the link between growth and poverty reduction is not automatic, formulating an employment-led growth strategy becomes a critical building plank for sustained poverty reduction and human development. The government will therefore deliberately develop strategies, programmes and policies that put employment at the centre of both national and sectoral development.

Since the adoption of National Employment Policy in 2007, the socio-economic and policy context in Rwanda has evolved, necessitating the need to review and update the employment policy to align it with emerging socio-economic developments. While the 2007 National Employment Policy was in line with the Economic Development and Poverty Reduction Strategy I and II, with a priority pillar focused on boosting productivity and youth employment, this policy is developed in line with National Strategy for Transformation with a target of creating 1.5 million productive jobs from 2017 to 2024.

Some challenges were identified while implementing 2007 National Employment Policy. They include limited ownership of the Policy reflecting low sensitization and awareness among key implementing stakeholders; inadequate coordination institutional framework; duplication and fragmentation of programmes and initiatives among stakeholders; employment promotion indicators and targets not clearly outlined and mainstreamed in all strategies and planning frameworks, in particular EDPRS 1; Weak and centralized M & E framework – employment outcomes and targets were not integrated into districts plans; Failure to meet the targeted number of jobs among others.

The overall objective of the National Employment Policy is to create sufficient and productive jobs in order to reduce labour underutilization and enhance productivity and competitiveness. Through this National Employment Policy, the Government of Rwanda fully recognises that productive employment and decent work cannot be achieved through fragmented and isolated interventions. On the contrary, this requires sustained, determined and concerted efforts by all stakeholders by focusing mainly on youth, women and people with disabilities. This entails a paradigm shift where employment is integrated in all policy frameworks, including macroeconomic and sectorial policies. This National Employment Policy therefore seeks to provide a framework for enhancing coherence among national and sectoral policies towards the goal of creating productive and decent employment.

The Ministry of Public Service and Labour has been working in close collaboration with different stakeholders to develop a comprehensive policy that will give direction to addressing the employment challenges in Rwanda. In this regard, some challenges were identified and the National Employment Policy will be to address predominant labour underutilization including high unemployment rate, time-related underemployment and a big number of Potential labour force, high informality of employment, pre-eminence of Micro, Small and Medium Enterprises (MSMEs) and most of which are informal, skills development and labour market needs.

To address the highlighted issues, the policy will focus on promoting employment by adjusting the macroeconomic framework to explicitly integrate employment objectives and targets, entrepreneurial development, private sector competitiveness, rural development and linking agriculture to the other sector of the economy, linking the education with the labour market needs through vocational and technical skills development, formalization of informal sector



which will improve productivity, harnessing opportunities in labour migration, strengthening labour market policies and labour market information system. In addition, the objective of full employment in Rwanda will be achieved through focusing on sectors with high potential for growth and employment including: Agro-processing, Construction, Light manufacturing, Meat and Dairy, Leather, Textiles and Garments, Horticulture, Tourism, Knowledge based services, Value addition and processing of Mining products, Creative Arts, Aviation, Logistics, and Transportation.

The Ministry of Public Service and Labour has the responsibility to coordinate these components and will work in close collaboration with the Technical Committee and the National Steering Committee that will provide overall guidance and orientation to address institutional challenges that may hinder the effective operationalization of the National Employment Policy. The Ministry of Public Service and Labour will ensure coordination and the smooth implementation of the National Employment Policy towards the achievement of the target of creating 1.5 million productive jobs by 2024. The job creation projections to achieve the NST1 jobs Targets were done and the policy will ensure its monitoring and evaluation.

## 1. Introduction

The Government of Rwanda developed and adopted the National Employment Policy in 2007. In line with the ILO Employment Policy Convention, 1964 (No. 122), the thrust of such national employment policy blueprints is to “declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment.” As stated in the Employment Policy Convention, 1964 (No. 122), a national employment policy framework seeks to ensure that “ (i) there is work for all who are available for and seeking work; (ii) such work is as productive as possible; and (iii) there is freedom of choice of employment and the fullest possible opportunity for each worker to qualify for, and to use his or her skills and endowments in a job for which he(/she) is well suited, irrespective of race, colour, sex, religion, political opinion, national extraction or social origin.”

The National Employment Policy of 2007 acted as a guiding document, for the implementation of other policies in which some of the interventions done have interfaces in promoting employment and income generating opportunities for Rwandans. MIFOTRA has been responsible for the coordination, monitoring and evaluation of the National Employment Policy while stakeholders in different priority sectors implemented its specific programmes and initiatives. Since its adoption, progress was registered in areas such as skills development, entrepreneurship promotion, improvement of the business climate and access to finance for small and medium enterprises, among others. Despite the achievements, the following challenges<sup>1</sup> were identified while implementing 2007 National Employment Policy:

- i. Limited ownership of the Policy reflecting low sensitization and awareness among key implementing stakeholders;
- ii. Inadequate coordination institutional framework;
- iii. Duplication and fragmentation of programmes and initiatives among stakeholders;
- iv. Employment promotion indicators and targets not clearly outlined and mainstreamed in all strategies and planning frameworks, in particular EDPRS 1;
- v. Weak and centralized M & E framework – employment outcomes and targets were not integrated into districts plans;
- vi. Failure to meet the targeted number of jobs among others.

In addition, since the adoption of National Employment Policy in 2007, the socio-economic and policy context in Rwanda has evolved, necessitating the need to review and update the employment policy to align it with emerging socio-economic developments. While the 2007 NEP was in line with the implementation of the Economic Development and Poverty Reduction Strategy I and II, with a priority pillar focused on boosting productivity and youth employment. This National Employment Policy therefore provides a broader supportive policy framework to strengthen the country’s policy commitment and provide guidance to the promotion of decent and productive as stipulated in National Strategy for Transformation.

This Employment Policy will contribute to strengthening the impact of jobs creation initiatives by providing a broad policy framework to enhance coherence of policy action among a variety of relevant institutional actors and stakeholders. In addition, it ensures that the priorities identified in the NST1 are effectively addressed, National Employment Policy seeks to help achieve the target of creating 1.5 million productive and decent jobs by 2024.

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<sup>1</sup> See Rwanda, (2012). Evaluation of the National Employment Policy and its Initiatives (Programs), Ministry of Public Service and Labour and GIZ, November.

## **2. Policy issues**

The employment policy will address the following main issues:

### **a. Predominant labour underutilization (Unemployment, Time-related underemployment and Potential labour force).**

Unemployment is one of the biggest problems in developing countries and a fundamental cause of poverty in African economies and Rwanda as well where the unemployment rate is at 14.5 per cent with the employment-to-population ratio of 44.9 percent according to Labour Force Survey conducted in February 2019.

Underemployment implies any sort of employment that is unsatisfactory in terms of insufficient hours, insufficient compensation or insufficient use of one's skills. Time-related underemployment rate in Rwanda is at 28.9 per cent with rural time-related underemployment of 33 per cent.

Potential labour force is defined as people outside the labour force who were available for employment but were not seeking employment during the reference period as well as others outside the labour force who were seeking employment during the reference period but were not currently available for work. This situation is predominant in subsistence agriculture and among low skilled work force. The current situation of the population outside labour force (persons who are neither employed nor unemployed) as per the Labour Force Survey conducted in February 2019 are 3,372,981 of which 1,791,052 are in Subsistence agriculture (doing agriculture mainly for Own use). The total number of potential labour force which is not currently either studying or working is 1,513,045 which represent 50.8% of underutilization.

### **b. Labour Market Information System**

The Labour market information system provides quantitative and qualitative information and intelligence on the labour market that can assist labour market agents in making informed plans, choices, and decisions. However, the system is not linked with various producers and users of labour market information for example National Institute of Statistics of Rwanda, RRA, RSSB, public and private employment agencies. Therefore, there is a need to create an integrated and well-coordinated Labour Market Information System based on the key indicators of the labour market (KILM).

### **c. Youth, Women and PWDs employment**

Youth unemployment is predominant in urban areas more than in rural areas; a big number of Youth in rural areas are employed in the agriculture Sector especially the unskilled and semi-skilled. The youth unemployment rate is at 19.3 per cent and it is above the average national level of 14.5 per cent as per Labour Force Survey conducted in February 2019. The majority of the Youth do not have the required competencies to be absorbed on the labour market and their ability to secure productive work is often undermined.

The unemployment rate is higher among women with 15.4 per cent compared to 13.9 per cent of men. Women are predominant in subsistence agriculture with the share in the labour force of 44.6 percent.

According to Labour Force Survey, people with disability earn on average 344 Frw per hour compared to 401 Frw of people without disability, indicating that PWDs face higher barriers to salaried jobs.

To tackle the issue of youth, women and PWDs employment, the Government should continue to put much focus on their economic empowerment by addressing issues related to unemployment and underemployment, limited skills, access to finance and markets, enhance women's participation in productive employment, promote inclusion of PWDs in employment, among others.

#### **d. Education and training**

The Rwandan labour force suffers from low levels of education. According to Labour Force Survey conducted in February 2019, 4.5 per cent of the working population has finished University and High Learning Institutions while 8.4 per cent has finished upper secondary schools. The learning outcomes of general education are not fully aligned with the needs of the labour market. Some graduates from the TVET schools lack practical skills and communication skills.

To address these challenges, the Government has established different institutional frameworks and introduced competence based curriculum to respond to skills development challenges in all sectors of the economy.

#### **e. Private sector involvement**

The private sector has not been sufficiently involved in the implementation of some development strategies and policies including the employment policy. The private sector needs to be fully involved in all employment strategies and interventions to become the engine of growth and jobs creation. Thus, Rwanda's private sector needs to grow faster to absorb the labour market entrants.

### **2.1. Other identified key issues**

1. High population growth rate resulting in a growing working population that far exceeds the rate of job creation,
2. Lack of forward and backward linkages between the productive sectors of the economy, limiting employment opportunities;
3. Large informal sector employment that is characterized by low productivity, huge productive work deficits, vulnerable workers and the working poor;
4. Low institutional capacity for labour administration and coordination of employment creation interventions;
5. Limited organizational structure for nationals migrating for foreign employment opportunities and skills exchange programme;
6. Insufficient Public employment services across the Country;
7. Low level of compliance with labour standards (occupational safety standards, child labour elimination, collective bargaining and social dialogue).

### 3. Context

The Government of Rwanda recognised the right to work in its Constitution and also in its policy frameworks, including Vision 2020 and 7 Years Government Programme (National Strategy for Transformation 1). Government set a target to create 1.5 million productive jobs by 2024. Realisation of this goal should be the preoccupation of the labour market policies and indeed the focus of this policy document.

Inspired by the international frameworks, such as the ILO's Employment Policy Convention, 1964 (No. 122) and the Decent Work Agenda, African Governments adopted in 2004 the Ouagadougou Declaration on Employment and Poverty Alleviation in Africa, with a commitment to maximizing their impact on the Continental efforts geared towards poverty reduction and productive employment creation, particularly in the fields of infrastructure, agriculture and rural development, environmental conservation, cultural industries, transportation, fisheries, forestry, Information and Communication Technology (ICT) industry, trade and tourism which have a high potential for enhancement of productive capacities, job creation and poverty alleviation. The commitment was renewed recently in the new Ouaga +10 Initiative.

The Government will therefore deliberately develop strategies, programmes and policies that put employment at the centre of both national and sectorial development. Since not every type of work enhances poverty reduction and human development, exploitative work, especially among women and children (e.g. child and forced labour), including work that is hazardous i.e. lacking occupational safety and health measures, labour rights, and social protection will be avoided.

Therefore, the National Employment Policy provides a coherent and comprehensive approach to promoting productive work so essential to the eradication of poverty. This approach is in line with the global framework of development assistance which is driven by a renewed commitment to poverty reduction and its eradication. International development agenda is guided now by 17 Sustainable Development Goals (SDGs), with Goal #8 seeking to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”.

Furthermore, the Policy is intended to provide a framework on national and sectorial policies towards the goal of creating productive employment. It also provides a coherent policy framework for the sustained institutional coordination and implementation of the National Employment Programme which focuses on Active Labour Market Policies (ALMPs). This Policy intends to contribute towards reducing underemployment and unemployment of both urban and rural young men and women. The Policy will also promote productive work opportunities by supporting young women and men to access employable skills, to develop entrepreneurship skills, to have access to productive resources including finance and labour market intermediation services and to strengthen national capacities for mainstreaming employment across key national policies and programmes.

The main interventions will include creating conducive environment for job creation, skills development for youth and women, increasing employable skills through work place learning (internships, apprenticeships and industrial attachments), accelerating growth of potential employment sectors, increasing skills development in collaboration with private sector (through sector skills councils), improving labour market intermediation interventions, and raising awareness on policies and strategies conducive to productive employment and growth.

#### **4. Vision, Mission and Objectives**

**Vision:** A country with full, sustainable and productive employment – productive work for all.

**Mission:** To strengthen and promote creation of productive jobs for all and a conducive environment for employment.

##### **General Objective**

The overall objective is to create sufficient and productive jobs in order to reduce labour underutilization and enhance productivity and competitiveness.

##### **Specific Objectives**

The specific objectives to be pursued in order to achieve the overall objective are the following:

- (i) To stimulate economic growth and development through proper utilization of the country's labour force;
- (ii) To enhance employable skills and competence for all;
- (iii) To create a conducive environment for job creation;
- (iv) To promote entrepreneurship and access to finance for youth, women and PWDs;
- (v) To strengthen a well-functioning labour market information system;
- (vi) To integrate employment issues in macro-economic policies and investments strategies towards employment mainstreaming and job creation;
- (vii) To establish effective and efficient system to manage labour mobility;
- (viii) To promote smooth transition from informal economy to formality;
- (ix) Promote labour intensive in public investments.

#### **5. Analysis**

##### **5.1. Interaction of the National Employment Policy with existing Policies, Programmes and laws**

Implementation of the employment policy will be undertaken by different stakeholders and social partners, which include Ministries, Government Agencies, employers, trade union organisations, non-government organizations, development partners and the private sector. It is hereby recognized that a successful implementation of this policy depends on various laws, policies, programmes and regulations that fall under different institutions especially those that contribute to employment creation.

The National Employment Policy will guide strategies and programmes that aim to increase employment, develop business and technical skills in the Rwandan workforce, support targeted value-added sectors, strengthen the financial sector, and facilitate investment finance to generate industrial growth and employment.

Therefore, for better implementation of this policy, the following areas are earmarked as entry points for improvement of legal framework: formulation of a better legal framework for enhancing business environment most for both formal and informal sector; managing both internal and external labour migration; harmonise laws, regulations, standards and guidelines on Occupational Safety and Health, elimination of child labour; promoting decent work agenda and advance sustainable job creation through compliance with labour standards and related laws.

The National Employment Policy will continue to act as a crosscutting document, for the implementation of other policies that had interfaces in promoting employment and income generating opportunities for Rwandans. The following policies, laws and strategies support the National Employment Policy:

- National Youth Policy;
- Trade Policy;
- Tourism Policy;
- Special Economic Zone Policy;
- National Export Strategy;
- National Industrial Policy;
- Rwanda Intellectual Property Policy;
- SMEs Development Policy;
- Made in Rwanda policy;
- Policy on elimination of Child Labour;
- National Agriculture policy;
- Workplace Learning Policy;
- Capacity Development Policy;
- Occupational, Safety and Health policy;
- National Cooperative policy;
- TVET policy;
- Education Sector Policy;
- National Employment Programme;
- Fiscal Policy;
- Monetary Policy;
- National Strategy for Transformation;
- Law Regulating Labour in Rwanda;
- Migration Policy;
- Private Sector Development and Youth Employment (PSDYE).

All the above mentioned policies will be very instrumental to implement the National Employment Policy. These policies address challenges hindering MSMEs growth, ability and willingness of private companies to comply with employment regulations, standards and job-centered practices. They also emphasize on agriculture development, Human Capital Development, entrepreneurial and creative spirit that generates new employment opportunities, Employability of Labour Force and Skills Acquisition, Private Sector Growth, Cooperatives, MSMES and Job Creation in Rwanda, Sectoral Value-Chains like agriculture, industry and Employment Generation in Rwanda.

The emphasis of existing laws, policies and programmes should be placed on confirmation of strengthen the enabling environment for private sector growth by reforming the incentives to support the growth and sustainability of MSMEs, while at the same time attracting large firms with backward linkages to MSMEs. Equal importance should be placed on reforming the education system, particularly TVET, to cater for the skills requirements of the private sector and encourage entrepreneurship among young people in Rwanda.

## **5.2. Economic Structure and Growth Performance**

Rwandan economy has grown at an annual average rate of 8 per cent since 2001 although the growth has not created adequate productive employment. Since 2006, the economy has grown with GDP per-capita of USD 729 in 2016, compared to USD 350 in 2006 and the annual average inflation rate declined from 8.8% to 5.7% in the same period. Vision 2020, launched in 2000, is a framework to overcome poverty and attain middle income economic status and a knowledge-based economy by 2020.

EDPRS 1 (2008-12) marked a structural shift in policy, with priority given to accelerating growth, creating employment and generating exports through public investment in infrastructure, and regulatory reforms designed to reduce the costs and risks of doing business and to create an attractive environment for private sector investments. Thus, EDPRS 1 had three flagship programmes, namely, the Programme for Sustainable Growth for Jobs and Exports, the Governance Programme and VUP which was meant to provide a decentralised and integrated programme designed to reduce rural poverty.

The EDPRS 2 (2013-18)'s overarching goal is growth acceleration and poverty reduction through four thematic areas, namely, economic transformation for rapid economic growth at an average of 11.5 per cent per annum; rural development; productivity and youth employment to ensure that growth and rural development are underpinned by appropriate skills and productive employment, especially among the growing cohort of youth, with a target to create 200,000 jobs per year and accountable governance. Thus, employment creation was meant to be grounded in the overall national development process and structural adjustment of the economy.

The Government 7-Year Programme and National Strategy for Transformation focus on three pillars, namely: economic, social and governance. As response to the growing labour market entrants, at least 1.5 million productive jobs will be created by promoting the sectors with high potential for employment creation mainly agro-processing, horticulture, manufacturing, infrastructure, value addition in minerals, construction, tourism, transport and logistics, knowledge based services and creative arts, putting in place a mechanism to support at least one model income and employment-generating project in each village.

The new policy will contribute to enhancing the coherence and impact of initiatives of a variety of institutional actors and stakeholders. In addition, it ensures that the priorities identified in 7-Year Government Programme and National Strategy for Transformation are effectively addressed. Furthermore, the National Employment Policy seeks to help achieve the objectives of Vision 2020 of transitioning the economy from dependence on agriculture to a knowledge-based economy, reduce poverty levels to 20 percent and raise the share of productive and decent jobs from the current levels.

## **5.3. Job growth projection in economic activities**

The projection of Jobs in economic activities from 2019 to 2024 have taken into account the GDP growth projection by economic activities and the employment elasticity of growth in the same economic activities.

Employment elasticity provides a numerical measure of how employment growth varies with growth in economic output. This indicator shows how growth in labour, productivity and



economic (or output) growth move together. The elasticity job-GDP growth shows the percentage of increase of job creation when the GDP grow by 1%.

On the basis of the data on employment and economic growth, the output elasticity of employment in last 10 years was 0.67 meaning, first, that on average, for each one percentage point increase of GDP in the reference periods, total employment grew by 0.67%. For the whole period, the average annual output elasticity of employment in Rwanda was around 0.67 (Jeans, 2015). This performance was similar to that of Ethiopia in 2000-2008, while Ghana's and Mozambique's average output elasticity of employment stood at 0.46 and 0.30 respectively in the same period (Martins, 2013).

Output elasticities of employment for the three main sectors of the Rwandan economy have also been estimated and for Agriculture, the output elasticity of employment was 0.36, while estimates for Industry and Services were respectively 1.62 and 1.32. These results reveal that although agriculture remains the main employer in the Rwandan economy, it was less employment intensive than the two other sectors and that growth in industry and services were associated with more employment creation.

The output elasticity of employment has also been estimated for some sub-sectors, including manufacturing, construction, transport and communication. The results of the estimates show that output employment elasticity was 1.8 for manufacturing, 1.7 for construction and 0.94 for transport and communication. These results reveal that among the selected sub-sectors, manufacturing and construction are the most employment generating sub-sectors.

The higher the output elasticity of employment of a sector, the greater will be the proportionate increase in jobs that is prompted by increasing output in that sector. From a policy perspective, these results suggest that tackling employment problems in Rwanda could focus attention on removing impediments to growth in industry and services which exhibit relatively higher output elasticity of employment; this would also be quite consistent with the objective of transforming the Rwandan economy through the promotion of industry and services in which operate higher value-added economic activities.

The output employment elasticities in some economic activities have been adjusted with the interventions in the sectors which are likely to have multiplier effects in output and jobs in the sector. Indeed, the strategies to promote made in Rwanda are likely to boost manufacturing economic activities and the agenda of electricity penetration for all households is reflected in high growth of both output and jobs. It is also expected that the promotion of online and digitalised services and connectivity will increase output and subsequently jobs in Information and Communication economic activities.

- Where we found the proportion between sub-sector GDP projection and employment elasticity of growth unrealistic we have used the national employment elasticity of GDP which is 0.67.

**Table a: Adjusted Job Growth Projection from 2019 to 2024**

Economic activities	2019	2020	2021	2022	2023	2024
Agriculture, Forestry, and Fishing	1.6%	1.7%	0.7%	0.7%	0.8%	0.7%
Mining & quarrying	13.6%	16.2%	7.0%	7.0%	7.0%	7.0%
MANUFACTURING	8%	8%	14%	15%	15%	16%
Electricity, gas, steam and air conditioning supply	8.0%	8.0%	12.9%	12.9%	12.9%	12.9%
Water supply, sewerage and waste management	10.5%	10.5%	17.1%	17.1%	17.1%	17.1%
Construction	7.7%	7.8%	9.0%	7.9%	10.9%	13.0%
Transport Services	6.9%	6.8%	14.2%	14.9%	17.6%	21.1%
Wholesale & retail trade	4.5%	4.3%	9.4%	9.1%	10.8%	12.7%
Hotels & restaurants	12.8%	12.6%	16.5%	18.0%	19.2%	18.8%
Information & communication	10%	10%	21%	22%	20%	20%
Financial services	5.3%	5.6%	3.4%	3.4%	3.2%	3.1%
Real estate activities	3.2%	3.0%	5.1%	4.6%	4.3%	4.7%
Professional, scientific and technical activities	6.1%	5.2%	7.6%	6.9%	6.4%	6.9%
Administrative and support service activities	8.1%	7.5%	9.7%	10.0%	8.7%	9.3%
Public administration and compulsory social security	4.7%	4.4%	2.7%	2.7%	2.7%	2.7%
Education	3.9%	3.7%	0.9%	5.6%	2.2%	2.7%
Human health and social work activities	3.3%	3.3%	2.2%	2.2%	2.2%	2.2%
Cultural, domestic & other services	8.6%	8.2%	8.0%	8.5%	6.9%	7.2%

Composite indexes using GDP growth projection and employment elasticity of growth in economic sectors

**Table b: Projection of Jobs in economic activities from 2017 to 2024**

Economic activities	2017 Actual Jobs	2018 Actual Jobs	2019	2020	2021	2022	2023	2024
Agriculture, Forestry, and Fishing	261,120	258,829	263,089	267,563	269,474	271,417	273,522	275,494
Mining & quarrying	48,797	63,506	72,147	83,817	89,718	96,034	102,795	110,032
MANUFACTURING	157,241	199,650	215,622	232,872	266,471	305,926	350,847	405,252
Electricity, gas, steam and air conditioning supply	9,702	6,157	6,649	7,180	8,108	9,157	10,342	11,680
Water supply, sewerage and waste management	9,409	7,995	8,837	9,767	11,433	13,382	15,664	18,336
Construction	276,360	328,531	353,831	381,452	415,794	448,723	497,792	562,298
Transport Services	125,586	144,735	154,766	165,366	188,772	216,931	255,168	308,956
Wholesale & retail trade	487,020	492,120	514,237	536,474	587,109	640,391	709,756	799,570
Hotels & restaurants	45,204	71,075	80,205	90,318	105,236	124,193	148,014	175,852
Information & communication	11,223	13,827	15,214	16,665	20,089	24,521	29,415	35,164
Financial services	23,079	29,098	30,644	32,360	33,447	34,593	35,706	36,801
Real estate activities	3,870	3,883	4,009	4,128	4,340	4,540	4,733	4,954
Professional, scientific and technical activities	25,446	26,488	28,094	29,555	31,788	33,969	36,158	38,641
Administrative and support service activities	36,532	50,782	54,919	59,027	64,774	71,240	77,405	84,574
Public administration and compulsory social security	55,915	60,014	62,828	65,564	67,330	69,144	71,006	72,919
Education	112,092	108,553	112,800	116,970	117,980	124,588	127,282	130,710
Human health and social work activities	49,558	48,909	50,517	52,177	53,326	54,500	55,700	56,927
entertainment, Arts, Recreation, domestic & other services	262,580	285,269	309,860	335,224	361,957	392,703	419,970	450,372
Activities of extraterritorial organizat	9,673	17,174	18,386	19,676	21,440	23,445	25,628	28,148
<b>Total</b>	<b>2,010,406</b>	<b>2,216,596</b>	<b>2,356,653</b>	<b>2,506,155</b>	<b>2,718,585</b>	<b>2,959,397</b>	<b>3,246,903</b>	<b>3,606,678</b>

The projection has used Labour Force Survey 2017 and 2018 jobs distribution in economic activities as base line and job growth projection from the table (a)

#### 5.4. Poverty and income inequality

Lack of employment creates the vicious circle of poverty and hence income inequality. In the last decade, extreme poverty declined from 40 percent in 2001/02 to 16.3 percent in 2013/14. The poverty gap dropped from 24.4 per cent in 2001 to 22.3 per cent in 2006, to 14.8 per cent in 2011 and 12 per cent by 2014. In other fast-growing African countries such as Ethiopia, Ghana and Mozambique, the poverty gap was 8.3 per cent (1999-2004), 9.6 per cent (1998-2006) and 9.9 per cent (2000-07) respectively, suggesting that Rwanda could intensify the rate

of poverty reduction by increasing productive employment opportunities. The rate of decline in poverty was pronounced in rural areas where improved agricultural incomes, off-farm job creation, reduction in household sizes, and public and private transfers made the difference.

Income inequality declined with the Gini coefficient falling from 0.52 in 2005/2006 to 0.49 in 2010/11 and 0.45 in 2013/2014. Its continuous fall will depend on the ability of the poor to benefit from, and participate in growth and employment as well as the scaling up of the social protection Vision 2020 Umurenge Programme. As the monetisation of the economy and in particular the rural areas improved, financial inclusion has contributed in reduction of income inequality and poverty among population. The FinScope survey (2016) shows that the percentage of adult population included in financial activities (both formal and informal) increased from 72 per cent in 2012 to 89 per cent by 2015. Financial inclusion was facilitated as the proportion of adults with access to products or services from a formal financial institution increased from 21 per cent in 2008 to 42 per cent in 2012 and 68 per cent by 2015.

To achieve its vision of reducing head count poverty to 20 per cent, the Government of Rwanda has put in place different programmes and strategies aiming at poverty reduction and jobs creation in particular. The Government has further targeted the creation of 1.5 million productive and remunerative jobs from 2017 to 2024 in order to absorb the unemployed and new entrants to the labour market, and to upgrade the existing informal low productivity and low income jobs. It is also important to reduce inequality further, so that the benefits of growth accrue more to the poor than the non-poor.

## **5.5. Labour Market Situation**

The total population is 12,067,439 of which 48.2% are male and 51.8% are female. The urban population is estimated at 1,998,031 while the rural population is 10,069,408, equivalent to 83.4%. The majority of the population i.e. 66.2% falls below 30 years old. The working age population is 7,100,975 of which 3,727,995 are in labour force while 3,372,981 are outside labour force. The unemployed people represent 14.5% of the labour force. To reap this demographic dividend requires joint effort to create productive employment opportunities, competent and skilled population.

### **5.5.1. Employment**

Aggregate employment generally increases with growing population. Therefore, the ratio of employment to the working age population is an important indicator of the capacity of the economy to provide employment to a growing population. A decline in the employment-to-population ratio is often regarded as an indicator of economic slowdown and a decline in total employment as an indicator of a more severe economic downturn. In February 2019, the employment-to-population ratio was 44.9 percent.

According to the results of the Labour force survey February 2019, the majority of employed persons were engaged in Agriculture, forestry and fishing (39.8 percent). Other sectors that employed a substantial number of persons were: Whole sale and retail trade; repair of motor vehicles and motorcycles (14.4 percent), Construction (9.2percent), Manufacturing (6.4), Activities of households as employers (5.9 percent), transportation and storage (4.9 percent), Education (3.4 percent), Mining and quarrying (3.1percent). Thus, the country's high population growth rate and employment distribution among sectors makes structural and inclusive transformation particularly urgent in order to create non-agricultural and higher-productivity jobs.

The current 206,190 annual off-farm job creation rate (EICV5) lags behind the targeted 214,000 jobs and the annual average of new entrants in the labour market. Additional employment opportunities are needed not only for those who enter the labour force annually, but also for: (1) those who are currently unemployed; (2) those who are underemployed; (3) those who are classified as the potential labour force. The second and third categories are likely to be engaged in low productivity and vulnerable employment and will need to find more productive and remunerative employment and jobs that are stable. Hence, the new dimension of this revised employment policy challenge is to transform current vulnerable jobs into productive jobs in all sectors of the economy.

### **5.5.2. Labour Underutilization**

#### **(a) Unemployment**

The unemployment rate is defined as the ratio of the number of unemployed persons to the total labour force. According to the results of the February 2019 Labour Force Survey, the unemployment rate in Rwanda stood at 14.5 percent compared to 16 percent in February 2018 LFS. The urban areas unemployment rate is 15.7 percent compared to 14.2 percent in the rural areas. Similarly, the unemployment rate was higher among the female labour force (15.4 percent) than the male labour force (13.9 percent), and among the youth aged from 16 to 30 years old (19.3 percent) than in adults (10.9 percent). The major contribution of this policy should address the current mismatch between labour supply and labour demand.

#### **(b) Time-related underemployment**

Time-related underemployment refers to the situation when the working time of persons in employment is insufficient (less than 35 hours a week) in relation to alternative employment situations in which they are willing and available to engage. This is among the major challenge in which most macroeconomic policies need to pay much attention. The time-related underemployed consists of 920,342 persons which represent 30.9 percent of labour underutilization. Currently, underemployment rate is 28.9% (LFS Feb, 2019), while it was 28.9 per cent according to Labour Force Survey conducted in February 2018, showing a progressive decrease over time.

#### **(c) Potential labour force**

Potential labour force is defined as all persons of working age outside the labour force who, during the reference period, were neither in employment nor in unemployment but who were considered as either (a) *unavailable jobseekers* (seeking employment but not currently available) or (b) *available potential jobseekers* (currently available for employment but did not carry out activities to seek employment). For most people outside the labour force, the main source of livelihood was own-production irrespective of sex and age group, except for the young population between 16 and 24 years old outside the labour force, for whom the main source of livelihood was from their parents. For elderly persons i.e. 65 years old and above who are outside the labour force, the main source of livelihood after own production was from their children or other family members.

The current situation of the population outside labour force (persons who are neither employed nor unemployed) are 3,372,981 of which 1,791,052 are in subsistence agriculture (doing agriculture mainly for own use). The total number of potential labour force which is not currently either studying or working is 1,513,045. This is the most vulnerable category since they are not contributing to the national productivity yet they should be in labour force. This policy will put much emphasis in addressing the challenges facing this specific category and hence reduce its impact on economic dependency ratio.

### **5.5.3. Formal and informal employment**

The Labour Force Survey conducted in February 2019 shows that the number of persons of working age who were outside the labour force was about 3,372,981 the majority of them being subsistence foodstuff producers (53.1 percent). Subsistence farmers and informal economy workers are characterized by low productivity and earnings, and precarious conditions – vulnerable employment. Only a small proportion of the workforce (about 9 per cent) is in stable employment in public and formal private sector. The majority of workers in Rwanda are in non-wage employment, even though the proportion declined from 81 percent in 2005/2006 to 69 per cent in 2010/2011 and to 67 per cent by 2013/2014.

Formal employment in Rwanda representing fairly remunerated jobs accounts for less than 10% of the labour-force whereas the majority of workers still derives livelihoods from low productive smallholder farm jobs. These are mostly poor people living in rural areas, with low education levels. Informal employment is estimated to account for slightly more than 80% of off-farm employment, as a result of shortfalls in job-creation since majority of jobs created lie in the Micro, Small and Medium Enterprises (MSMEs) and small-holder agricultural occupations with low earnings and employment vulnerability.

The policy will address this issue through integration of employment issues in macro-economic policies and investment strategies and hence promoting the smooth transition from informal to formal employment.

### **5.5.4. Education and employability skills**

The working age population by level of education shows that 49.7% has not attended or finished primary school, 29.6 % has finished primary school, 8% has finished low secondary education, 8% has finished secondary education and 4% has finished university studies. This shows that a big number of Rwandans have no formal qualifications.

The Government established the Rwanda Polytechnic (RP) as response to skills development and employability challenges faced by the country especially women and youth. Its focus is on providing hands-on practical skills to develop a critical mass of skills relevant to today's increasingly competitive world as opposed to the traditional theoretical knowledge passed on by education institutions.

Sector Skills Councils are linked to Pillar II- “Human Resource Development and a knowledge-based economy” of Vision 2020, which seeks to create an adequate skills base for Rwanda to meet local, regional and international demands by 2020. Their mandate includes (i) improving quality and relevance of training for employment; (ii) improving productivity and business performance; and (iii) increasing opportunities to boost the skills and productivity of everyone in the sector's workforce, plus equal opportunities. Their functions are geared towards (i) leading the drive to boost sector skills and workforce development; (ii) sharing labour market intelligence; (iii) influencing planning and funding of education and training across Rwanda; (iv) forging linkages between employers and training providers; (v) influencing decisions of young people to join the workforce; and (vi) sharing best practices on skills development and investment in capacity building.

Although the Sector Skills Councils have got a clear mandate of linking skills development to labour market needs, their involvement in skills needs assessment and education planning has been low. This has resulted in skills mismatch between the demand and supply of labour. The

policy will attempt to address the mentioned gaps hindering the linkage between education, skills development and labour market needs.

Skills gaps are predominant in both the formal and informal economies and constitute a major barrier to gainful employment and in the transition from informal to formal work. There is a critical shortage of certain vital skills needed for sustainable development and, hence, there is a need for a stronger link between TVET and the realities of the current and future job markets especially in response to technological changes and the emergence of global markets and new opportunities created by globalization and regional integration. Skills development and improved access to training is, therefore, a key element to raising labour productivity in all sectors and improving international competitiveness of the economy. This policy therefore is geared at addressing the issues of training and skills development with strong involvement of the private sector which will result in full linkage between education/human capital planning and labour market needs.

### **5.5.5. Youth, Women and PWDs employment**

#### **(a) Youth and employment**

The Labour force survey conducted in February 2019 shows that the youth unemployment rate is at 19.3%. Youth employment and related issues have received considerable attention in Rwanda. One of the thematic areas prioritized by EDPRS 2 was productivity and youth employment, with a target to create 200,000 off-farm jobs per year over five years (2013 to 2018). For more than a decade, the Government of Rwanda has been engaged in programmes specifically targeting youth whose main objective is to improve their job prospects. While several programmes were developed to address (youth) unemployment, there was no systematic inter-linkage between these various initiatives and their coverage remained limited. The Government responded by adopting the National Employment Programme (NEP) in January 2014 with the aim of redefining its strategy to address employment challenges, based on four pillars, namely, (i) skills development; (ii) entrepreneurship and business development; (iii) labour market interventions; and (iv) coordination and monitoring and evaluation of national employment interventions.

#### **(b) Women and employment**

The Labour Force Survey conducted in February 2019 shows that Women are predominant in subsistence agriculture with the labour force share of 44.6 percent. The proportion of male who were employees was higher than for female, while the proportion of women contributing to family work was more than that of men. The unemployment rate among females is higher than the unemployment rate among males.

#### **(c) People with Disabilities**

The Government of Rwanda has made strides towards promoting the rights of persons with disabilities. Some of the measures adopted to integrate people with disabilities in Rwanda include: (i) integrating them in national development programmes such as Vision 2020 Umurenge Programme (VUP); (ii) offering vocational training, participation in income generating activities and cooperatives; (iii) affirmative action in institutions of higher learning; (iv) providing free medical insurance to vulnerable persons with disabilities and targeting the poorest in housing programmes; and (v) ensuring their representation in Parliament and the East African Legislative Assembly (EALA).

The Government of Rwanda has shown commitment towards advancing the rights of persons with disabilities, signing and ratifying the UN Convention on the Rights of Persons with

Disabilities (CRPD) and the Optional Protocol in 2008. Rwanda has also committed itself to the East African Community Policy on Persons with Disabilities (2012), which outlines joint policy commitments in line with the CRPD and country level recommendations. The country has also signed the ambassadorial status with the Secretariat of African Decade of Persons with Disabilities (now African Disability Alliance).

In the amendment of the Constitution of June 2010, the National Council of Persons with Disabilities (NCPD) was established as an independent public body. NCPD is a forum for advocacy and social mobilisation on issues affecting persons with disabilities in order to build their capacity and ensure their participation in national development. It assists Government in implementing programmes and policies that benefit persons with disabilities. Hence, it has an advocacy and an implementing and monitoring role. In response to the establishment of the NCPD, civil society organised itself into an umbrella organisation, the National Union of Disability Organizations of Rwanda (NUDOR) to serve as a coordinating and representative body and to build the capacity of member organisations. *The Rwanda Disability Law* No. 01/2007 protects and promotes the rights of persons with disabilities. At the level of policy, a national policy for persons with disabilities is in place.

Notwithstanding these initiatives, persons with disabilities are among the category facing prolonged unemployment challenges in Rwanda. Although youth with disabilities are facilitated to get access to free education, they still face obstacles in smooth entry to the labour market. It is important to ensure that this policy will address the mentioned obstacles.

## **5.6. Private sector growth, competitiveness and involvement**

The private sector is dominated by the micro, small and medium enterprises. This is a major limiting factor to future prospects for economic growth and economic transformation. The private sector overall needs to undergo significant structural transformation to be able to become the main driver of economic growth and create the large number of jobs the Rwandan economy requires. The involvement of Private Sector in skills development and financing<sup>2</sup> is still a challenge which hinders the national workforce competitiveness and constant increase in labour productivity.

In a bid to address the Private sector growth and competitiveness challenges, the National Strategy for Transformation (NST1, 2017-2024) which considers Private sector as the engine/driver of economic growth intends to create a conducive regulatory environment for private sector development, in particular, the development of small and medium enterprises which is an engine for employment creation. Macroeconomic policies will have both direct and indirect bearings on employment generation. The Government should pursue balanced fiscal and monetary policies that safeguard macroeconomic stability and create favourable environment for private sector investments and job creation.

Government will continually create a business environment in which the private sector can grow and drive employment and jobs creation. Through encouraging the development of a solid financial system which offers financial products and services meeting SMEs' needs and encourage the banking sector to increase lending businesses of young men and women.

The National Strategy for Transformation (NST1, 2017-2024) intends to promote Private Sector led industrialization and attain a structural shift in the export base to high-value goods and services with the aim of growing exports by 17% annually. In this endeavour, there will be

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<sup>2</sup> Government basket on skills development is not enough to cater for skills development in all Sectors, it is therefore important that private sector makes contribution to skills development financing.

a continued promotion of the ‘Made in Rwanda’ brand working with the private sector to recapture at least USD 400 Millions of imports by 2024 and establishing and expanding home grown industries working with the private sector to promote locally produced materials and “Made in Rwanda”. The mentioned strategies are meant to increase private sector growth and competitiveness.

### **5.7. Labour Market Information System**

The Labour Market Information System (LMIS) provides regular up-to-date information on the labour market to assist the Government in planning and designing employment initiatives, providing employers with information on the current skills set of graduates of tertiary institutions and potential job-seekers with relevant information about the job markets. The system currently relies on secondary data and has identified many gaps in data collection which inhibit its performance. The LMIS should act as the central source of information on the labour market and therefore requires improved data collection efforts by various institutions. The LMIS needs to be upgraded and fully functioning to allow for evidence-based planning and policy-making. The policy will address the current shortcomings facing LMIS and link it to public employment services.

### **5.8. Employment service centres**

The establishment of employment service centres is critical to match job seekers with employers on available jobs as well as to improve the employability of jobseekers. When fully operationalized, public employment services (PES) perform major functions: i) job search assistance and matching services including counselling; ii) collection and analysis of labour market information; iii) administration of active labour market Policies (ALMPs); and iv) administration of unemployment benefits. Increasingly, and depending on the country context, PES are also involved in the regulation of and promoting cooperation with private employment agencies. The provision of public employment services in Rwanda is still nascent and comprises two employment service centres in Kigali (The Kigali Employment Service Centre (KESC)) and the Musanze Employment Service Centre. Currently, the assessment of the PES indicated that the capacity of PES has obviously to be strengthened for it to play its rightful role more effectively and innovative ways and needs to be aligned with the country’s level of development.

Furthermore, although the National Employment Programme has gone a long way in ensuring coordination in the implementation of active labour market policies in Rwanda, there still exist gaps, especially with regard to the role public employment services could play in facilitating the registration, profiling, assessment and selection of job seekers for various programmes offered under the NEP. This would have several advantages including access to resources which PES needs, create an incentive for jobseekers to register with PES and hence help build capacity for PES to establish a representative databank of job seekers and employment opportunities and NEP implementing institutions would free up time involved in making calls for applications and recruitment into their programmes and above all, a credible and sustainable system would evolve for the operation of employment services and implementation of active labour market services.

### **5.9. Social Protection**

The home-grown Vision 2020 Umurenge Programme (VUP) was designed as a flagship social protection programme under EDPRS 1 to facilitate graduation from extreme poverty; provide



vulnerable persons with a mix of cash transfers, employment in public works and access to credit. Public works are labour-intensive community-based activities designed to achieve the following objectives: (i) provide income generating seasonal employment to help households and individuals experiencing extreme poverty migrate out of extreme poverty; and (ii) create productive sustainable community assets.

The VUP public works programme has had a positive impact, with participating households receiving on average 69 days' work during the year, the wages from which can help smooth income. However, the amounts earned are less likely to have a significant impact on household poverty. The sustainability of the programme is limited by the seasonal nature of the jobs. The policy will link the infrastructure development plans with social protection needs as a response to the employment deficits among different beneficiaries of social protection categories.

### **5.10. Labour mobility**

The Government of Rwanda has taken steps to position the country as a major tourist destination and hub for skills and investment, simplifying the procedures to obtain required documents within a reasonable timeframe, and making most of the services available online. Government seeks to assist Rwandan citizens in gaining new skills that will enhance their mobility and improve their lives in the region and beyond. This objective can be facilitated through signing of bilateral and multilateral agreements with other countries. A properly managed labour migration can maximize migrants' well-being and at the same time contribute to the development of their communities, countries of origin and destination, a triple win scenario. However, export of labour services should be supported without compromising the supply of the domestic labour market.

While investing in skills for the future, the country will seek to fill temporary skills by attracting skilled individuals in priority sectors from the Rwandan diaspora and the international community. Simultaneously, the country seeks to develop human resources in order to be able to replace expatriate workers who are occupying high-end jobs, such as managers and other professional jobs within the framework of management of labour emigration and immigration.

### **5.10. Working conditions, labour administration and social dialogue**

The Labour Administration System refers to mechanisms, processes and regulations that govern the promotion of harmonious labour relations through promotion and protection of the rights of workers, ensuring safety and health at the workplace, enforcement of existing labour laws and application standards in world of work for decent work outcomes. The system is also important for the formulation of development-oriented labour regulatory frameworks through social dialogue processes and procedures. This can best be achieved through the proper implementation of the labour laws and effective representation of social partners at all levels and collective bargaining through social dialogue.

In order to achieve its mission, there is a labour inspector in all districts who carries out inspections of workplaces, investigates cases of breach of contract, arbitrates between workers and employers on undesirable working conditions, and provides relevant technical advice. The Government of Rwanda adopted the labour laws to promote decent work, provide conducive working conditions, improving productivity, prevention of accidents, occupational diseases and injuries at the work place.

As part of its mandate, the Ministry of Public Service and Labour under the General Directorate of Labour and Employment continues to encourage negotiations of Collective Bargaining

Agreements, registers Trades Unions and Employers Organisations, conduct job and workplace inspections, settle labour disputes, ensure ratification of international labour conventions and regulate Public and Private Employment Centres/Agencies.

Despite, efforts to revamp the Labour Administration System, major challenges to labour administration, among others, include; lack of an early warning system; poor working conditions, unfair dismissal, casualization of labour, inadequate occupational safety and health and fragmented Occupational Safety and Health regime, non-compliance with labour standards; ineffective labour/ workplace inspection; inadequate logistics for inspection and enforcement, unconducive working conditions and lack of collaboration mechanisms with other institutions on labour issues. Many workers do not even enjoy basic decency at the work place.

Another challenge to labour standards and labour administration is the high incidence of child labour. Child labour has become a global concern. In Rwanda, child labour is prohibited by law. However, it still prevails most especially in informal sector. In most cases, child labour encompasses works which by its nature are likely to harm the health, safety or morals of children. Factors that lead to child labour include household poverty due to lack of jobs, inadequate law enforcement and lack of awareness of child labour issue. In spite of the various proactive measures taken by the Government in order to tackle this problem by adopting specific national policy and its implementation plan to ensure that child labour is totally eliminated and the formulation of Child Labour laws, still child labour is a problem.

## **6. Policy Options (Actions)**

Given the complexity of employment issues and the diverse nature of policy challenges facing Rwanda, an efficient and effective approach has to be adopted for the creation of full, productive and freely chosen employment and productive work for all. While the public sector can act mainly as a facilitator, creating the right environment for business, education and training, the principal driving force for job creation and industrial diversification, taking into consideration new technologies and emerging sectors would rest on the private sector.

Policy options (actions) in this Policy are organized under the following broad interventions which will be instrumental to achieve the overall policy objective to unleash Rwanda's full employment potential.

- (i) Pro-employment macroeconomic framework and sectoral policies;
- (ii) Enterprise development and private sector competitiveness;
- (iii) Agricultural productivity and rural development;
- (iv) Linkage between education, skills development and labour market needs;
- (v) Labour mobility and migration;
- (vi) Formalization of informal economy;
- (vii) Strengthening labour market policies and labour market information system;
- (viii) Social protection, working conditions and productive jobs;
- (ix) Promotion of employment opportunities for specific groups;
- (x) Coordination, monitoring & evaluation.

### **6.1. Pro-employment macroeconomic framework and sectoral policies**

In order to promote employment, the macroeconomic framework needs to be adjusted to explicitly integrate employment objectives and targets. In this regard, a pro-employment

macroeconomic framework includes employment targets alongside the traditional price stability (inflation) targets. This therefore requires the adoption of a dual mandate of stabilizing inflation at a moderate level while supporting economic growth and employment creation. While acknowledging the strengths of the current macroeconomic framework based on the IMF-supported Policy Support Instrument (PSI), modifications are proposed to help achieve Government's development goals, and in this regard sustained productive work-rich growth.

This approach would also require that monetary, fiscal, trade and financial policies are managed in a manner that addresses exogenous shocks and is counter-cyclical. Exchange rate management should avoid its overvaluation in order to foster external competitiveness of exports. Increased fiscal space would also allow Government to target public spending to promote pro-poor growth by expanding the scope of social protection for the poor and other disadvantaged groups, improve productivity and facilitate employment creation in economic activities where the poor households derive their livelihood, especially agriculture and other small-scale businesses. Targeting employment-intensive sectors and facilitating the participation of the poor in growth sectors is also important. In this regard, developing explicit employment indicators and targets in all the sectors of the economy, flagship projects and interventions, decentralized to the district level is important in order to leverage job-rich economic growth.

Employment is considered as a derivative of macro-economic policies and not an objective in itself. But the following constraints remain unaddressed: limited coordination of employment programmes; low youth employment elasticity to GDP growth; investment levels (both domestic and foreign) still insufficient to boost employment-rich growth; low capacity of the formal economy to create jobs. In order to address these constraints, employment has to be placed at the centre of macroeconomic economic policy. While maintaining the same pace of growth, Rwanda aims to focus on the pattern of growth and labour intensity of growth. Monetary policy, fiscal policy, exchange rate policy and capital account management policy should support pro-employment growth. The Central Bank needs to adopt a dual mandate of stability and agent of development by incorporating employment objectives in their mandate.

Active labour market policies should be more targeted and coordinated under National Employment Programme, NEP. Productive employment is the link between growth and poverty reduction and hence inclusive growth. Government should continue to play the "agent of development" role through mainstream employment and developing pro-employment macroeconomic, sectorial and labour market policies; and ensuring harmonization of the policies. Employment targets need to be set in institutions action plans. Employment needs to be mainstreamed within sectors (mostly potential employment sectors) and districts. In the process of elaboration of sector and district strategies (and priorities) respectively, sectors and districts are required to identify targeted jobs to be created by their respective potential investment projects to inform their respective strategies.

The National Employment Policy will address employment mainstreaming in national and sectoral programmes and budgets. Employment mainstreaming will support the coordination and institutional arrangements that will bring together all the actors involved in employment promotion and job creation to plan, implement and monitor various employment initiatives in a coordinated and coherent manner.

The following macro-economic measures shall be undertaken to impact on employment promotion:

- (i) To relate fiscal, monetary, credit, industrial and financial policies to employment objectives;
- (ii) To mainstream employment across all sectors of the economy in central and local levels;
- (iii) To extend, prioritize and incentivize investment with strong backward and forward linkages in employment-intensive sectors.

## **6.2. Enterprise development and private sector competitiveness**

In view of the pre-eminence of Micro, Small and Medium Enterprises (MSMEs), most of which are informal, and the nascent private sector in Rwanda, enterprise development and business development services will be up-scaled. Since most micro-level enterprises which serve small and fragmented markets find it difficult to benefit from economies of scale, organising producers, traders and household/micro enterprises into cooperatives can provide increased access to support services such as credit facilities, training opportunities, market information, and advocacy. In addition, measures will be adopted to ensure that small enterprises benefit from linkages with large scale companies through sub-contracting or supply of services. Fostering linkages between enterprises of different sizes in value chains and clusters is essential to improve access to finance and business development services and markets.

Most micro and small enterprises employ from one up to three people, showing that growth in the sector would create significant private sector non-farm employment opportunities. Vital to promotion of job creation and enterprise development is access to finance. Access to financial services is reported as a major bottleneck for enterprise creation and for existing SMEs to expand and grow. Financial institutions perceive SMEs as high risk and are therefore inflexible in terms of collateral and repayment terms. To tackle the major employment challenge in Rwanda of the slow job creation and enterprise development, it requires absorbing labour supply. One of the strategies among others is Made in Rwanda which aims to boost domestic production, stimulate local consumption habits and contribute to jobs creation. It is through the growth of industries that Made in Rwanda will contribute to the production of high quality goods for domestic market and employ a big number of Rwandans.

The following enterprise development and private sector competitiveness measures shall be undertaken to impact on employment promotion:

- (i) To promote entrepreneurship and business development especially for youth and women;
- (ii) To enhance access to finance, markets and competitiveness;
- (iii) To promote value chains, recapturing domestic market and export;
- (iv) To promote cooperative and collective investments with emphasis in labour intensive;
- (v) To create a business enabling environment for home grown industries (Made in Rwanda) in private sector to promote employment opportunities.

## **6.3. Agricultural productivity and rural development**

In view of the fact that 79 per cent of the population in Rwanda lives in rural areas, and 47 per cent of all employed are in agriculture, rural development is central to the sustainable improvement of living standards in the country. While the Government of Rwanda recognises that moving people from agriculture to non-farm activities is the fastest way to reduce poverty, the immediate focus is to raise productivity through modernizing agriculture and raising living standards in the sector.

The following agricultural productivity and rural development measures shall be undertaken to impact on employment promotion:

- (i) To maximize labour intensive by fostering productivity gains among staple and cash crops, and commercialisation of agriculture and value chains;
- (ii) To modernize agriculture for productive employment promotion;
- (iii) To encourage diversification of agricultural commodities and value addition through the development of agro-processing industries.

#### **6.4. Linkage between education, skills development and labour market needs**

While Rwanda has made great strides in ensuring that its population, especially the youth, have access to education, investing in education remains a priority given the association between higher education and better jobs and the ever changing world of work. In particular, it is imperative to ensure that the youth receive post-secondary education which is a gateway to high-paying non-farm wage employment. Reforms in the TVET and higher education systems in Rwanda will be continued in order to transform the existing skills development structures into a dynamic system based on the demand in the labour market, increased accessibility to youth, inculcating the necessary skills, knowledge and attitudes within the workforce. However, a key challenge is to integrate employers and companies into the education planning, development and training structures in order to enhance the responsiveness of the system to changing demand conditions and to ensure that skills development programmes focus on practical and employable skills.

To ensure the linkage between education, skills development and labour market needs, the following policy measures shall be undertaken in order to impact on employment promotion:

- (i) To strengthen the institutional frameworks for development of skills and employability;
- (ii) To enhance quality of technical and vocational education and training (TVET) to be responsive to current and future needs of labour market through emphasis on practical skills rather than theory;
- (iii) To support the development of a creative and innovative Human Resource Base through enhancing the culture of achievement and excellence;
- (iv) To improve hands-on skills among youth outside regular education system and employment;
- (v) To enhance demand driven employability skills for productive job creation and private sector satisfaction;
- (vi) To ensure human resource development and planning are in place to address the needs of the labour market, supportive of recent developments and making the room for future changes.

#### **6.5. Labour mobility and migration**

While investing in skills for the future, the country will seek to fill temporary skills by attracting skilled individuals in priority sectors from the Rwandan diaspora and the international community. Simultaneously, the country will seek to develop human resources in order to be able to replace expatriate workers who are occupying high-end jobs within the framework of management of labour emigration and immigration at the same time to enable them to be competitive and ready for global labour market opportunities. There is a need to continue identifying skills gap in Rwanda's labour market and update the Occupations in Demand List (ODL), as well as to establish better mechanisms for labour market skills testing and evaluation

of foreigners working or applying to work in Rwanda. This will allow proper identification of shortages and excesses in the labour market and hence policy measures will be drawn.

The following labour mobility and migration measures shall be undertaken to impact on employment promotion:

- (i) To enhance skills and competencies of people especially youth to access national, regional and international employment opportunities;
- (ii) To promote opportunities for skilled Rwandans to be engaged into productive employment abroad;
- (iii) To attract, mobilize and support diaspora to invest and work in Rwanda and map their expertise and skills.

## **6.6. Formalization of informal economy**

In view of the predominance of informal employment in Rwanda, and given the diversity of the informal economy, there is need to design coherent and integrated strategies to facilitate smooth transition to formality in line with the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) of the ILO. The policy response takes into account the two main categories of informal employment (self- and wage employment) as well as the three main responses to informality (regulation, protection and promotion).

The detailed strategies to transition from informality to formality include: (i) growth strategies and quality employment generation; (ii) regulatory environment (including enforcement of International Labour Standards and core rights); (iii) organisation, representation and social dialogue; (iv) promoting equality and addressing discrimination; (v) measures to support entrepreneurship, skills and finance, management, access to markets; (vi) extension of social protection, social security, social transfers; and (vii) local development strategies.

The following measures on smooth transition to formality shall be undertaken to impact on employment promotion:

- (i) To identify, mobilize and incentivise informal SMEs towards formalization;
- (ii) To support and empower youth and women from informal through entrepreneurship, access to finance and new technologies;
- (iii) To support transition from informal to formal SMEs;
- (iv) To improve the legal framework and policies to secure rights to property, title assets or financial capital.

## **6.7. Strengthen active labour market policies and labour market information system**

Active Labour Market Policies (ALMPs) help improve the functioning of the labour market by facilitating smooth and faster deployment and redeployment of jobseekers and by enhancing labour market mobility and adjustment. Internationally, Active Labour Market Policies are normally classified into five groups namely, a) employment services, b) labour market training, c) entrepreneurship and self-employment, d) employment subsidies and d) direct job creation through employment programmes.

Public Employment Services' role in facilitating the registration, profiling, assessment and selection of job seekers for various programmes offered under the NEP, create an incentive for jobseekers to register with PES and hence help build capacity for PES to establish a representative databank of job seekers and employment opportunities. NEP implementing institutions would free up time involved in making calls for applications and recruitment into

their programmes and above all, a credible and sustainable system would evolve for the operation of employment services and implementation of active labour market programmes.

Government and its stakeholders will strengthen ALMPS by undertaking a number of concrete steps like conceptualise, develop and implement a workable system of public employment services suited to the context of Rwanda with clear roles and responsibilities at policy, administrative and operational levels at national, provincial and local levels. There is a key need for Government to assist job seekers to find vacancies through Employment Service Centres, Career Advisory Services for students, and collecting viable statistics on employment and labour. The LMIS will be continually upgraded to contribute to evidence-based labour market policies and planning. The policy will address the current shortcomings facing LMIS and link it to public employment services.

This policy will continue ensuring the provision of labour market training, entrepreneurship and self-employment, employment subsidies and direct job creation through national employment programmes.

The following Active Labour Market Policies shall be undertaken to impact on employment promotion:

- (i) To strengthen systems coordination in the implementation of the ALMPs through NEP;
- (ii) To strengthen the provision of employment services for more efficient and effective matching of jobs and jobseekers;
- (iii) To expand and strengthen youth and women rehabilitation centers and ensure their proper reintegration in workforce after rehabilitation;
- (iv) Strengthen labour market information system for evidence policy making.

## **6.8. Improving labour administration and working conditions**

Effective labour administration contributes to protection of workers' rights, ensures occupational safety and health at workplace, elimination of child labour, strengthens social dialogue and collective bargaining and ensures compliance with labour standards which contributes to labour productivity and competitiveness of enterprises and ultimately to economic growth. In recognition of this role, Government shall undertake the following strategies:

- (i) Promote social dialogue and collective bargaining;
- (ii) Promote trade unions to enhance good living standards of workers, employment promotion and increased productivity;
- (iii) Promote compliance with the fundamental principles, legal and regulatory framework to promote labour rights;
- (iv) Strengthen the institutions for labour administration;
- (v) Prevent Child labour through enforcement of policies and laws;
- (vi) Promote a conducive, safe and healthy working environment.

## **6.9. Promotion of employment opportunities for specific groups**

### **A. Youth empowerment and employment**

Youth employment to be realized, productive employment opportunities should be created, and competent and skilled youth workforce developed. This should be reinforced by the growing urbanisation, which offers opportunities for increased productive employment. Since the factors mostly affecting youth unemployment encompass both supply (skills mismatch - employability) and demand (limited job growth and expansion), active labour market policy measures that influence the quality of labour supply and enhance demand are an important aspect of an integrative employment agenda. On the supply-side, the focus is on quality skills training and moral development for positive work attitude. The aim is to address three critical issues, namely: (i) low levels of educational attainment in the labour force; (ii) shortage of individuals with strong technical skills; and (iii) mismatch between skills taught in vocational training centres and market needs. On the labour demand side, the focus is on ensuring that growth is sufficiently employment-intensive to absorb new entrants to the labour market and provide better productive jobs to the youth.

Ideally, entrepreneurship development initiatives for young people should span a comprehensive set of measures that make it easier for young people to start and run their own business. (e.g. entrepreneurship education and training, enabling administrative and regulatory framework, business assistance and support, access to finance).

The following youth empowerment and employment measures shall be undertaken to impact on employment promotion:

- (i) To empower and link youth to national, regional and global employment market opportunities;
- (ii) To improve the access to start-up capital and toolkits facilities management for self-employment of youth;
- (iii) To facilitate and support youth to assess both quality formal and non-formal education.

### **B. Employment for women**

The IMF Article IV Consultation Report (2017) commended Government's concerted efforts at promoting gender inclusion in economic activity. The IMF Report underlined the need to build on this progress to further boost growth through more inclusion of women in higher productivity jobs. Rwanda has implemented key policies and strategies to address gender imbalances such as the Girls' Education Policy, the National Gender Policy and the Girls' Education Strategic Plan (2008-12) that have improved the enrolment of girls, retention and completion rates, especially in the area of science at both secondary and tertiary levels of education. In order to promote gender equality in skills development and employment, the implementation of this policy will be systematically gender-mainstreamed. All relevant indicators in the monitoring framework will be disaggregated by gender. Arrangements for the supervision of Policy will provide appropriate mechanisms to address special needs and concerns of young women.

The following women employment measures shall be undertaken to impact on employment promotion:



- (i) To enhance women's employability and promoting equal access to productive resources (such as land, finance and other resources) and women's entrepreneurship development;
- (ii) To encourage gender-friendly strategies and appropriate technology to reduce the unnecessary hard work of women's domestic and economic activity and thus enhance their productivity and incomes.

### **C. Employment of Persons with Disabilities (PWDs)**

Government of Rwanda is committed to integrating PWDs into all policy frameworks, programmes/initiatives and society in general. For instance, the Government of Rwanda has endorsed their facilitation in education, with the Ministry of Education providing that PWDs study free of charge. In this regard, the Policy will pay special consideration in formal employment in public, private sector and civil society. Hence in the design of employment programmes, special requirements to fully integrate young PWDs will be taken into account. Staff members dealing with employment-related interventions will be specially trained to address the needs of PWDs. Capacity building packages for enterprises will include special incentives for those employers that offer employment and workplace learning places for PWDs.

The following employment measures for People with Disabilities shall be undertaken to impact on employment promotion:

- (i) To raise awareness on equal opportunities and enforce existing labour rights against any form of discrimination in the labour market;
- (ii) To advocate for skills development and special infrastructure provision for PWDs which enables them to be more productive at work place.

## **7. Institutional Framework and Policy Coordination**

### **7.1. Institutional Framework**

Effective and efficient implementation of the policy strategies and actions articulated in this National Employment Policy will require that the appropriate structures be put in place, accompanied by the human and financial resources to ensure that all stakeholders work together towards promoting productive employment.

Clearly, the implementation of the Policy requires a wide range of integrated and well-designed policy and programme interventions, cutting across the macro and sectoral dimensions and addressing both labour demand and supply, as a basis for the creation of stable and productive employment on a sustainable basis. Given the multi-faceted and multi-layered interventions and actors operating at the national, sectoral and local (district) levels, an effective institutional coordination framework is required if such interventions are to have national impact. Given that the absence of such coordination undermined the efficacy of the 2007 National Employment Policy, the Government of Rwanda established the National Employment Programme (NEP) in 2014 to coordinate employment policies, programmes and projects at all levels and across all sectors of the economy.

The multi-dimensional perspective of employment is reflected in the implementation plan of the Policy, which makes provision for improved policy and programme coordination and coherence between MIFOTRA, MINICOM, MINALOC, MIGEPROF, MINICYOUTH,

MINEDUC, MINECOFIN, MINAFFET, MININFRA, MINAGRI and other Government agencies like RDB, WDA, GMO, RRA, BNR, HEC, DGIE, NIRDA, NISR, RAB, NAEB, RCA, LODA, NCPD, BDF and Districts with strong involvement of the Private Sector Federation (PSF), Trade Unions and Development Partners. This coordination of employment programmes across all sectors of the Government requires both political commitment at the highest level and an appropriate institutional environment.

The institutions and their respective roles and responsibilities at the level of oversight and implementation are outline below:

### **MIFOTRA**

The Ministry of Public Service and Labour is the lead Ministry responsible for dissemination, coordination and oversight of the national employment policy and related interventions. Generally, MIFOTRA is responsible for regulating the employment sector policies, strategies and programs/projects. In addition, it is in charge of collecting and providing periodical and annual reports related to employment and job creation to the Government and on the impact of the employment policies, strategies, programs and projects on the development of the employment sector. For the success of this National Employment Policy, MIFOTRA will put much emphasis on mobilizing resources for the development of employment interventions, monitoring and evaluation of the policy and overseeing its implementation in different institutions.

### **MINICOM**

The Ministry of Trade and Industry will help in entrepreneurship development and address the involvement of the private sector development with employment generation and promotion especially by unlocking the underlying potential of SMEs in national development. The Ministry of Trade and Industry should emphasize on promoting entrepreneurship development and investment in projects which are productive and beneficial to large proportion and hence increase employment opportunities.

### **MINALOC**

The Ministry of Local Government ensures the coordination of good governance and high quality territorial administration programs that promote economic, social and political development throughout the nation. In this National Employment Policy, MINALOC will participate in the process of raising policy awareness and implementation to the general public in the different districts and also ensure that the local government is well collaborating with the private sector and is fully acting as a partner in job creation.

### **MINAGRI**

The Ministry of Agriculture and Animal Resources is mandated to initiate, follow-up and evaluate policies, strategies and programmes of modernization of market oriented agriculture and livestock in line with productivity and employment generation emphasizing on professionalism. The Ministry shall develop appropriate systems of transfer of production technologies, processing, storage and transformation of agricultural products which will tackle the bottleneck of seasonality of employment, time-related underutilization and subsistence agriculture especially among women.

## **MINECOFIN**

The Ministry of Finance and Economic Planning shall be responsible for mobilizing funds for the implementation of the policy with special consideration of its impact/ role in the development agenda of the country and being the priority given to projects with employment potential. It is also a responsibility of MINECOFIN to enable the efficiency of mainstreaming employment and job creation through planning process (Call Circular)

## **MINEDUC**

The Ministry of Education is responsible for formulation, planning, monitoring and evaluation of educational related policy implementation at the national level. In this policy MINEDUC will ensure that appropriate measures are followed for quality education and training. It will also help in promoting the quality of Education in HLIs to ensure new entrants to the job market are better qualified.

## **MIGEPROF**

The Ministry of Gender and Family Promotion will have the responsibility to oversee the mainstreaming of gender in every aspect of the country's development plans and policies. Its overarching responsibility will be to ensure that the inter-generational gender gaps are addressed as effectively and completely as possible. It will ensure that women have the needed access to finance, facilitated to join formal employment and mobilized to join entrepreneurship programs. The Ministry will also advocate to partners to support women graduates' income generating activities and the activities of women's associations.

## **MINIYOUTH**

The Ministry of Youth in this policy will create an enabling environment; act as catalyst and facilitator for youth socio-economic empowerment and moral development. These are all geared towards self-employment and skills development for competitiveness on the Labour market for young generation.

## **MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION**

One of the missions of the MINAFFET is the enactment of legislation that would enable Diaspora to participate in the social and economic development of Rwanda. In addition, Rwandans abroad should be encouraged to invest in the country within the framework of activities developed by the missions abroad and the Rwandans in Diaspora Organisations. The Ministry of Foreign Affairs and International Cooperation should also negotiate and foster bilateral labour agreements using its rich resource of embassies/missions worldwide to enable the country to realise its set objectives as far as the labour mobility policy is concerned.

## **DIRECTORATE GENERAL OF IMMIGRATION AND EMIGRATION**

The functions of DGIE include the control of the borders, issuance and administration of Rwanda travel documents (passports and other documents), issuance of residence permits to foreign investors and other expatriates who wish to reside in Rwanda. DGIE will ensure that standards put in place for Rwandans migrating for employment are fulfilled in order to avoid trafficking right from the place of origin before the commencement of the travel.

## **NATIONAL BANK OF RWANDA (BNR)**

BNR is responsible for the implementation of monetary policy and management of the financial sector and can use its monetary tools in favour of employment potential sectors of the economy.

## **RWANDA DEVELOPMENT BOARD (RDB)**

Rwanda Development Board is responsible for promoting local and foreign direct investments in Rwanda. Emphasis should be put on labour intensive investment. While promoting exports to regional and international markets of goods and services, the opportunities for labour mobility should also be given much consideration. In its mandate to provide guidelines, analyse project proposals and follow up on the implementation of Government decisions in line with public and private investment, RDB should also mainstream employment opportunities in project proposals and provide for incentives.

## **RWANDA REVENUE AUTHORITY**

Rwanda Revenue Authority is responsible for the design and implementation of fiscal policy and this policy should be smooth in order to reduce business attrition rate, to secure a promising business environment and shift the aggregate demand in order to increase employment opportunities.

## **PRIVATE SECTOR FEDERATION**

Private sector growth is a key engine of job creation and its interventions create paying jobs in significant numbers. The roles and responsibilities of the Private Sector Federation in the successful implementation of National Employment Policy are to implement a number of initiatives to expand job opportunities for Rwandans and to facilitate their integration into the labour market. Specifically, PSF will facilitate placement schemes to match young jobseekers with job offers from companies, use of Government programmes and incentives to create new jobs for young people and mentoring of young entrepreneurs and business start-up assistance.

## **TRADE UNIONS**

Trade unions are key partners in National Development. In this Policy, trade unions will support in creating opportunities for employment and development by contributing to an attractive conducive environment for employment creation. Attractive conducive environment enables workers to have employment security, increasing high productivity and ensure safe and healthy working environment.

## **CIVIL SOCIETY ORGANISATIONS**

Civil Society Organisations have the immense contribution in the implementation of the National Employment Policy through the support to micro enterprises, education and employment opportunities to people at the grassroots level.

### **7.2. Policy Coordination**

The Ministry of Public Service and Labour will work in close collaboration with the Technical Committee and the National Steering Committee to ensure coordination and the smooth implementation of the National Employment Policy. The Technical committee will bring

together technical persons representing implementing Institutions and will be meeting for regular feedback on the implementation progress. A senior technical committee composed with Permanent Secretaries, Director Generals and Head of Institutions will be meeting biannually to assess the implementation progress and to unlock technical challenges in the implementation, while a National Steering Committee chaired by the Honourable Minister of Public Service and Labour will be meeting biannually to provide overall guidance and orientation and to address institutional challenges that may hinder the effective operationalization of the National Employment Policy.

The Technical Committee and the National Steering Committee shall be assisted by the Directorate General of Labour and Employment/MIFOTRA as Secretariat. The Technical Committee will be reporting to all interventions done in their respective institutions with a mandate to coordinate, monitor, evaluate and report on the implementation of National Employment Policy to the National Steering Committee.

To ensure effective and efficient coordination, follow-up on the planning, implementation and reporting of the National Employment Policy interventions at central level, the lead Ministry (MIFOTRA) will undertake the following:

- Ensure mainstreaming of the National Employment Policy into national development plans and strategies;
- Follow up implementation of specific interventions and strategies through monitoring mechanisms;
- Ensure coordination among different stakeholders (Public, Private, Development Partners, Civil Society and Trade Unions);
- Develop general report formats and templates for use in all sectors by all stakeholders to foster participatory M&E;
- Coordinate the division of labour between development partners intervening in implementing the National Employment Policy;
- Contribute in the process of resource mobilization for the implementation of National Employment Policy.

## **8. Monitoring and Evaluation**

Effectiveness of the monitoring and evaluation will be enhanced by the Labour Market Information collected by bodies responsible for the various aspects of the Employment Policy. Regular implementation and monitoring reports, preferably annually will be produced and discussed at meetings of National Steering Committee and at annual National Employment Forum. A mid-term and end of programme review will be undertaken to allow for necessary adjustments and to build in flexibility as well as inform the successor policy.

The Ministry of Public Service and Labour will carry out evaluation and prepare regular reports to be submitted to the National Steering Committee and eventually to Government as regards progress achieved and any remedial action to be taken.

Employment indicators will be assessed to enable stakeholders at all levels to monitor and evaluate employment promotion/creation outcomes on regular basis. The Ministry of Public Service and Labour will continue to work closely with the National Institute of Statistics of Rwanda to undertake periodic Labour Force Survey to assess changes on the labour market indicators.

### Key Labour Market Indicators<sup>3</sup>

Indicators	Percentage/ Number
Labour force participation rate	52.5%
Foodstuff production participation rate(outside LF)	53.1%
Proportion of labour force who completed at least secondary school education	12%
Employment to population ratio	44.9%
Percentage of employed population in market oriented agriculture	39.8%
Percentage of employed population in industry	19%
Percentage of employed population in services	41.1%
Informal employment rate	91.41%
Proportion of informal employment in non-agriculture employment	53.78%
Unemployment rate	14.5%
Unemployment rate among university graduates	7.1%
Unemployment rate among secondary school graduates	14.9%
Unemployment rate among females	15.4%
Unemployment rate among males	13.8%
Unemployment rate among TVET graduates	16.63%
Unemployment rate among persons with disability	14.0%
Youth unemployment rate	19.3%
Time related underemployment rate	28.9%
Combined rate of labour underutilization	56.8%
Proportion of TVET graduates who are employed	50.8%
Proportion of General education graduates who are employed	39.9%
Share of women in non -agricultural paid employment	48.4%
Share of youth in non-agricultural paid employment	56.3%
Percentage of employed in Private sector	86.89%
Percentage of employed in households activities	6.74%
Percentage of employed in public sector	6.11%
Share of agriculture workers	39.8%
Share of industry workers	19%
Share of services workers	41.1%
Percentage of persons employed in informal sector	83.8%
Percentage of youth (16-30) in working age population	45.63%

<sup>3</sup> Labour Force Survey, Feb 2019, National Institute of Statistics of Rwanda

## **9. Stakeholder Views**

The Policy was developed under consultation of technical teams drawn from various Government Ministries and Public Agencies, and representatives of employees and employers at the national consultation workshop held in Musanze from 3-5 August 2016. Following this consultation workshop, the Report was further revised to incorporate the inputs from the consultation workshop.

Another technical meeting was organized and held in Musanze during the period 23-27 January 2017. This technical meeting was attended by a diverse group of technical staff from various Government Ministries and Agencies, the National Bank of Rwanda and National Institute of Statistics of Rwanda, the Private Sector Federation (PSF), trade unions and employment experts from the ILO. The key elements of this Policy were therefore developed at this important drafting retreat with the full participation of all relevant stakeholders.

The Revised National Employment Policy was discussed with Representatives of Chambers and Associations from Private Sector Federation in the workshop held at MIFOTRA on 20<sup>th</sup> December 2017 and again it was discussed with all key stakeholders including Government, Private Sector, Civil Society, Employee Organizations and Development Partners on 28<sup>th</sup> December at Nobleza Hotel Kigali. The National Employment Policy was further discussed by the National Labour Council Members in a workshop held at Nobleza Hotel on 22<sup>nd</sup> May 2018.

## 10. Implementation Plan

Policy Area 1: Pro-employment macroeconomic framework and sectoral policies										
Strategic Objectives	Major Policy Actions	Lead implementing Institution	Other implementing and stakeholder institutions	Year of Implementation						
				1	2	3	4	5	6	7
<b>Relate fiscal, monetary, credit, industrial and financial policies to employment objectives</b>	Adjust the Macroeconomic Policy Framework and Budget to facilitate Pro-poor, employment-rich growth	<b>MINECOFIN</b>	BNR, RRA							
	Integrate and ensure that employment creation priorities in policy formulation is maximized in the economy's potential sectors	<b>MINECOFIN</b>	BNR, RRA							
	Promote an enabling employment preservation and promotion strategies through tax incentives to sectors that have export potentials	<b>RRA</b>	MINECOFIN, BNR							
	Adopt macro framework's dual mandate of stabilizing inflation at a moderate level while supporting economic growth and employment creation	<b>MINECOFIN</b>	BNR							
	Address the impact of inflation and exchange rate on jobs and enterprise development.	<b>MINECOFIN</b>	PSF, MINICOM							
	Address the impact of interest rate regimes on jobs and enterprise development.	<b>BNR</b>	MINICOM							
<b>Mainstream employment across all sectors of the economy in central and local levels</b>	Develop employment indicators and targets in all sectors of the economy, flagship projects and interventions to leverage job-rich economic growth	<b>MIFOTRA</b>	MINECOFIN, PSF							
	Mainstream job creation in national development planning and strategy at all levels as a major goal of development and make employment outcomes key development indicators	<b>MIFOTRA</b>	MINECOFIN, RDB							



	Include a component of employment impact assessment in public sector projects proposal	<b>MIFOTRA</b>	MINECOFIN, RDB							
	Analyze the composition of public budget in terms of the proportion devoted to the promotion of employment	<b>MINECOFIN</b>	MIFOTRA,RDB							
	Emphasize creation of more and better job as strategy to achieve National Strategy for Transformation (NST1)	<b>MIFOTRA</b>	MINECOFIN, RDB							
	Put in place methodologies to measure the employment impact of fiscal, monetary or exchange rate policies	<b>MIFOTRA</b>	MINECOFIN, RRA, BNR, RDB							
<b>Extend, prioritize and incentivize investment with strong backward and forward linkages in employment-intensive sectors.</b>	Place emphasis on choosing employment intensive technologies	<b>MINICOM</b>	PSF, RDB							
	Consider the impact of investment on the number and quality of jobs created	<b>RDB</b>	MINICOM,PSF							
	Carry out comprehensive employment impact assessment of infrastructure investment	<b>MININFRA</b>	RDB, PSF							
	Link incentive structures for FDI to the number and quality of jobs created and skills upgrading of local labour force	<b>MINICOM</b>	RDB,PSF							
	Targeting policy incentives to employment-intensive sectors and the participation of the poor in high growth sectors	<b>MINICOM</b>	RDB, PSF							

Policy Area 2: Enterprise development and private sector competitiveness										
Strategic Objectives	Major Policy Actions	Lead implementing Institution	Other implementing and stakeholder institutions	Year of Implementation						
				1	2	3	4	5	6	7
<b>Promote entrepreneurship and business development especially for youth and women</b>	Build capacity of youth and women in development of bankable projects and promote financial education	<b>MINICOM</b>	RDB,MIGEPR OF, MINICYOUTH, NYC,NWC, BDF							
	Conduct Business Plan Competitions for new and innovative business ideas targeting identified potential sectors	<b>MINICYOUTH</b>	MINICOM, NYC, PSF							
	Enhance the capacity of enterprises particularly SMES, cooperatives and those in the informal economy to take advantages of new market opportunities including in export markets	<b>MINICOM</b>	RCA, PSF							
	Identify and support sectors, industries or clusters of enterprises with high potentials for upgrading their position within national and global production chain	<b>MINICOM</b>	PSF							
	Tackle the issue of access to financial services for youth and women's SMEs and link with global market opportunities	<b>MINICOM</b>	BDF, PSF							
<b>Enhance access to finance, markets and competitiveness</b>	Tackle the issue of access to financial services for MSMEs by facilitating their access to funding at affordable interest rate	<b>MINICOM</b>	MINECOFIN, BDF, PSF							
	Support growing businesses and small businesses in a bid to reduce the high attrition rate among MSMEs	<b>MINICOM</b>	BDF, PSF							
	Mobilize capital and raise funding through partnerships (Village Savings and Loans Associations Ibimina) to form collaterals	<b>MINICOM</b>	MINALOC, RCA							
	Facilitate SMEs to access local and regional markets through trade missions, exhibitions and study tours	<b>MINICOM</b>	RDB,PSF							

	Put in place a leasing framework facilitating access to new equipment and latest technologies	<b>MINICOM</b>	BDF,PSF, RDB								
	Develop and put in place tools or methodologies to assess the employment impact of trade liberalization on specific economic sectors	<b>MINICOM</b>	PSF, RDB								
<b>Promote value chains, recapturing domestic market and export</b>	Organize and facilitate SMEs creation along value chain cycle and conduct specific trainings at every level of the value chain cycles	<b>MINICOM</b>	PSF, RDB								
	Strengthen community processing centers to improve SMEs for increased productivity and job creation	<b>MINICOM</b>	PSF, RDB, RCA								
	Organize cross-border traders and build their capacity for employment creation	<b>MINICOM</b>	PSF, RDB								
	Enhance export-oriented farming through linking MSMEs holders with investors and expanded foreign market access	<b>MINICOM</b>	MINGARI,PSF, RDB								
	Identify, attract and develop priority value chains for the right anchor firms with market linkages	<b>MINICOM</b>	MINGARI,PSF, RDB								
	Promote value chains and linkages, including synergies between FDI's and local enterprises	<b>MINICOM</b>	MINGARI,PSF, RDB								
<b>Promote cooperative and collective investments with emphasis in labour intensive</b>	Organize awareness campaigns and put in place facilities to encourage communities to form cooperatives	<b>MINICOM</b>	RCA, MINALOC, RDB								
	Conduct trainings for cooperative managers and members on how to benefit from existing opportunities	<b>MINICOM</b>	RCA, MINALOC, RDB								
	Engage financial institutions to provide incentives to cooperatives and collective investors	<b>MINICOM</b>	RCA, MINECOFIN, MINALOC, RDB, BDF								

	Create linkage between local cooperatives and investors with foreign markets	<b>MINICOM</b>	RCA, MINALOC, RDB								
	Undertake the organization of cooperatives and collective investment in labour intensive sectors to meet local demand and embrace Made in Rwanda Policy.	<b>MINICOM</b>	RCA, RDB								
<b>Create a business enabling environment for home grown industries (Made in Rwanda) in private sector to promote employment opportunities.</b>	Establish and expand home grown industries working with the private sector to promote locally produced materials and “Made in Rwanda”	<b>MINICOM</b>	MINECOFIN, BDF,PSF,RCA, MINALOC, MIGEPROF, BNR								
	Encourage the banking sector to increase lending to businesses of young men and women	<b>MINICOM</b>	BNR, MINICYOUTY, MIGEPROF,PSF								
	Establish leasing facility for MSMEs involved in craft activities to enable them accessing modern technology	<b>MINICOM</b>	PSF								
	Strengthen and promote participatory and inclusive development process including through public private partnership.	<b>MINICOM</b>	MINECOFIN, PSF								

<b>Policy Area 3: Agricultural productivity and rural development</b>											
<b>Strategic Objectives</b>		<b>Major Policy Actions</b>	<b>Lead implementing Institution</b>	<b>Other implementing and stakeholder institutions</b>	<b>Year of Implementation</b>						
					<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Maximize intensive fostering</b>	<b>labour by</b>	Attract qualified youth to transform the Rwandan agriculture sector through agribusiness investment facility development.	<b>MINAGRI</b>	NAEB, RAB, PSF							

<b>productivity gains among staple and cash crops, and commercialization of agriculture and value chains</b>	Promote mutually beneficial linkages between agricultural and non-farm activities	<b>MINAGRI</b>	RAB,NAEB, PSF							
	Encourage diversification into non-traditional agricultural commodities and value addition	<b>MINAGRI</b>	RAB, NAEB, PSF							
	Promote labor-intensive investment in cash crops	<b>MINAGRI</b>	RAB, NAEB, PSF, MINICOM							
	Spearhead the expansion of employment along the agriculture supply chain in agri-business and value addition	<b>MINAGRI</b>	RAB, NAEB, PSF							
<b>Modernize agriculture for productive employment promotion.</b>	Use improved seeds and fertilizers, extension services, water harvesting, terracing and irrigation, pesticides and storage facilities	<b>MINAGRI</b>	RAB, NAEB, PSF							
	Strengthen the linkages between farmers, processors, traders, retailers, exporters	<b>MINAGRI</b>	RAB, NAEB, PSF, MINICOM							
	Establish public and private managed irrigation schemes to reduce the effect of seasonality	<b>MINAGRI</b>	RAB, NAEB, PSF							
<b>Encourage diversification of agricultural commodities and value addition through the development of agro-processing industries.</b>	Create forward and backward linkage between local farmers and agro industries	<b>MINGARI</b>	MINICOM, PSF							
	Strengthen market driven research to diversify exports of agricultural products	<b>MINGARI</b>	RAB, NAEB PSF, NIRDA							
	Promote linkages between agriculture and its value chain with financial institutions to facilitate its growth	<b>MINGARI</b>	MINICOM PSF							
	Provide training in product development and technical assistance in handling agriculture productivity	<b>MINAGRI</b>	RAB, NAEB, NIRDA							

Policy Area 4: Linkage between education, skills development and labour market needs										
Strategic Objectives	Major Policy Actions	Lead implementing Institution	Other implementing and stakeholder institutions	Year of Implementation						
				1	2	3	4	5	6	7
<b>Strengthen the institutional frameworks for development of skills and employability</b>	Strengthen collaboration mechanisms and linkage between Sector Skills Councils, Professional Organizations and education planners and providers	<b>MINEDUC</b>	MIFOTRA, WDA, PSF, RDB, REB, HEC,UR,RP							
	Develop competency based curriculum aligned to potential employment sectors and labour market needs	<b>MINEDUC</b>	MIFOTRA, WDA, PSF, RDB, REB, HEC,UR,RP							
	Strengthen the framework through which the private sector fully participates in defining skills needs and participates in skills development through sector skills councils	<b>MINEDUC</b>	MIFOTRA, WDA, PSF, RDB, REB, HEC,UR,RP							
	Develop a framework for skills development financing owned by the Private, Civil Society and Public sectors	<b>MINEDUC</b>	MIFOTRA, WDA, PSF, RDB, REB, HEC,UR,RP, Civil Society							
	Ensure strong and effective stakeholder collaboration framework to match education with labor market needs	<b>MINEDUC</b>	MIFOTRA, WDA, PSF, RDB, REB, HEC, UR, RP							
<b>Enhance quality of technical and vocational education</b>	Strengthen linkages between TVET graduates and financial institutions to access finance to implement their projects	<b>RP</b>	RDB, BDF, PSF, WDA							

<b>and training (TVET) to be responsive to current and future needs of labour market through emphasis on practical skills rather than theory</b>	Increase internship and apprenticeship opportunities for graduates in public and private sectors	<b>RDB</b>	MIFOTRA,PSF							
	Introduce dual training system in all TVET schools	<b>WDA</b>	MINEDUC, MIFOTRA, RDB,PSF, RP							
	Upgrade skills and vocational training in Rwanda to meet accessed and anticipated domestic and foreign labour market needs in harmony with international qualification standards	<b>WDA</b>	MINEDUC, MIFOTRA, RDB,PSF, RP							
<b>Support the development of a creative and innovative Human Resource Base through enhancing the culture of achievement and excellence</b>	Promote and support creativity and innovation culture especially among youth and women	<b>RDB</b>	MIFOTRA, MINICOM, PSF.							
	Enhance career guidance and development advisory services as a bridge to talent detection and reorientation	<b>MINEDUC</b>	UR,RP							
	Empower talented youth to realize their potentials as a way to promote massive and productive jobs	<b>MINIYOUTH</b>	MINEDUC, MIFOTRA							
	To ensure the uptake of research by industry to increase productivity	<b>NIRDA</b>	MINICOM, PSF							
	Initiate skills and innovation competition among TVET Schools and High Learning Institutions	<b>MINEDUC</b>	UR,RP,PSF							
	Support financially and technically high growth talented prospective entrepreneur's projects' and professionals with potential to create many productive jobs	<b>RDB</b>	BDF, MINICOM							
	Expand exploitation of youth employment friendly sectors potentials such as creative industry, ICT, entertainment and recreational among others.	<b>MINIYOUTH</b>	MINICT,RDB,P SF							

<b>Improve hands-on skills among youth outside regular education system and employment</b>	Promote and upscale recognition of prior learning initiative	<b>WDA</b>	MIFOTRA, MINEDUC, RDB								
	Speed up the operationalization of ICPCs and CPCs so as to serve as incubation Centres and centres for internships and industrial attachments	<b>MINICOM</b>	RDB								
<b>Enhance demand driven employability skills for productive job creation and private sector satisfaction</b>	Support increased opportunities for student work experience, placements and internships	<b>RDB</b>	WDA, MIFOTRA, MINEDUC, PSF								
	Explicitly articulate relevant graduate employability skills in the learning outcomes for every subject	<b>MINEDUC</b>	WDA, MIFOTRA,PSF								
	Provide career information and guidance to prepare students for the world of work, including self-employment	<b>MINEDUC</b>	UR,RP,MIFOTRA,PSF								
	Involve employers' and workers' organizations in the design and delivery of training Programmes	<b>MINEDUC</b>	Trade Unions, Civil Society, WDA,RP, RDB, RMI								
	Promote lifelong learning and employability	<b>MINEDUC</b>	UR,RP,MIFOTRA,PSF								
	Deliver skills training to those in the informal economy or in rural areas through innovative approaches (such as community-based training, distance learning using ICT, mobile training)	<b>MINICOM</b>	MINALOC,MIN ICT								
	Regular Joint review and update of education policies and curriculum by all stakeholders to respond to the Labour Market Needs through private sector influence	<b>MINEDUC</b>	MIFOTRA, WDA, PSF, RDB, REB, HEC,UR, RP, Civil Society								



Ensure human resource development and planning are in place to address the needs of the labour market, supportive of recent developments and making the room for future changes	Undertake the projection of human resource development requirements and labour market needs	<b>RDB</b>	MIFOTRA, MINEDUC, PSF							
	Improve quality of education, as from early age up to tertiary level, to enhance skills development and possession of required skills to be successful in joining the job market	<b>MINEDUC</b>	MIFOTRA, WDA, PSF, RDB, REB, HEC, UR, RP, Civil Society							
	Strengthen the Labour Market Testing Mechanism that responds to skills shortages and transfer	<b>MIFOTRA</b>	MINEDUC, PSF							

Policy Area 5: Labour mobility and migration										
Strategic Objectives	Major Policy Actions	Lead implementing Institution	Other implementing and stakeholder institutions	Year of Implementation						
				1	2	3	4	5	6	7
Enhance skills and competencies of people especially youth to access national, regional and international employment opportunities	Set up mechanisms to attract skilled members of Diaspora with potential skills for transfer	<b>RDB</b>	DGIE, MINAFFET, MINEDUC,							
	Involve and engage professional members of Diaspora in bridging and transferring skills in Rwanda mostly in critical skills areas	<b>MINAFFET</b>	RDB, DGIE, MINEDUC							
	Train people to have competitive skills and knowledge not only for the internal market needs but also for the external market	<b>MINEDUC</b>	DGIE, MINAFFET,							

<b>Promote opportunities for skilled Rwandans to be engaged into productive employment abroad</b>	Negotiate and sign bilateral and multilateral agreements for employment opportunities abroad	<b>MINAFFET</b>	RDB, DGIE, MIFOTRA, MIN EDUC, MINIJUST								
	Set up guiding framework regulating conditions of work for people engaged in migration for productive employment	<b>MIFOTRA</b>	RDB, DGIE, MINIJUST								
	Put in place readiness training programs for Rwandans to be engaged in overseas employment opportunities	<b>RDB</b>	DGIE, MINAFFET								
<b>Attract, mobilize and support diaspora to invest and work in Rwanda and map their expertise and skills.</b>	Strengthen the capacity of private and public employment agencies to meet the Labour migration needs	<b>MINAFFET</b>	DGIE, RDB, MIFOTRA,								
	Create awareness on labour mobility issues and opportunities	<b>RDB</b>	DGIE, MINAFFET								
	Legislate and strengthen the regulation of private employment agencies engaged in recruitment of foreign migrant labour and emigrant labour	<b>RDB</b>	DGIE, MINAFFET, MINIJUST								
	Provide information on business and employment opportunities within the country to the Diaspora.	<b>MINAFFET</b>	DGIE, RDB, MIFOTRA,								

<b>Policy area 6: Formalization of informal economy</b>											
<b>Strategic Objectives</b>	<b>Major Policy Actions</b>	<b>Lead implementing Institution</b>	<b>Other implementing and stakeholder institutions</b>	<b>Year of Implementation</b>							
				<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	
<b>Identify, mobilize and incentivize</b>	Map informal business activities and owners across the country	<b>MINICOM</b>	RDB, PSF								
	Mobilize and incentivize informal SMEs towards formalization	<b>MINICOM</b>	PSF								

<b>informal SMEs towards formalization</b>	Extend labour legislation to cover workers in the informal economy	<b>MIFOTRA</b>	PSF, MINIJUST, RLRC							
	Extend social protection to cover those in the informal economy	<b>MINICOM</b>	MINALOC, MINECOFIN, RSSB							
	Undertake awareness campaign using different communication channels & materials, regarding the benefits of formality	<b>MINICOM</b>	PSF, RDB							
	Allow tax incentives to enable those who are in the informal sector to organize their businesses.	<b>MINICOM</b>	MINECOFIN, RRA, PSF							
<b>Support and empower youth and women from informal through entrepreneurship, access to finance and new technologies</b>	Create linkage to business advisory services to support youth and women from informal t in formalization process and access to finance	<b>MINICOM</b>	BDF, PSF							
	Create innovative financial products such as loans against receivables and asset leasing and liberalize collateral requirements	<b>MINICOM</b>	BDF							
<b>Support transition from Informal to Formal SMEs</b>	Build capacity of SMEs to achieve quality control, stable and just-in-time supply and strong management	<b>MINICOM</b>	PSF							
	Establish a system for certification and awarding of the highly performing SMEs to encourage competition and performance	<b>MINICOM</b>	PSF, RDB							
	Establish national and regional “Market Information System” to provide online market information	<b>RDB</b>	MINICT							
	Promote the linkage between SMEs and large-medium firms for subcontracting and outsourcing	<b>MINICOM</b>	PSF,RPPA							
	Encourage research institutions including universities to identify gaps in SMEs development and advise on the way forwards	<b>MINICOM</b>	NIRDA, UR, RP							

<b>Improve the legal framework and policies to secure rights to property, title assets or financial capital</b>	Improve the legal framework to secure rights to property, title assets or financial capital	<b>MINICOM</b>	MINIJUST, PSF, RLRC								
	Establish a mechanism to implement and enforce the intellectual property rights law as a way to promote creative industry for employment	<b>MINICOM</b>	MINIJUST, PSF, RDB, RLRC								
	Improve the regulatory framework so that businesses can operate more easily in the formal economy	<b>MINICOM</b>	MINIJUST, PSF, RLRC								
	Promote entrepreneurship development for those in the informal economy	<b>MINICOM</b>	PSF								
	Promote the upgrading of value chains to benefit those at the informal end of the chains.	<b>MINICOM</b>	PSF								

<b>Policy Area 7: Strengthening Labour Market Policies and Labour Market Information System</b>											
<b>Strategic Objectives</b>	<b>Major Policy Actions</b>	<b>Lead implementing Institution</b>	<b>Other implementing and stakeholder institutions</b>	<b>Year of Implementation</b>							
				<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	
<b>Strengthen systems coordination in the implementation of the ALMPs through NEP</b>	Strengthen coordination and efficiency of Integrated Craft Production Centers (UDUKIRIRO) and Community Processing Centers (URUGANDA IWACU) across the country	<b>RDB</b>	MIFOTRA, MINICOM, NIRDA, DISTRICTS, PSF								
	Strengthen employment intensive investment and public works programmes coordination	<b>RDB</b>	MIFOTRA, LODA, MININFRA								
	Broaden and strengthen incubation and training centers in all secondary cities	<b>RDB</b>	MINICOM, MINALOC								

	Introduce the conditional unemployment benefit scheme for University graduates	<b>MIFOTRA</b>	RDB, MINECOFIN							
<b>Strengthen the provision of employment services for more efficient and effective matching of jobs and jobseekers.</b>	Create a conducive legal framework for the operation of public employment service and other employment services providers	<b>RDB</b>	MIFOTRA, DISTRICTS, PSF							
	Strengthen capacity of public employment services through a sustainable system for financing public employment services	<b>RDB</b>	MIFOTRA, DISTRICTS, PSF							
	Develop and implement a centralized online job portal	<b>RDB</b>	MINICT, MIFOTRA							
	Strengthen public employment services' capacity to collect data and feed labour market information system	<b>RDB</b>	NISR, MIFOTRA							
	Strengthen the provision of employment services for more efficient and effective matching of job providers and jobseekers	<b>RDB</b>	MIFOTRA, DISTRICTS, PSF							
	Develop innovative ways of promoting cooperation with private employment agencies in order to enhance services to jobseekers and employers	<b>RDB</b>	MIFOTRA, DISTRICTS, PSF							
<b>Expand and strengthen youth and women rehabilitation centers and ensure their proper reintegration in workforce.</b>	Strengthen infrastructure to host youth and women to be rehabilitated	<b>NRS</b>	MIGEPROF,MI NIYOUTH, MIFOTRA, MINALOC, RNP, DISTRICTS							
	Expand and diversify vocational and technical skills development in rehabilitation centers	<b>NRS</b>	WDA							
	Enhance mechanisms/systems for follow up and proper reintegration of youth graduating from rehabilitation centers into labour market	<b>NRS</b>	MINALOC, DISTRICTS							

<b>Strengthen labour market information system for evidence policy making</b>	Update key indicators of the labour market (KILM) on a regular basis	<b>RDB</b>	MIFOTRA, NISR								
	Ensure the labour market data with gender, age, and regional disaggregation is collected, analyzed and disseminated	<b>RDB</b>	MIFOTRA, NISR								
	Coordinate various sources of labour market information into a coherent Labour Market Information System	<b>RDB</b>	MIFOTRA, NISR, MINICT								
	Create a computerized labour market information system	<b>RDB</b>	MIFOTRA, NISR, MINICT								
	Link LMIS with public and private employment services	<b>RDB</b>	MIFOTRA, PSF								
	Promote decentralization of the labour market information system.	<b>RDB</b>	MIFOTRA, NISR								

<b>Policy Area 8: Social protection, working conditions and productive jobs</b>											
<b>Strategic Objectives</b>	<b>Major Policy Actions</b>	<b>Lead implementing Institution</b>	<b>Other implementing and stakeholder institutions</b>	<b>Year of Implementation</b>							
				<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	
<b>Promote Social Dialogue and Collective Bargaining</b>	Conduct regular awareness campaigns on the Social Dialogue Code of Conduct	<b>MIFOTRA</b>	PSF, TRADE UNIONS, Civil Society								
	Build capacity of Social Dialogue Partners and facilitate establishment of 'joint negotiation councils' to negotiate working conditions and relations between parties at the sectoral level	<b>MIFOTRA</b>	PSF, TRADE UNIONS, Civil Society								

	Conduct regular M&E on promotion of social dialogue, initiate and recognize collective bargaining in employment sectors	<b>MIFOTRA</b>	PSF, TRADE UNIONS, Civil Society							
<b>Promote trade unions to enhance good standards of workers, employment promotion and increased productivity</b>	Enhance National conscious Trade Unions	<b>MIFOTRA</b>	PSF, TRADE UNIONS, Civil Society							
	Strengthen financial self-reliance for trade unions	<b>MIFOTRA</b>	PSF, TRADE UNIONS, Civil Society							
<b>Promote compliance with the fundamental principles and rights at work, legal and regulatory framework to promote labour rights</b>	Promote compliance with international labour standards through conducting Audits in economic sectors and compliance fora with employers	<b>MIFOTRA</b>	PSF , TRADE UNIONS							
	Conduct regular awareness campaigns for employers, workers, workers delegates and OSH Committees on labour standards	<b>MIFOTRA</b>	PSF , TRADE UNIONS							
	Strengthen enforcement of labour law and regulations through inspections	<b>MIFOTRA</b>	PSF , TRADE UNIONS, Civil Society							
	Establish Integrated Labour Administration System	<b>MIFOTRA</b>	PSF , TRADE UNIONS, MINICT							
<b>Strengthen the institutions for labour administration</b>	Strengthen the National Labour Council	<b>MIFOTRA</b>	NLC, PSF, Trade Unions							
	Strengthen the capacities of labour dispute resolution bodies	<b>MIFOTRA</b>	PSF							
	Build capacities of Labour Inspectors to enforce labour standards	<b>MIFOTRA</b>	PSF							

	Create a collaboration mechanism with other institutions handling matters related to labour and employment	<b>MIFOTRA</b>	PSF							
<b>Child labour prevention through enforcement of policies and laws</b>	Review and implement National Policy on elimination of child labour and its strategic plan	<b>MIFOTRA</b>	MIGEPROG, RIB, NLC, PSF, Trade Unions							
	Collect regular data on prevalence of child labour	<b>MIFOTRA</b>	MIGEPROF							
	Create a conducive environment for prevention and elimination of child labour	<b>MIFOTRA</b>	MIGEPROF							
	Create a strong collaboration mechanism with Social partners in order to be active in addressing child labour	<b>MIFOTRA</b>	MIGEPROF							
<b>Promote a Conducive, Safe and Health Working Environment</b>	Ensure data collection and reporting system on OSH	<b>MIFOTRA</b>	MoH, PSF, TRADE UNIONS							
	Develop and enforce standards, specific regulations and guidelines on OSH	<b>MIFOTRA</b>	MoH, PSF, TRADE UNIONS							

<b>Policy Area 9: Promotion of employment opportunities for specific groups</b>										
<b>Strategic Objectives</b>	<b>Major Policy Actions</b>	<b>Lead implementing Institution</b>	<b>Other implementing and stakeholder institutions</b>	<b>Year of Implementation</b>						
				<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Empower youth and women for employment</b>	Train youth and women in new technologies for improving productivity and employment	<b>MINIYOUTH MIGEPROF</b>	PSF,RDB, NYC, NWC, MINICT							
	Build the necessary technical, digital and soft skills for digital jobs	<b>RDB</b>	MIFOTRA, MINICT, MINIYOUTH, MIGEPROF							



	Foster partnerships with Private Sector and other relevant stakeholders to create IT-Enabled Services (ITES) and BPO (Business Process Outsourcing) and link them to foreign and local suppliers of digital jobs	<b>RDB</b>	MIFOTRA, MINICT, MINICYOUTH, MIGEPROF							
	Support and empower youth and women to access digital jobs	<b>RDB</b>	MIFOTRA, MINICT, MINICYOUTH, MIGEPROF							
	Empower and link youth and women to national, regional and global employment market opportunities	<b>MINICYOUTH , MIGEPROF</b>	RDB, MIFOTRA							
	Improve access to start-up capital and toolkits facilities management for self-employment of youth and women	<b>RDB</b>	MINICYOUTH, MIGEPROF, MINICOM							
	Enhance youth and women's employability and promote equal access to productive resources (such as land, finance and other resources) and entrepreneurship development	<b>MINICYOUTH , MIGEPROF</b>	MINICOM, MINALOC							
	Establish a framework for national talent detection, promotion and development among young men and women	<b>MINICYOUTH , MIGEPROF</b>	MINICOM, RBD							
	Provide special incentives for youth and women with initiatives that promote creative industries	<b>MINICYOUTH , MIGEPROF</b>	MINICOM, RBD							
	Strengthen linkages between youth and women with relevant financial institutions to access finance for implementation of their projects	<b>MINICYOUTH , MIGEPROF</b>	MINICOM, RBD, BDF							
<b>Empower Persons With Disabilities for employment</b>	Advocate for skills development and special infrastructure provision for PWDs which enable them to be more productive at work place	<b>NCPD</b>	MIFOTRA, MINEDUC							
	Conduct a study on feasible incentives to promote employment for PWDs	<b>NCPD</b>	MIFOTRA, MINALOC							
	Promote creative industries among PWDs	<b>NCPD</b>	MINISPOC, MINICOM, PSF							

	Facilitate access to finance for PWD business starters	<b>NCPD</b>	BDF, PSF							
	Strengthen linkages between PWDs with relevant financial institutions to access finances for implementation of their projects.	<b>NCPD</b>	BDF, PSF							

<b>Policy Area 10: Coordination, Monitoring &amp; Evaluation</b>										
<b>Strategic Objectives</b>	<b>Major Policy Actions</b>	<b>Lead implementing Institution</b>	<b>Other implementing and stakeholder institutions</b>	<b>Year of Implementation</b>						
				<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Strengthen coordination mechanisms for all stakeholders involved in employment creation</b>	Involve stakeholders in Joint Planning and implementation of the employment policy	<b>MIFOTRA</b>	RDB							
	Manage an effective feedback mechanism that makes statistical information available to Government, the private sector and civil society, in a user-friendly form	<b>MIFOTRA</b>	RDB,NISR							
	Develop general report formats/templates for use in all sectors	<b>MIFOTRA</b>	RDB							
	Ensure oversight coordination and daily monitoring, evaluation and coordination of Employment Services	<b>MIFOTRA</b>	RDB							
<b>Monitoring and Evaluation</b>	Conduct Labour Force Survey on a regular basis	<b>MIFOTRA</b>	NISR , RDB, MINECOFIN							
	Reinforce institutional arrangements with adequate capacity to support and sustain effective monitoring and evaluation	<b>MIFOTRA</b>	NISR , RDB, MINECOFIN							
	Undertake mid-term review and final evaluation of the Policy implementation	<b>MIFOTRA</b>	NISR , RDB, MINECOFIN							

## 11. Financial Implication

The financial implications of this Policy are summarized by strategic objective / area of intervention below.

<b>Intervention</b>	<b>Budget (RwFs)</b>
<b>Pro-employment macroeconomic framework and sectoral policies</b>	
Relate fiscal, monetary, credit, industrial and financial policies to the employment objectives	200,000,000
Mainstream employment across all sectors of the economy in central and local levels	800,000,000
Extend, prioritize and incentivize investment with strong backward and forward linkages in employment-intensive sectors	5,000,000,000
<b>Enterprise development and private sector competitiveness</b>	
Promote entrepreneurship and business development especially for youth and women	3,000,000,000
Enhance access to finance, markets and competitiveness	500,000,000
Promote value chains, recapturing domestic market and export	5,000,000,000
Promote cooperative and collective investments with emphasis on labour intensive	500,000,000
Create a business enabling environment for home grown industries (Made in Rwanda) in private sector to promote employment opportunities.	5,000,000,000
<b>Agricultural productivity and rural development</b>	
Maximize labour intensive by fostering productivity gains among staple and cash crops, and commercialization of agriculture and value chains	380,000,000
Modernize agriculture for productive employment promotion	11,000,000,000
Encourage diversification of agricultural commodities and value addition through the development of agro-processing industries	80,000,000
<b>Linkage between education, skills development and labour market needs</b>	
Strengthen institutional frameworks for development of skills and employability	42,950,000,000
Enhance quality of technical and vocational education and training (TVET) to be responsive to current and future needs of labour market through emphasis on practical skills rather than theory	5,000,000,000
Support the development of a creative and innovative Human Resource Base through enhancing the culture of achievement and excellence	800,000,000
Improve hands-on skills among youth outside regular education system and employment	450,000,000
Enhance demand driven employability skills for productive job creation and private sector satisfaction	100,000,000
Ensure human resource development and planning are in place to address the needs of the labour market, supportive of recent developments and making the room for future changes	500,000,000
<b>Labour mobility and migration</b>	
Enhance skills and competencies of people especially youth to access national, regional and international employment opportunities	700,000,000
Promote opportunities for skilled Rwandans to be engaged into productive employment abroad	750,000,000

<b>Intervention</b>	<b>Budget (RwFs)</b>
Attract, mobilize and support diaspora to invest and work in Rwanda and map their expertise and skills	700,000,000
<b>Formalization of informal economy</b>	
Identify, mobilize and incentivize informal SMEs towards formalization	500,000,000
Support and empower youth and women from informal through entrepreneurship, access to finance and new technologies	1,000,000,000
Transition from Informal to Formal SMEs	1,000,000,000
Improve the legal framework and policies to secure rights to property, title assets or financial capital	2,000,000,000
<b>Strengthen Active Labour Market Policies and Labour Market Information System</b>	
Strengthen systems coordination in the implementation of the ALMPs through NEP	44,000,000,000
Strengthen the provision of employment services for more efficient and effective matching of jobs and jobseekers	71,000,000,000
Expand and strengthen youth and women rehabilitation centers and ensures their proper reintegration in workforce	2,000,000,000
Strengthen labour market information system for evidence policy making	800,000,000
<b>Improving labour administration and working conditions</b>	
Promote Social Dialogue and Collective Bargaining	230,800,000
Promote trade unions to enhance good living standards of workers, employment promotion and increased productivity	200,000,000
Promote compliance with the fundamental principles and rights at work, legal and regulatory framework to promote labour rights	61,000,000
Strengthen the institutions for labour administration	100,000,000
Prevent Child labour through enforcement of policies and laws	500,000,000
Promote a conducive, safe and healthy working environment	100,000,000
<b>Promotion of employment opportunities for specific groups ( Youth, Women and PWDs)</b>	
Empower youth and women for employment	60,000,000,000
Empower Persons With Disabilities for employment	10,000,000,000
<b>Coordination, Monitoring &amp; Evaluation</b>	
Strengthen coordination mechanisms for all stakeholders involved in employment creation	200,000,000
Monitoring and Evaluation	70,000,000
<b>Grand Total</b>	<b>322,171,800,000</b>

Funding this Policy would require domestic resource mobilization and external support through Development Partners.

## **12. Legal Implications**

The implementation of some interventions envisaged in this policy requires developing and/or reviewing the existing legal instruments that regulate employment and related areas. Specifically, areas that require the provision of incentives such as for those operating informally to see the value of becoming formal and employment promotion for special groups.

The creation of an enabling business environment and in particular an enabling environment for SMEs to operate requires a review of the current instruments related to SMEs promotion and formalization. Promoting opportunities for skilled Rwandans, especially youth and women to be engaged in migration for productive employment would be facilitated through the signing of bilateral and multilateral agreements regulating conditions of work for such people across borders.

The need to promote Social Dialogue and Collective Bargaining would be enhanced through the amendment of regulation for Collective bargaining procedures. Lastly, the promotion of Labour Rights would require that labour laws are revised regularly

## **13. Impact on Business**

In line with the thrust of NST1, this Policy will be based on a private sector-led development trajectory, with Government coordination and support. This is very clear from the initiatives being proposed such as promotion of skills and enterprise development for employment creation, as well as formalization of informal enterprises.

More importantly, business will benefit from transitioning from informality to formality which will create sustainable jobs and enterprises. The promotion of a better link between skills development and business requirements will enhance employability, productivity and enterprise competitiveness. Since the overriding objective of the NST1 is the creation of 1.5 million productive jobs, this will not only raise the standards of living of the employed, but also will increase the demand for products and services produced by business. Essentially therefore, sustained job creation under this Policy is informed by the need to develop sustainable businesses and is in itself a business and private sector development strategy.

## **14. Impact on Equality, Unity and Reconciliation**

By its very nature, this Policy seeks to build the capacities of special groups including women, youth and persons with disabilities to promote inclusive and job-rich growth. In this regard, it is based on the need to address capability deprivations amongst the vulnerable groups so that the full potential of all Rwandans is captured through productive work for all.

Hence, the promotion of equity and equality is an overriding objective of the Policy, which seeks to promote broad-based, inclusive and pro-poor growth in Rwanda. By providing a basis for all Rwandese to find productive work and thereby enjoy a dignified standard of living, the Policy will foster a sense of belonging, which enhances national reconciliation and cohesion, thereby strengthening nation building.

## **15. Handling Plan / Communication Strategy**

Employment is a cross-cutting issue requiring effective national coordination. As provided for in the Policy, employment creation is not only the responsibility of existing entities, but also involves creating opportunities for self-employment. At the level of Government, employment is a cross-cutting role. In this regard, there is therefore need to build synergies between all stakeholders in their respective roles and responsibilities.

A critical requirement for the success of National Employment Policy is therefore a communication strategy in order to raise awareness amongst key stakeholders about their roles and responsibilities, the inter-relatedness of the interventions, as well as the need for a strong coordination mechanism and regular reviews. The communication strategy will assist in disseminating key information packages to stakeholders involved in promoting and implementing activities of the Policy at all levels. Several media of communication will be used to raise public awareness and education on the Policy with a view to mobilizing for support and ownership by all stakeholders at all levels.