

# **Innovative Approaches to Creating Opportunities and Incorporating Youth into Rwanda's Labor Markets**

## *Part 1: Employment Policy Review*

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# Aim of the Research Project

- ▶ To generate innovative approaches and coherent policy messages with which to generate youth employment at a faster pace in Rwanda

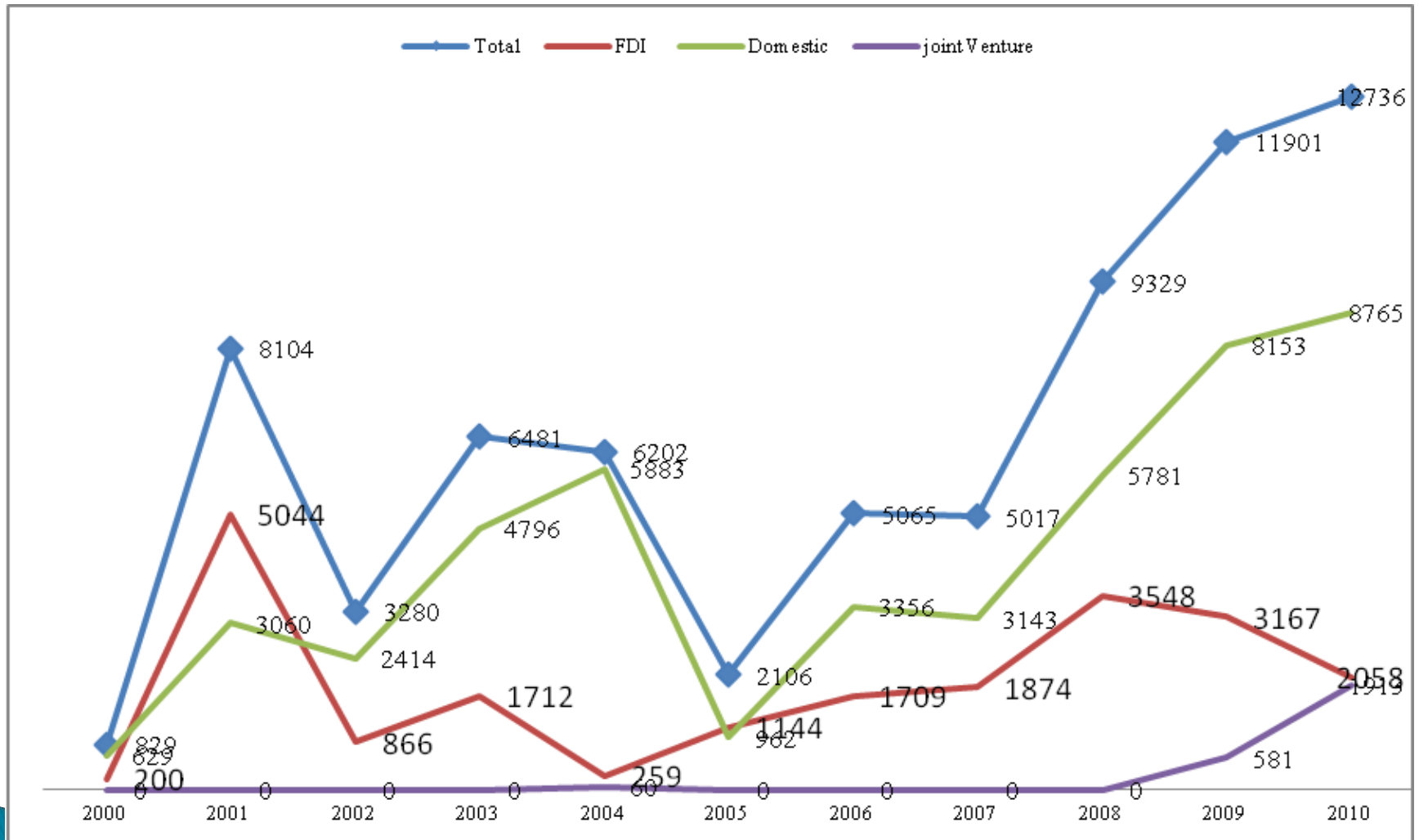
How?

- ▶ Undertake a qualitative evaluation of Rwanda youth and employment policies including;
  - Youth Policy, Women and Youth employment action plans
  - Evaluate and map out Initiatives under the different sectors that relate to promoting employment in Rwanda.
- ▶ Undertake quantitative data analysis to determine the nature of the growth-employment and poverty reduction relationship in Rwanda over time

# Policy Messages from Preliminary Stakeholder interviews(NEP)

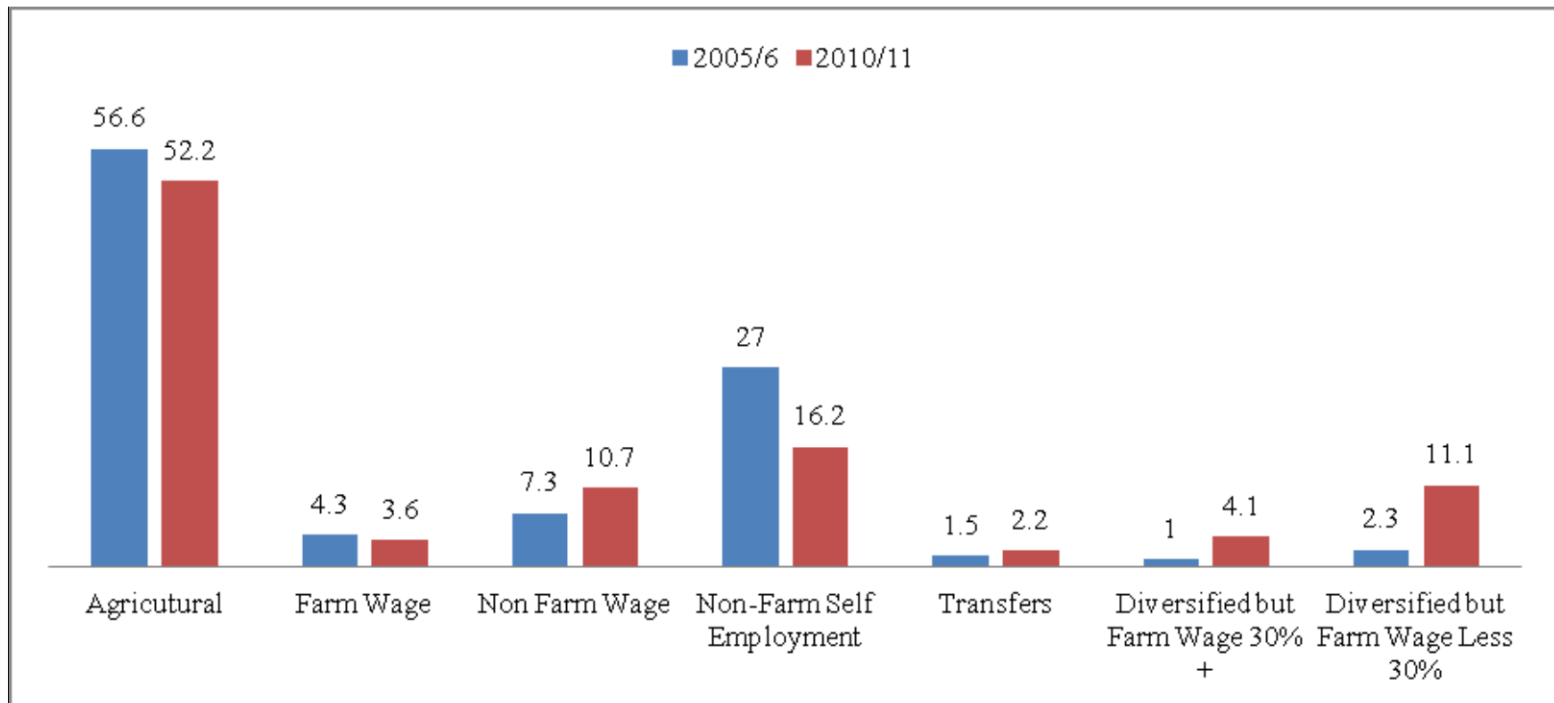
- ▶ Limited coordination (Holistic/Joined-up thinking)
  - ▶ Limited monitoring of the NEP and its initiatives;
  - ▶ Limited ownership of the NEP;
  - ▶ Inadequate alignment of NEP action plans between different government ministries;
  - ▶ Duplication programs and initiatives between different government entities
  - ▶ Inadequate alignment of NEP objectives with current realities with respect to East African Integration.
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# Rwanda background: Employment Creation



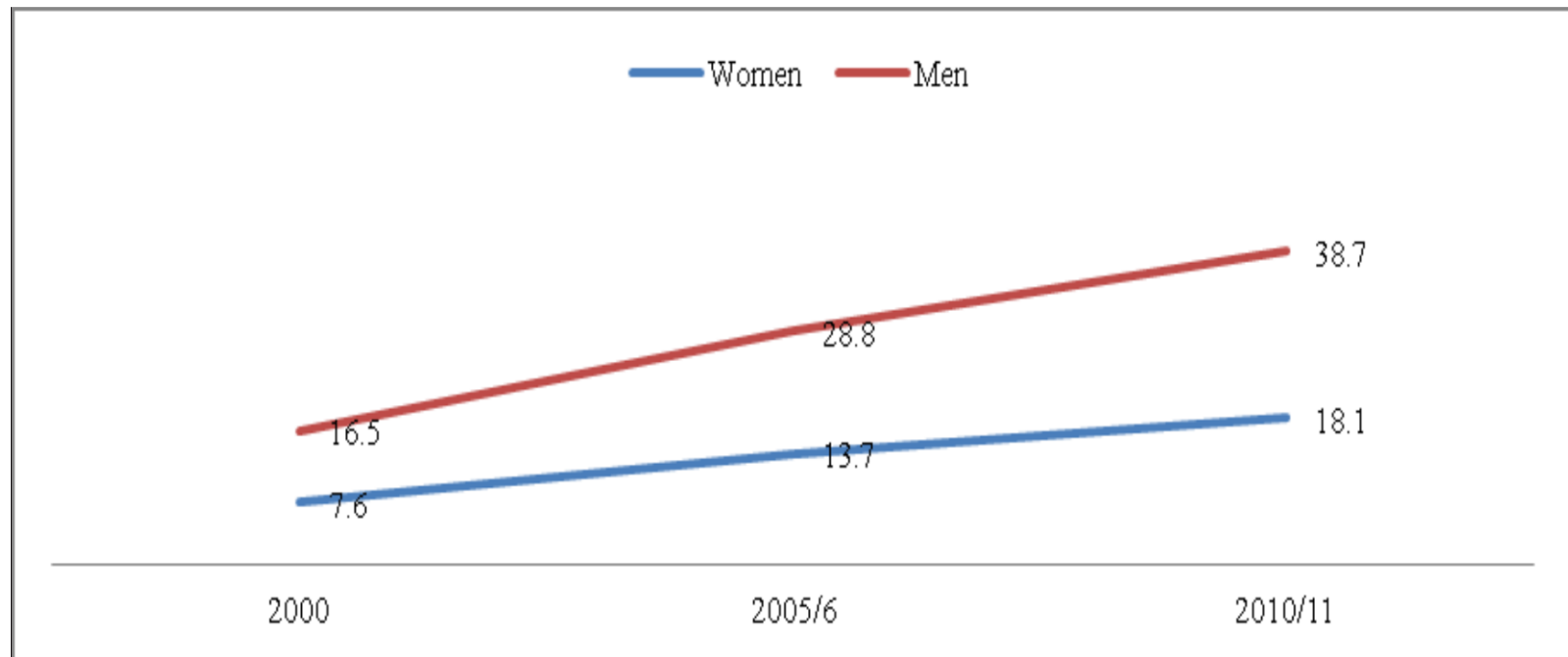
# Employment by Sector Over time

Main Household Activity 2005/6 and 2011/12



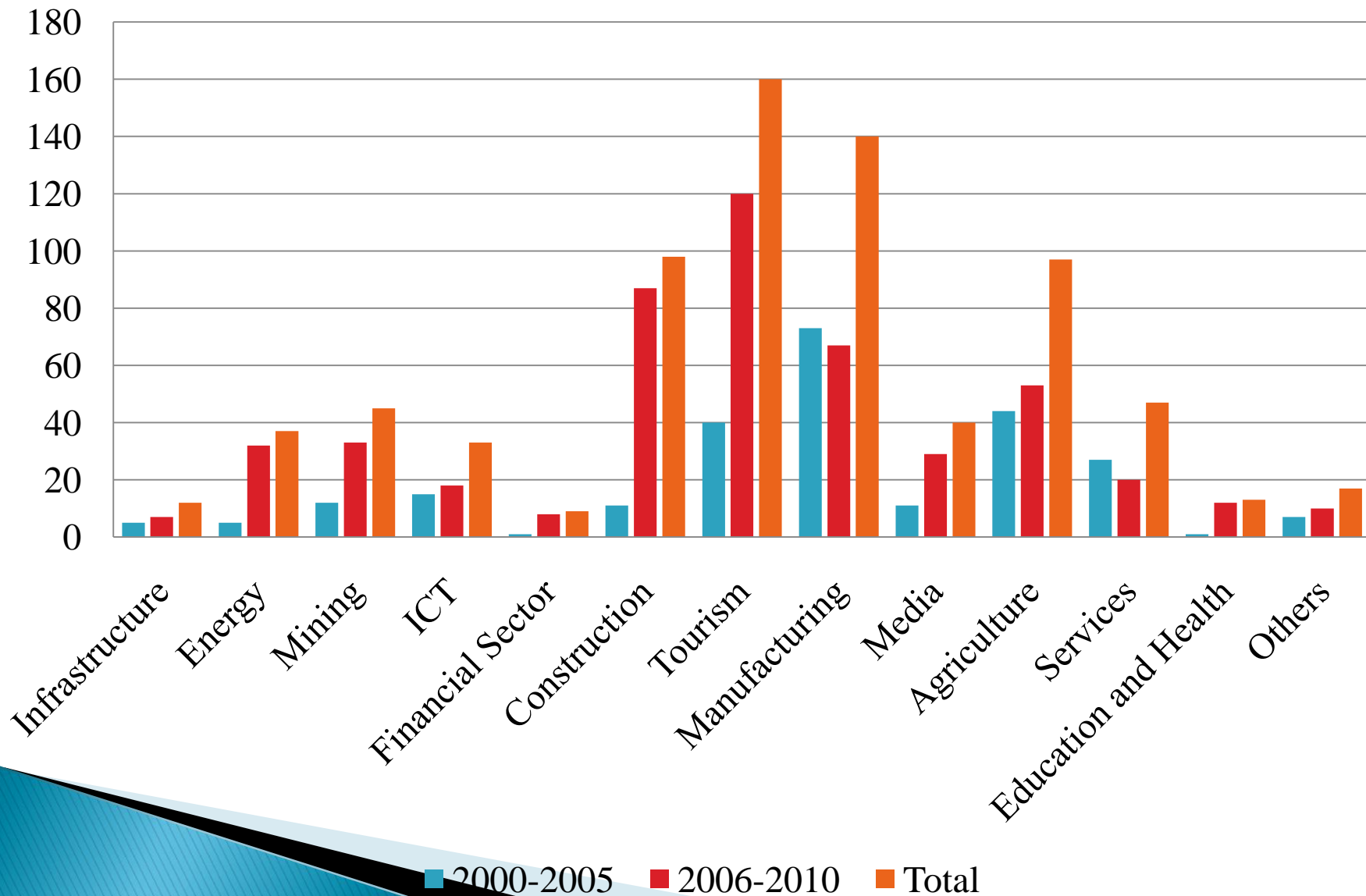
# Employment by gender

Trends in Non-Farm Employment for Men and Women 2000 to 2010/11



(Source: NISR 2006; NISR2012b)

# Rwanda :Sector of Investment



# Research Questions

Questions that underlie the assessment of the management aspects of the National Employment Policy include the following;

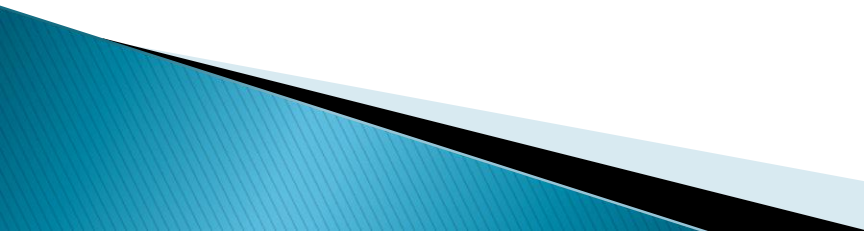
- ▶ How is the NEP coordinated at the intra-governmental level i.e. between the different government ministries and agencies?
- ▶ Are other ministries reporting on the progress of the NEP implementation regularly? Is there a monitoring system on NEP implementation?
- ▶ How are the sectoral priorities (and the respective action plans, projects and programs) under the NEP integrated in the EDPRS reporting? Are the priority intervention areas reflected in the sector reviews of the EDPRS progress?
- ▶ What is the impact of the incentive measures put in place for employment promotion?



# Background-National Employment Policy

- ▶ Rwanda's National Employment Policy was adopted in 2007 as a guiding document for stakeholder interventions promoting employment
- ▶ The inception of the NEP was followed by the adoption of the youth and women action plans
  - which were short term plans stating the specific actions and activities to be implemented in order to achieve the broader medium term objectives of NEP.
- ▶ At the inception and validation of the NEP in 2008, it was envisaged that MIFOTRA would undertake coordination, monitoring and evaluation aspects of the NEP
  - while stakeholders in the different NEP priority sectors undertake implementation of the specific programs and, projects in NEP.
- ▶ A number of employment promotion initiatives have been implemented and progress has been made more so in the areas of skills development, entrepreneurship promotion, improvement of the business climate and access to finance for small and medium enterprises
- ▶ However, preliminary stakeholder interviews indicate that there is still scope for increasing the impact of the implemented projects on employment and challenges still remain in the employment sector.

# NEP: Key Priority Sectors

- ❑ The rural sector
  - ❑ Private sector and entrepreneurship support
  - ❑ Youth and women employment promotion
  - ❑ Specific employment programs for disabled people
  - ❑ Human resource development and employability
  - ❑ Strengthening labour intensive approaches in economic and social infrastructure programs
  - ❑ Special Programs for person suffering from HIV/AIDS
  - ❑ Re-integration of retrenched public employees and demobilized soldiers
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# NEP: Related Policies, documents & Key stakeholders

- ▶ National Youth Policy ( MINIYOUTH)
- ▶ SME policy (MINICOM, BDF)
- ▶ TVET Policy (WDA,PSF, GIZ)
- ▶ Private Sector Development Strategy(MINICOM,PSF,RDB)
- ▶ Youth and Women employment Action Plans(MIFOTRA, MINIYOUTH,MIGEPROF)
- ▶ EDPRS Monitoring and Evaluation Framework Public Capacity Building and Employment Promotion Sector(MIFOTRA, WDA, MINAGRI,MINIYOUTH, MINICOM, RDB ,HIDA, PSCBS etc)
- ▶ Implementing Partners; COOJAD, KORA, YES-Rwanda, RCA and others

# Methodology

We have contacted the relevant stakeholders in the different priority sectors in order to;

- ▶ Assess the management and coordination aspects of Employment Policy at sector level
- ▶ assess stakeholders' views on the relevance and suitability of the 2007 National employment Policy (in its current state) to the current employment realities
  - our aim is to determine what measures should be taken in order to make the policy more responsive to the current realities
- ▶ To map out the different initiatives undertaken by different stakeholders (by sector) towards generating employment for women and youths in Rwanda

# Findings from Stakeholder interviews



# Coordination

- ▶ Coordination of the activities in the CEBP sector is mainly done at the Macro level more so through the joint sector review meeting between donors and their government
- ▶ However coordination at the meso-level i.e. between government ministries is limited and this filters through to the micro or implementation level of employment programs
- ▶ Despite widespread stakeholder agreement to implement the NEP at its validation in 2008, the issue of coordination was not properly addressed.
  - Limitations in coordination are attributed to capacity constraints
  - Inadequate sensitization after the inception and validation of NEP in 2007.
  - Policy is there, action plans are there but no implementation plan

# Duplication

- ▶ A number of initiatives aimed at creating and promoting employment are duplicated and scattered between the different government ministries and parastatals.
- ▶ Duplication reduces not only reduces their impact on employment creation but also increases transaction costs in the implementation of these programs and  
Examples:
  - PSF and MINICOM running business plan competition
  - MIFOTRA, MIGEPROF and MINICYOUTH target the same groups for training etc

# Sensitization and Awareness

- ▶ For the majority of our interviewed stakeholders, the NEP was not well known .
- ▶ For those who know it exists, many do not know it well enough to use it as a guiding document for their interventions
  - Others who know the NEP details think that the policy it is out-dated.
- ▶ Issue of decentralisation of information for start-up funds. Majority of supposed beneficiaries outside Kigali are unaware, e.g. BDF and RITF
  - Issues of guarantee funding Vs cash upfront for commercial banks
  - Youth access to start-up funds: Rural youth have projects and ideas but many find it hard to access these funds



# Ownership

- ▶ The issue of coordination goes hand in hand with ownership.
- ▶ Our findings indicate that it is not clear which government agency owns the National Employment Policy.
- ▶ Some stakeholders feel that employment should be a cross-cutting issue just like HIV and gender which should be embedded in the action plans of all government agencies.
- ▶ Others feel that ownership of the NEP should rest with a single ministry whose capacity should be boosted in order to be more effective at coordinating and monitoring the various programs undertaken by implementing entities in the different priority sectors of the NEP.

# Monitoring and Evaluation

- ▶ 2007 EDPRS monitoring and evaluation framework for the capacity Building and employment Promotion sector c lays out the objectives, outputs milestones upon which progress in the employment coordination and capacity building for service delivery can be measured.
- ▶ This includes targets such as the setting up of a decentralised National Employment Agency, the setting up of an inter-ministerial steering committee to coordinate outcomes in the sector and the setting up of baseline data and survey to monitor employment outcomes.
- ▶ **Findings: Implementation of this framework has been limited by capacity and data constraints**

# Vertical and Horizontal alignment of NEP

- ▶ Vertical alignment of the NEP with current realities where Rwanda's economy is increasingly getting integrated within the East African Community.
  - Integration within the EAC not only raises opportunities for Rwanda to export labour to other EAC countries but also raises challenges of increased competition for job opportunities due to labour imported from the EAC.
  - What skills can Rwanda export to the EAC while mitigating labour competition effects from EAC?
- ▶ Horizontal alignment of the NEP with other national policies including the youth policy, the education policy, the SME policy, the TVET policy, trade policy and others.
  - The Rwandan policy environment is very dynamic.

# Recommendations



# Recommendations

## Coordination

- ▶ Implementation of an inter-ministerial steering committee in order to coordinate and harmonise employment initiative and actions between the different government departments
- ▶ Strengthening the National Employment Stakeholder Platform
- ▶ Improving communication between MIFOTRA and line ministries like MINICOM, MINICYOUTH, RDB and MIGEPROF with implementing agencies like COOJAD, PSF, YES Rwanda, National Youth council and others.
  - This will help align the action plans and initiatives in the different ministries in order to avoid duplication and increase impact on employment creation Rwanda.
- ▶ Implementation of a centralised National Employment Agency to cover unemployment issues at district level

# Recommendations

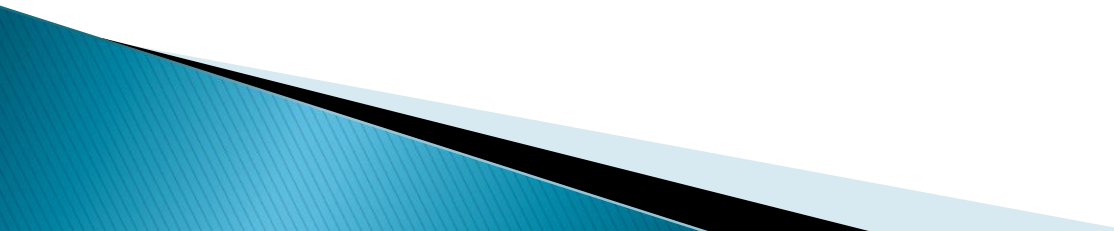
## **Financial and Political backing of Employment issues**

### **Financial:**

- ▶ Setting up an employment basket fund which will be managed at MINECOFIN in conjunction inter-ministerial steering committee and National Employment Stakeholder Forum(NESF)
- ▶ Donors interested in promoting employment can pool their resources into this basket fund.
- ▶ Stakeholders then decide on the priority sectors to which funds can be allocated in order to generate bigger impacts on employment creation and promotion in Rwanda.

# Recommendations

## Political:

- ▶ Political backing to give employment issues the weight they deserve.
  - ▶ This can be done by raising the profile of employment issues to the offices of the permanent secretaries in the key sectors and tabling the issue in cabinet.
  - ▶ Inclusion of employment outcomes into performance indicators (*Imihigos*) for district and local government officials.
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# Recommendations

## **Sensitization and awareness of NEP**

- ▶ We also recommend increased sensitization of the NEP within the different sectors in the government and increasing ownership of the NEP by boosting the coordination capacity
- ▶ Updating and re-focussing Employment Policies and Action plans to capture current realities
  - Increasing number of new entrants on labour market
  - East African integration
- ▶ Merging youth and women action plans into National employment strategy to increase ownership and increase impact & coordination



# Recommendations

## Financial literacy

- ▶ Programs intended to promote employment should have a component on financial literacy
  - since the majority of both educated and uneducated youths coming onto the labour markets are financially illiterate.
- ▶ Improving access to finance will not be effective unless the borrowers are financially literate.
- ▶ These programs should also put a greater emphasis on **mindset change** especially among youths in order to enhance their entrepreneurial spirit and reduce the job search mentality.
  - Importance and relevance of TVET skills
  - Alignment of TVET skills to other sectors outside Kigali e.g. rural areas



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