

Sustainable and Decent Job Creation, NST2 Priorities and Social Protection

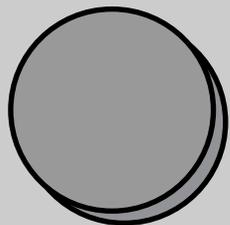


Republic of Rwanda

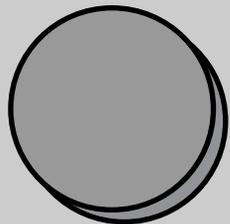
Ministry of Public
Service and Labour

Nyamata, January 2025

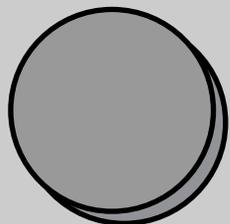
Content outline



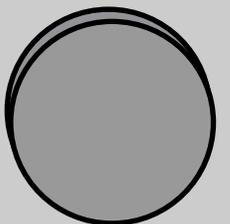
Economic and Labour Market at Glance



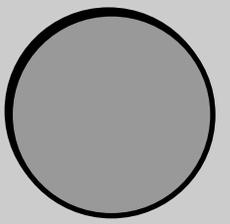
Challenges and opportunities



NST2 and Strategic and targeted Interventions



Global Accelerator on Jobs and Social Protection in Rwanda

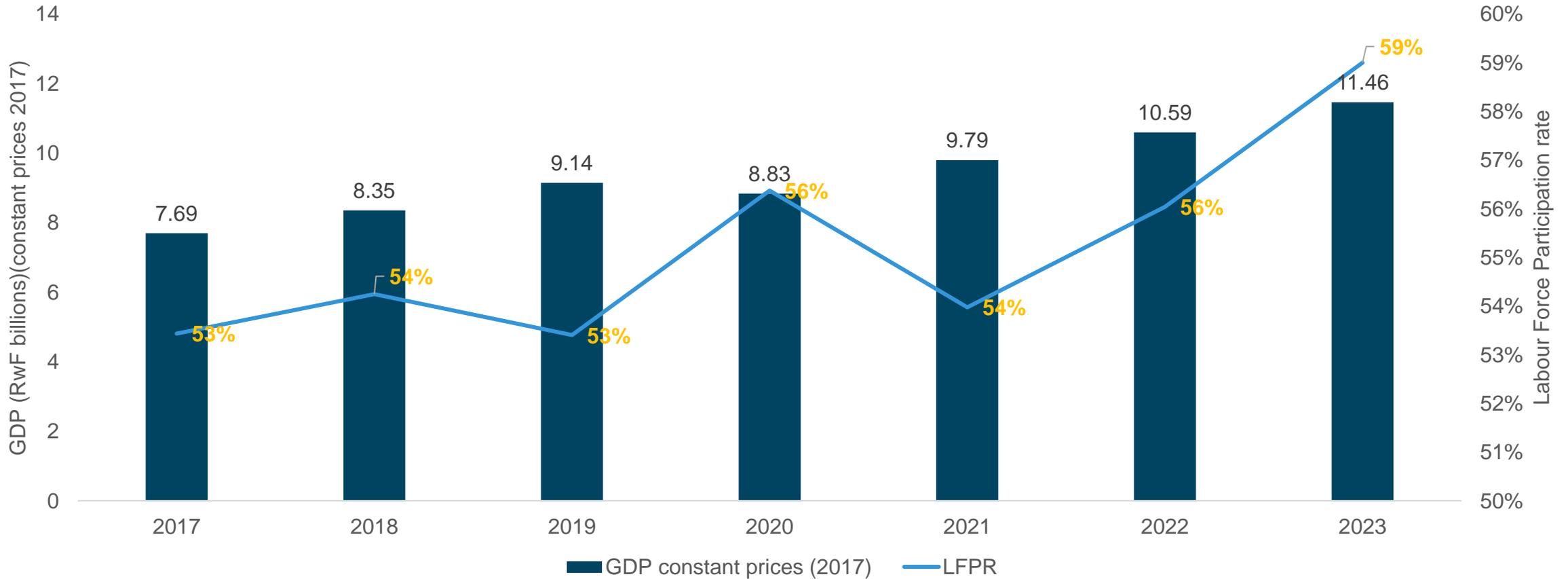


Integrated results framework

GDP and LFPR trends

The improved economic climate in 2022 may have encouraged more people to actively seek employment opportunities

GDP and Labour Force Participation rate (LFPR) trends

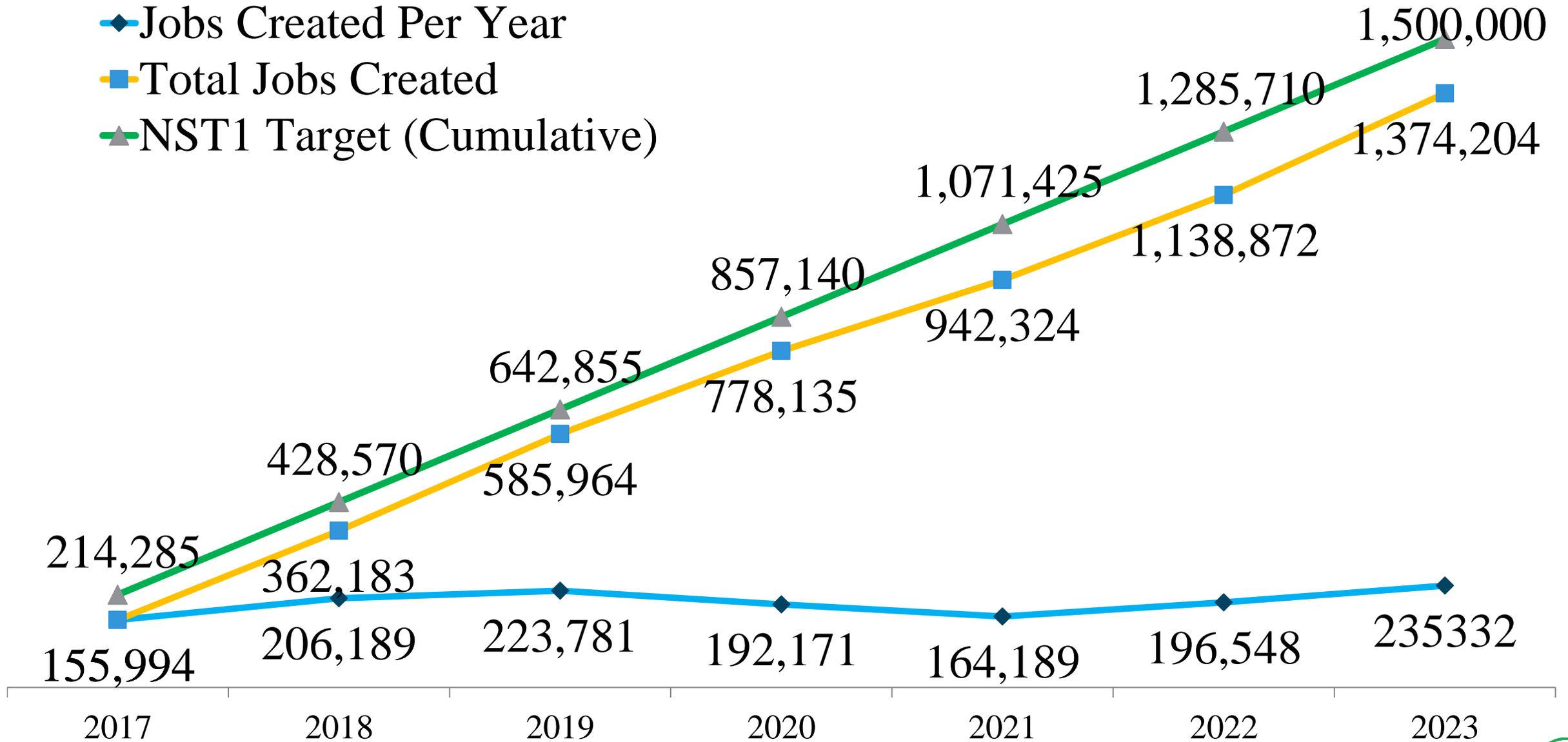


Source: NISR (2017-2023)(LFPR); NISR (2017-2023)(GDP)



Annual Job Creation Vs NST1 target

- ◆ Jobs Created Per Year
- Total Jobs Created
- ▲ NST1 Target (Cumulative)



Source: NISR (2017-2023)

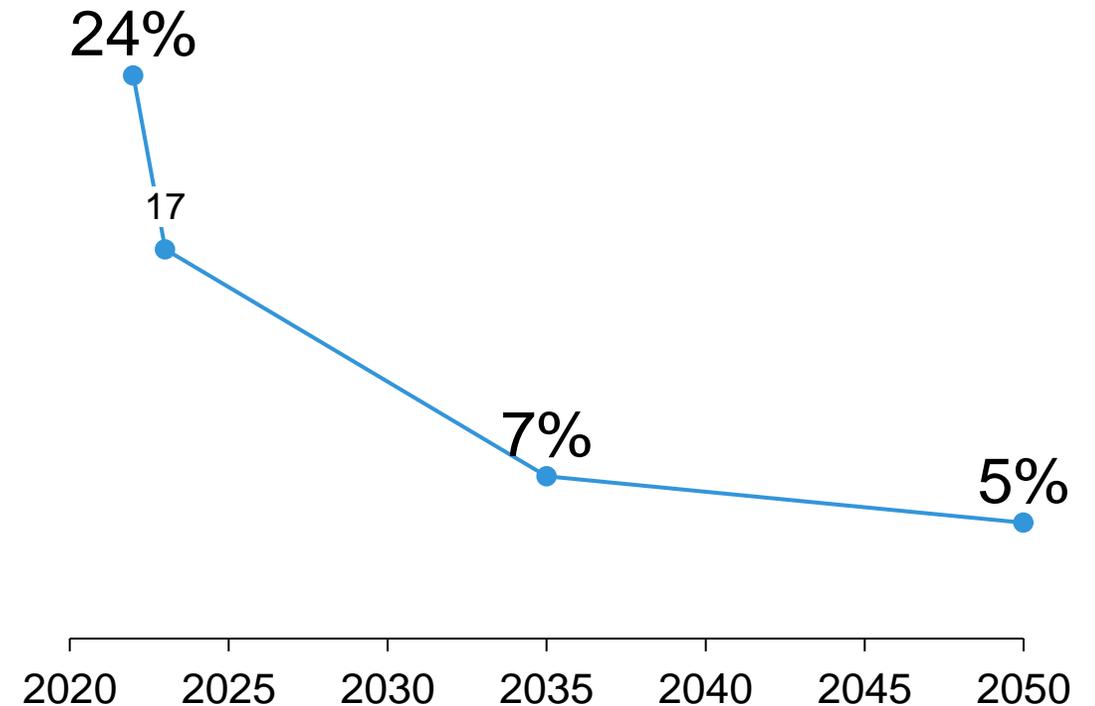


Target is to reduce the unemployment rate from 17.2% in 2023 to 7% in 2035

Key terminologies

Working age population	<ul style="list-style-type: none"> All individuals aged 16 years and above (8.07M).
Employed	<ul style="list-style-type: none"> Individuals of working age who performed any work for pay or profit for at least one hour per week (3.96M).
Unemployed	<ul style="list-style-type: none"> Persons of working age who are not employed, actively seeking employment within a recent period, and are available to work (0.82M).
Time-related Underemployed	<ul style="list-style-type: none"> Employed individuals who worked fewer than 35 hours per week and are available and willing to work additional hours (1.16M).
Outside labour force	<ul style="list-style-type: none"> Individuals of working age who were neither employed nor unemployed including those engaged in own-use production of goods, studying, self-care, or family responsibilities, and those not actively seeking or available for work (3.29M).
NEET	<ul style="list-style-type: none"> Not in Employment, Education, or Training: Youth aged 16-30 who are neither employed nor participating in educational or vocational training (1.14M).

Our target is to reduce the unemployment rate to 7% in 2035



Agenda

1 Labour market overview

2 Key challenges

3 Interventions: Quick wins and sustainable

4 Youth mainstreaming proposal



We face three critical challenges to sustainably reduce unemployment

Challenge	Severity	Key root causes
1 Slow growth of key sectors	<ul style="list-style-type: none">• ~90% of the labor market is employed by the informal sector• For example from 2019 to 2022, employment in Agriculture increased while manufacturing, trade and transport declines• Agriculture absorbs more than 40% of the labor force (mainly unskilled)	<ul style="list-style-type: none">• Slow growth of the private sector especially SMEs due to limited capital, access to market and infrastructure.• Dependence on traditional sectors mainly Agriculture that generates limited formal jobs• High employment in Informal sector due to limited formal job opportunities• High time-related unemployment with 25% of employed people working less than 24 hours per week
2 High demographic pressure	<ul style="list-style-type: none">• 211,000 people join the labor market every year• Almost one third of youth are NEET	<ul style="list-style-type: none">• High population growth with 70% of population under 30• Urban migration due to most opportunities are concentrated in urban areas
3 Skills gaps and mismatches	<ul style="list-style-type: none">• There is a demand for high-skilled workers but a surplus of low-skilled workers (Skills Demand and Supply Report, 2022)• 79% of the labor force only has primary education and below	<ul style="list-style-type: none">• Sectoral mismatch: High enrolment in business and hospitality programs in TVET schools as well as education, business and law programs in higher education leading to oversupply of such skills while enrolment for in-demand skills such as telecom, electronics, manufacturing and mining remains low• Limited access to high quality TVET education• Limited career guidance to prepare and match professionals with quality jobs• Gaps in soft skills (e.g., critical thinking and problem-solving)• Limited pathways for professionals to upskill or reskill (e.g., youth centers, mentorship programs)



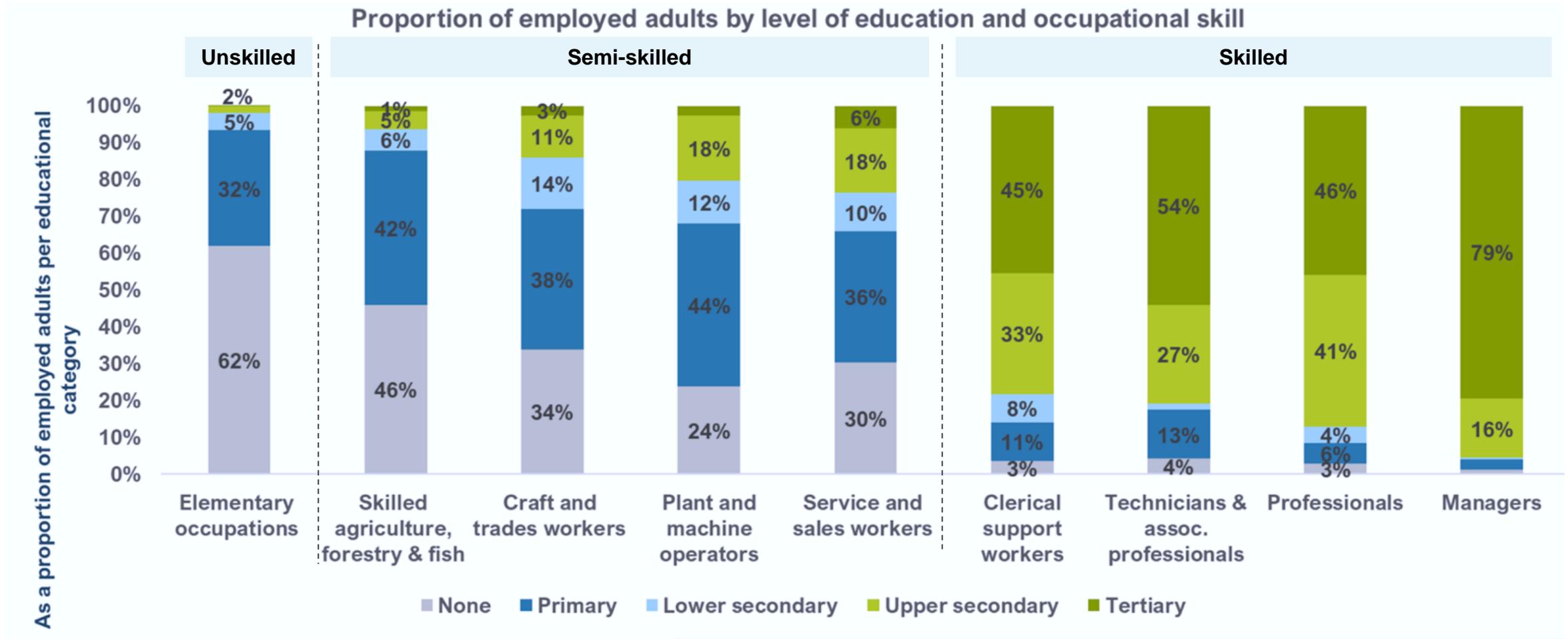
The informal business sector employs >90% of the workforce while 25% of employed people work only 24 hours per week

- The majority of the workforce is in the informal sector, **complicating** efforts to **match labor supply with demand** and align workforce skills with market need
- These jobs are marked by **irregular, low incomes, lack of employment benefits, no formal contracts, and poor working conditions** with minimal employee protection
- Workers in informal jobs often **lack opportunities for professional training and development**, hindering skill growth and career advancement.

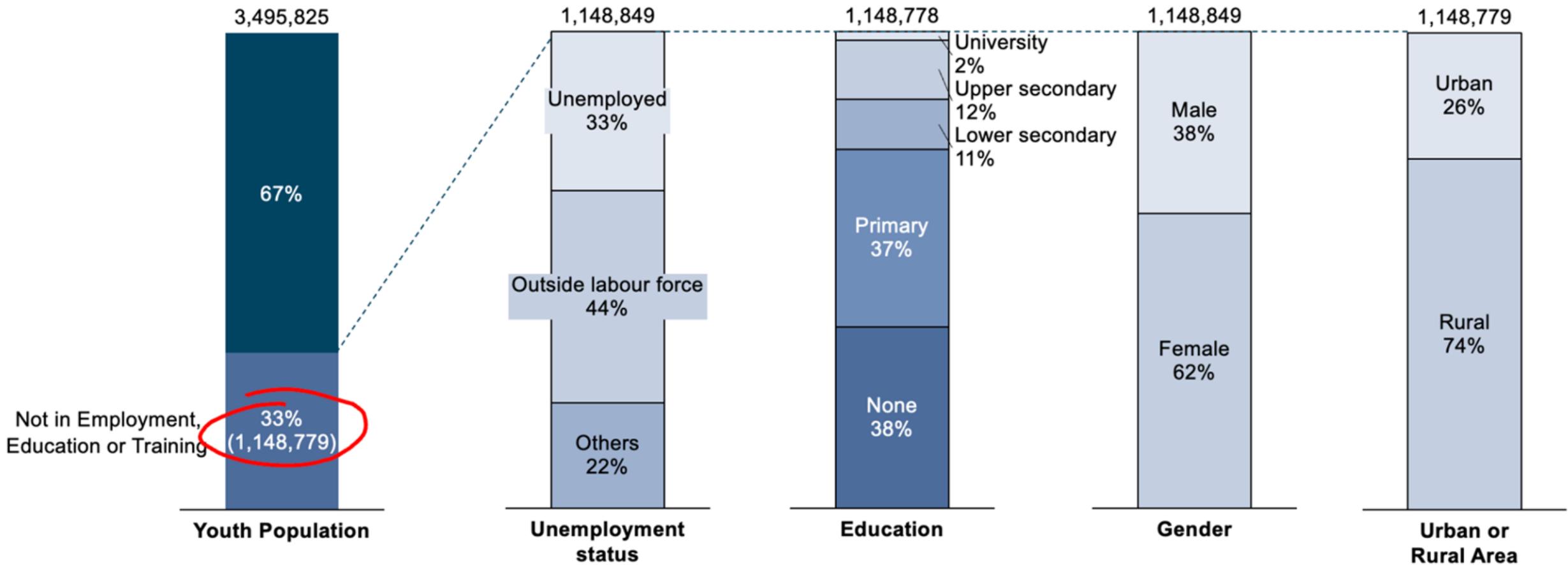


Skills challenge rooted in the limited education base among workers

Significant number workforce in unskilled and semi-skilled occupations did not complete their primary education



~33% youth is not in employment, education, or training, with disparities across rural and gender lines



Source: Rwanda Labour Force Survey Annual Report, NISR, 2024



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3 NST2 and key Interventions

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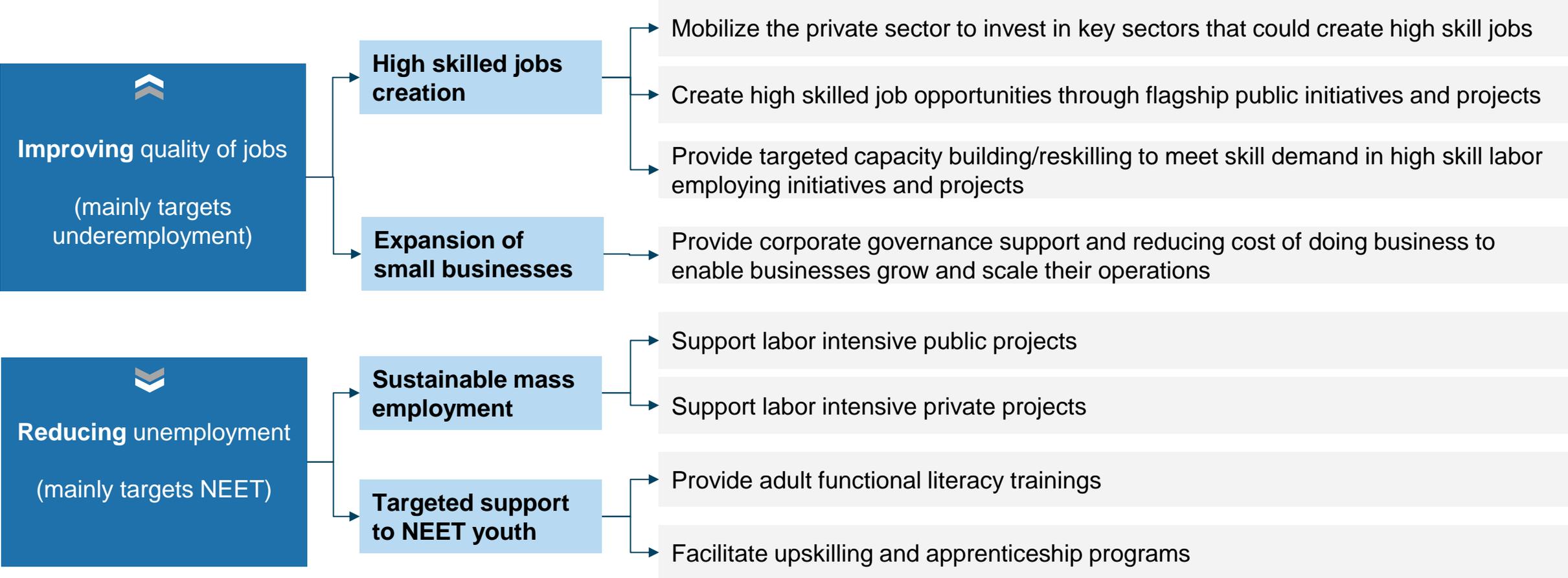


Key Strategic Interventions for Sustainable and Decent Job Creation

1	Increase access to finance for Youth, Women and MSMEs
2	Implement an integrated business advisory service model tailored to promote entrepreneurship and growth of MSMEs
3	Mainstream employment creation in Public and private investments with high impact and labor intensity
4	Create employment focusing on youth and women through community-based approach in delivery and maintenance of infrastructure, environment protection and agricultural extensions programs and projects
5	Optimize employment opportunities and skills development from major investment and flagship projects [in public & private sector such as Nyagatare Milk powder factory, Bugesera International Airport, Aviation Skills Academy, Gabiro agri-hub, and sports complexes, etc.,]
6	Improve & Strengthen synergies in workplace learning, employability skills for youth, job-matching services and labour market systems [through internships, apprenticeships, re-skilling and up-skilling among others]
7	Develop a talent pool for emerging critical sectors of the economy [including Global Business Services companies, financial services center, e-mobility, health, Biotechnology, aviation, ICT, CCI and engineering]
8	Mobilize and facilitate private sector to develop and optimize cultural and creative industries for job creation



Some key strategic and targeted interventions



Cross cutting

- Create targeted market linkage to promote local content
- Engage key players in the job creation ecosystem
- Rollout digital tools for effective coordination, monitoring, and mapping



Support MSMEs to boost employment capacity and enhance NEET youth members skills to enhance employability



Support MSME growth to formalize the informal sector and boost employment capacity

- **Reviewing doing business ecosystem for MSMEs:** It is proposed to set a task force to systematically review all legislations, procedures, and policies to remove outdated elements to create investor friendly laws
- **Startup Investment Facility:** Providing targeted support for young entrepreneurs through grants and low-interest loans, helping youth-led businesses expand
- **Improving access to finance:** Enhancing access to credit, low-interest loans, and tailored financial products will help MSMEs overcome financial barriers
- **Providing business advice and training:** Offering training in business management, financial literacy, and operations, MSME owners can gain essential skills to improve their efficiency and sustainability
- **Facilitating market linkage services:** Establishing connections with local and international markets through networking events and trade shows can expand the customer base of MSMEs and integrate them into broader supply chain
- **Implementing asset-based community development:** This approach focuses on leveraging community strengths, such as local skills and resources, to build resilient and sustainable businesses within communities



Implement targeted initiatives to enhance skills and employability of the NEET youth members

- **Functional literacy courses:** Short courses in basic literacy and numeracy equip NEET individuals with essential skills, boosting their employability and readiness for further training.
- **Upskilling for advancement:** Training manual laborers in machinery operation enables them to move into higher-paying, semi-skilled roles with career growth potential.
- **Apprenticeships:** Apprenticeship programs offer hands-on experience and connections, preparing NEET individuals for skilled employment and providing a pathway to secure jobs.
- **Incentivising skill transfer from foreign talent:** Revising the work visa regime to attract foreign talents for skills transfers and create a competitive labour force.



Job matching interventions



Streamline job matching processes and systems

Implementation steps

- Develop a centralized digital job-matching platform
- Work with stakeholders to put in place matching services based on labor market information and data.
- Integrate AI for targeted job matching

Expected outcome

- Streamlining the existing systems
- Partner with the private sector to identify job opportunities among different sector



Upskilling and job matching programs

Implementation steps

- Launch a national upskilling program with TVETs and universities in critical sectors
- Revamp youth centers and career opportunities workshops to provide coaching and mentorship services.

Expected outcome

- Reducing skill gaps in sectors that drive the economy.
- Increasing training centers for youth in rural communities to build a resilient workforce.



Integrated workforce planning & forecasting

Implementation steps

- Establish a labor market research center to monitor labor trends and forecast future job needs.
- Launch skill development for emerging fields (e.g., green energy, digital services, AI, data science).

Expected outcome

- Future-ready workforce equipped for emerging industries.
- Stronger alignment between government, industry, and academia, supporting Rwanda's Vision 2050 goals.



Cross cutting interventions



Engage key players in the job creation ecosystem

- This includes financial sector institutions, training providers and entrepreneurship support organizations.
- Collaborate with government agencies, private sector leaders, educational institutions, and NGOs to **align efforts and maximize impact.**
- Create partnerships that address employment challenges, develop skills, and ensure **job creation initiatives meet workforce needs.**
- Operationalization of **labor mobility** framework to leverage regional and global employment opportunities



Rollout digital tools for effective coordination

- **Implement digital platforms** to profile job seekers and match them with relevant opportunities based on skills, location, and job preferences.
- **Use monitoring and evaluation (M&E) systems** for real-time tracking of job creation programs, enabling better data collection, progress assessment, and optimization of initiatives.



Operationalize the National Fund for Skills Development

- There is a significant financial gap for skills development. The NSFD will help in bridging that resource gap for TVET, trainings, upskilling, etc



Global Accelerator on Jobs and Social Protection for Just Transitions in Rwanda

Expected result: National policies and strategies integrate job creation and social protection focusing on the promotion of gender equality and women’s empowerment and the inclusion of vulnerable and previously not covered groups, especially in agriculture and for women and youth NEET.

Output 1: Global Accelerator’s roadmap for Rwanda is developed in alignment to NST2 highlighting priorities for accelerating job creation, social protection and decent work at large.

Output 2: Social protection and decent work in Rwanda’s informal economy have been enhanced through workshops to strengthen capacities and identify barriers to and opportunities for formalization.

Output 3: Strategies to strengthen decent work and social protection for an inclusive labour productivity in agriculture for economic resilience leaving no-one behind.

Output 4: Skills development and employment promotion interventions to improve employability and living conditions of youth NEET have been identified.

UN joint support through the engine rooms to:

- identifying analytical and capacity building gaps
- creating the linkages for integration at policy and program level
- identifying the pathways for scaling up



Global Accelerator Initial Activities (ongoing)

Conduct an assessment to analyze the characteristics of youth who are not engaged in employment, education, or training in Rwanda and propose potential interventions (Ongoing by MINICT-Master Card Foundation)

Develop and implement programs that integrate youth, women, and persons with disabilities into agricultural value chains by providing targeted training, access to resources, and business opportunities

Develop and Implement programs to reduce the proportion of informal employment in Rwanda and enhance the formalization of jobs.



Output

Outcome

====Formalization of Informal Employment in Rwanda====

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- Reduction in Informal Employment;
- Enhanced Social Protection Coverage;
- Growth in Registered SMEs;
- Improved Access to Financial Services;
- Sustainable Employment Creation

