

Labour Market Profile 2018



RWANDA

This profile is based on an updated report that provides a comprehensive overview of the country's labour market situation.

*LO/FTF Council
Analytical Unit*



Ulandssekretariatet
LO/FTF Council

Danish Trade Union
Council for International
Development Cooperation

PREFACE

This report is divided in 10 thematic sections: trade unions, employers' organizations, tripartite structures (incl. social dialogue), national labour legislation, violations of trade union rights, working conditions, situation of the workforce (with subsections unemployment, sectoral employment, migration, informal economy, child labour, gender, and youth), education (incl. vocational training), social protection, general economic performance. Additionally, the Appendix presents data of trade unions; list of approved labour market related legislations; and a status of ratified International Labour Organisation (ILO) Conventions.

Comparative data between countries are based on data from international databanks (e.g. ILO Key Indicators of the Labour Market (KILM), NORMLEX and NATLEX as well as the World Bank World Development Indicators and Education Statistics), while the status of the workforce is often applying survey data from the national statistical institution and ministries. Information is also collected from the International Trade Union Confederation (ITUC), U.S. Department of State, media sources (e.g. LabourStart, national news, etc.) along with trade unions centers, employers' organisations, NGOs, among others.

Several indexes such as the Global Rights Index, the Doing Business Index, the Governance Indicators, the Human Development Index and the Global Competitiveness Index are used as proxy indicators of the labour market's environment. The indexes' methodologies and the data quality can be followed by the sources' websites. Equally important, data from such databanks have limitations and shortcomings. On this background, policy advice on the role of labour market regulations should be done with caution.¹

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The LO/FTF Council is the Danish trade union council for international development co-operation. It was established, under a slightly different name, in 1987 by the two largest Danish confederations: the Danish Federation of Trade Unions (LO) and the Danish Confederation of Salaried Employees and Civil Servants (FTF). The organisation activities are related to: i) to support democratic development of the trade union movements in Africa, Middle East, Asia and Latin America; and ii) to contribute to democratic development in the societies in which the unions operate.

This Labour Market Profile is prepared by the LO/FTF Council Analytical Unit in Copenhagen. This could not compile information and data collection on key labour market indicators without the support from the LO/FTF Council Sub-Region Office in Tanzania and the *Centrale des Syndicats des Travailleurs du Rwanda* (CESTRAR). It furthermore provided an analytical value added on the areas of unionizing, social dialogue and bi-/tri-partite mechanisms, policy and legal labour market reforms as well as status of ILO standards of informal economy workers.

The front-page picture is from a building construction site in Rwanda that was photographed by Lene Frøslev.

A wide range of other labour market profiles are available on our website:

<http://www.ulandssekretariatet.dk/content/landeanalyser>

Should you have questions about the profiles, you can contact Mr. Kasper Andersen (kan@loff.dk), Manager of the Analytical Unit.

Address:
Ulandssekretariatet
Islands Brygge 32D
DK-2300 Copenhagen S
Denmark
Telefon: +45 33 73 74 40
<http://www.ulandssekretariatet.dk/>

EXECUTIVE SUMMARY

Rwanda's economy has experienced a fast economic growth during the last two decades. Improvements in the doing business environment, the governance milieu and human development are intertwined to the economic development. Rwanda is slowly curbing the labour productivity gap of the Eastern Africa average. Working poor are declining steadily and a middle-class is evolving. However, the country is still among the economic poorest countries in the world just as 69% of the workforce is living below US\$3.1 per day and income inequality remains present.

In recent years, a wide range of approved labour market reforms was launched in Rwanda. The legal framework of protecting workers' rights in association and the collective bargaining is flawed with reference to the international labour conventions' standards. In 2018, the government put a review of the labour law on the table. Several violations of trade union rights were registered; even the public sector repeatedly declared guilty in lawsuits. There are no functioning labour courts or other formal mechanisms to resolve antiunion discrimination complaints. The East African Community (EAC) full common market with free movement for workers opens up questions of how to achieve equal opportunities and equal social and labour rights for migrant workers.

A culture of consensus-seeking social dialogue and negotiations remain a relatively new ethos on the labour market in Rwanda. Dialogue improved among organized employees and employers in the formal sector in recent years. Few Collective Bargaining Agreements (CBAs) launched were in the private sector, so far. Several new CBAs are in progress. Not to mention, labour disputes reduced due to promotion of social dialogue and mediation sessions carried out led to higher productivity.

Only one out of ten employed works in the formal sector, the rest out of the labour regulation and operate in the informal economy. Another point often overlooked is that around 98% of all businesses in Rwanda are among micro, small and medium enterprises. Since workplace committees to handle conciliation cases only function in enterprises with at least 20 employees in the formal sector, the mediation and arbitration system covers an extremely narrow segment of the workforce in Rwanda.

Some status and sectoral structural transformations on the employment were in progress, e.g. a drop in employment in the agricultural sector that moved towards the service sector and slightly in the industry sector as well as an upsurge in more formal employees. Some reformed statistical labour definitions in the country triggered new worrisome Labour Force Survey 2017 data on gender inequalities. In addition, a fast growing youth population puts pressure on the labour market, e.g. unemployment and underemployment are critical issues in Rwanda. This insufficient job creation in the formal sector constrains the labour productivity.

Urban zones have a lower informal employment than rural areas and an internal rural-urban migration is slowly in progress in the country: Urbanization rate peaked at 30% in 2016. Personal remittances from external migration are still not important part of the economy.

Child labour is on a declining trend; and it is mostly a problem among the oldest children. A lack of skilled labour has been a growing problem. For example, the education system does not fully supply the labour market with an educated workforce: Despite a very high net enrolment in primary education level, 1 out of 4 of the population has no educational attainment. On the positive side, the Technical and Vocational Education and Training (TVET) system has been prioritized and it has achieved an increasing enrolment ratio during the 2010s, so far. According to TVET students, a privation of finding placement, employment opportunities and inadequate skills are often obstacles.

Employers consider the labour market as quite effective in the country, which includes positive measurements of cooperation in labour-employer relations as well as retain and attracting talents. Despite the Private Sector Federation is still a more business-oriented organization than as employers' organization on the political scene, it is undergoing employers' capacity building.

Membership among trade unions has been on an upsurge, especially due to an influx of affiliated organized workers from the informal economy. Today, around 32% of the total trade union members are from the informal economy. The growth of the membership rate was faster than the total employment rate, which demonstrated a trade union density increase of 1.5 percentage points in the period from 2014 to 2017; peaking at 3.8% in 2017.

Status of key labour market indicators in the framework of the Decent Work Agenda (DWA) in Rwanda, 2017

Creating decent jobs	
Policy reforms addressing creation of decent employment	Yes - There were registered policy issues adoptions in employment, skills development and poverty reduction during the year.
ILO standard setting on improvement of status of workers from the informal economy	No - There is no tri-partite National Informal Economy Forum nor other national forums and policies addressing status of informal economy workers
Guaranteeing rights at work	
Growth in trade union members from year 2016 to 2017 (%)	9.2 %
Violations of trade union rights	Ranking 2 out of 5 (5+ is worst) *
Labour legislation is improved according to ILO standards	Yes – Seven (7) pieces of labour market related legislations were approved in 2017; especially the Maternity Bill was noted as an improvement.
Partner organizations with minimum 30% women representation in decision-making bodies	Yes – registered of 41% representation in decision-making bodies.
Extending social protection	
Health social protection coverage as % of total population in partner countries	90 %
Workers from the informal economy have access to national social security schemes	Yes, access to medical care and sickness. Workers from the informal economy have also some access to private social protection schemes in terms of medical care and maternity benefits.
Promoting social dialogue	
Trade union density of total employment (%)	3.5 %
Trade union density of employees (%)	18 %
Cooperation in labour-employer relations	Ranking 18 out of 137 (1 is best) **
Number of Collective Bargaining Agreements (CBAs)	3 CBAs
Workers' coverage of Collective Bargaining Agreements to employees	0.9 %
Bi-/tri- partite agreements concluded	Yes – 3 bi-partite pacts/charters were signed by the trade union movement (CESTRAR) and employers' organization (PSF)

* This is interpreted as repeated violations of rights, i.e. some weak collective labour rights as well as certain rights have come under repeated attacks by governments and/or companies and have undermined the struggle for better working conditions (Source: ITUC, Global Rights Index).

** Data from the Global Competitiveness Index that represent employers' opinion based on surveys (Source: World Economic Forum).

Other sources: CESTRAR and LO/FTF Council Sub-Regional Office data collection.

COUNTRY MAP



Source: Google

TABLE OF CONTENTS

Preface	i
Acknowledgment	i
Executive Summary	ii
Status of key labour market indicators in the framework of the Decent Work Agenda (DWA) in Rwanda, 2017.....	iii
Country Map	iv
Trade Unions	1
Employers' Organisations	2
Central BI/Tripartite Structures	3
Social dialogue and collective bargaining	4
National Labour Legislation	5
Observations on the labour legislation	6
Ratified ILO Conventions.....	6
Trade agreements	7
Trade Union Rights Violations	7
Working Conditions	7
Workforce	8
Unemployment	10
Sectoral Employment.....	10
Migration	12
Informal Economy	13
Child Labour.....	14
Gender	14
Youth.....	15
Education	16
Vocational Training	17
Social Protection	18
Economy	20
Special Economic Zones (SEZ).....	21
Appendix: Additional Data	22
Table 25: Registered Trade Unions in Rwanda, 2017	22
Table 26: Collective Bargaining Agreements in Rwanda, 2018 (April)	23
Table 27: Labour market related national legislations passed in 2014-2017	23
Table 28: Ratified ILO Conventions in Rwanda.....	26
Table 29: Contributory and non-contributory social protection schemes in Rwanda.....	27
Table 30: Ease of Doing Business in Rwanda, 2018	27
Table 31: Governance Indicators in Rwanda, % and change percentage points, 2006-2016	27
References	28

Tables

Table 1: Status of trade unions in Rwanda, 2017	1
Table 2: Trade union density trend, 2014-2017	1
Table 3: Trade Union Centers, 2017	1
Table 4: Labour market efficiency in Rwanda, 2017-2018	3
Table 5: Status of Collective Bargaining Agreements (CBAs) in Rwanda, 2017	5
Table 6: Status of the national labour, social security and human rights related legislations in Rwanda	5
Table 7: Global Rights Index, Rwanda ranking, 2014-2017	7
Table 8: Wages and earnings in Rwanda, monthly wages, current Rwandan Franc (RWF) and US\$	8
Table 9: Working Conditions in Rwanda	8
Table 10: Estimations of employment-to-population ratio in Rwanda and the Eastern Africa, Age and Sex distribution, 2018	9
Table 11: Unemployment and time-related underemployment in Rwanda, %, 2017	10
Table 12: Sector employment share in Rwanda, 2017	11
Table 13: GDP share by sector and per worker in Rwanda, 2017	12
Table 14: Status of migration in Rwanda	12
Table 15: Cross-classification of employment by informal or formal job and production unit, 2017	13
Table 16: Status of child labour, 2017	14
Table 17: Workforce indicators, Men and Women, 2017	15
Table 18: Youth population in employment or education or training, Men and Women, % and percentage point, 2017	16
Table 19: Population by level of educational attainment in Rwanda, %, 2012	16
Table 20: Status of Vocational Training in Rwanda and the sub-Saharan Africa (SSA), 2007-2016	18
Table 21: Status of social protection in Rwanda and the sub-Saharan Africa (SSA)	19
Table 22: Pension Benefits, Coverage and Contributions in Rwanda and the sub-Saharan Africa (SSA), 2009	20
Table 23: Key economic data in Rwanda, 2017	20
Table 24: Employment by economic class in Rwanda, 2000-2018	21
Table 25: Registered Trade Unions in Rwanda, 2017	22
Table 26: Collective Bargaining Agreements in Rwanda, 2018 (April)	23
Table 27: Labour market related national legislations passed in 2014-2017	23
Table 28: Ratified ILO Conventions in Rwanda	26
Table 29: Contributory and non-contributory social protection schemes in Rwanda	27
Table 30: Ease of Doing Business in Rwanda, 2018	27
Table 31: Governance Indicators in Rwanda, % and change percentage points, 2006-2016	27

Figures

Figure 1: Estimations and projections in employment-to-population trend in Rwanda and the Eastern Africa (EA), total and youth, %, 2000-2020	9
Figure 2: Estimations and projections of status of employment in Rwanda, %, 2000-2020	9
Figure 3: Estimations and projections of labour productivity trend, 2000-2020	10
Figure 4: Estimations and projections of broad employment by aggregate sector in Rwanda, 2000-2020	11
Figure 5: Women in management and ownership, 2011	15
Figure 6: School Enrolment in Rwanda and the sub-Sahara Africa (SSA), Male and Female, %, 2007-2016	17
Figure 7: Student enrolment in vocational training and ratio of vocational pupils to students enrolled in secondary education, Rwanda and sub-Saharan Africa (SSA), 2007-2016	18
Figure 8: Out-of-pocket expenditure (% of current health expenditure), %, 2006-2015	19
Figure 9: GDP per capita growth and inflation, %, 2008-2017	20

TRADE UNIONS

In Rwanda the labour market is fragmented into a narrow formal employment and a dominating informal employment. This creates challenges of organizing workers in unionizing. First of all, workers' rights to form and join independent unions on enterprise level in both the private and the public sector are present with some restrictions among senior public servants, police and soldiers. Workers in informal employment are, in principle, also covered by the unionizing rights (see also the section: National Labour Legislation).

Table 1 shows that there were 33 trade unions organized into 3 centers in 2017. Around 233,000 registered workers are in membership. This equals a trade union density of 3.8% in terms of the total employment. This is slightly higher than most other Eastern Africa countries average trade union density. Calculations of the trade union density to the narrower segment of employees (i.e. get a basic remuneration not directly dependent the revenue of the employer) is significantly higher at 19%. Around 1 out of 3 of the trade union members is a woman.

Table 1: Status of trade unions in Rwanda, 2017

Number of trade unions	33
Members of trade unions	233,323
Trade union members share of total employment	3.8 %
Trade union members share of employees	19 %
Women member share of trade unions	32 %
Affiliated members from the informal economy	68,727 *

* This number covers data from STECOMA and SYTRAMORWA from CESTRAR, and STRIECI from COSYLI (see also Appendix Table 25).
Source: CESTRAR and LO/FTF Council research; own calculations of trade union density based on ILO employment estimations.

In recent years, the trade union movement has experienced a fast influx of members. There was registered an upsurge of affiliated organized workers from the informal economy, which increased by 219% in the period of from 2014 to 2017 and peaking of 69,000 members, so far (Table 1). Around 29% of the total trade union members are today from the informal economy.

The fast increase of membership triggered a gain on the trade union density trends. First of all, despite a fast growing number of total employment the trade union density grew even faster of 1.5 percentage point increase in the period from 2014 to 2017. Although the fast growing number of employees, yet it constitutes a

small segment of the total employment that is mirrored by a higher trade union density advance of 7.0 percentage point during the abovementioned period, peaking at 19% coverage in 2017 (Table 2).

Table 2: Trade union density trend, 2014-2017

	2014	2017	Growth, percentage point
Trade union members to employment	2.2 %	3.8 %	1.5 p.p.
Trade union members to employees	12 %	19 %	7.0 p.p.

Source: CESTRAR and LO/FTF Council research; own calculations of trade union density based on ILO employment estimations.

Among the three trade union centers, the *Centrale des Syndicats des Travailleurs du Rwanda* (CESTRAR) is the largest organization that covers 85% of the total unionizing membership; the *Congr s du Travail et de la Fraternit * (COTRAF) represents 10% and the *Conseil National des Organisations Syndicales Libres au Rwanda* (COSYLI) of 5% (Table 3).

Table 3: Trade Union Centers, 2017

Trade Union Centre	Number of affiliated unions	Total members
CESTRAR	17	197,323
COTRAF	6	24,000
COSYLI	10	12,000
Total	33	233,323

Source: CESTRAR and LO/FTF Council.

The International Trade Union Confederation (ITUC) affiliates CESTRAR and COTRAF. The federations are considered as independent, but CESTRAR has links to the government and the ruling Rwandan Patriotic Front party.²

La Centrale des Syndicats des Travailleurs du Rwanda (CESTRAR)

CESTRAR was established in 1985 with a central structure of the then ruling National Republican Movement for Democracy and Development party. In 1991, CESTRAR declared its independence vis-à-vis the political parties and revised its constitution. The organization works closely with the government and civil society organizations.

CESTRAR is governed by the national trade union congress, the national trade union council, and the national executive bureau. The two main objectives of CESTRAR are: i) the improvement of the socio-economic conditions of workers, and ii) creating solidarity among workers and involving them in trade union activities.

The largest and one of the most influential unions in CESTRAR and Rwanda is the Rwanda National Teachers Union (SNER). This organization has registered 65,000 members and all from the formal sector. This constitutes 33% of CESTRAR total membership. The Workers Union of Enterprises in Construction, Carpentry and Handcraft (STECOMA) is the second largest union with close to 57,000 members, which is 29% of the centre's total membership. The 15 other trade unions represent a membership from around 89 to 12,000. It is worthwhile to mention that 6 of the affiliated organizations at least doubling their membership in recent years, some with even extremely high increases from STRIGEP (trade union for workers in garages, mines, printing houses and enterprises in the private sector) and SYBATECHETRA (trade union for workers in the banking, insurance, transport and hotel sector); see more details on Appendix Table 25.

CESTRAR is engaged to include associated workers from the informal economy in the unionizing process that later can be included into formal trade union structures. Among the affiliated unions, it is concentrated in STECOMA, where 86% (49,000 affiliated workers) are from the informal economy; the two others, STAVER and SYTRAMORWA, constitute all members from the informal economy (Appendix Table 25).

The federation is in progress in investigating how to re-organize its organizational structures at regional levels - possibly establishing federations rather than unions - and its membership structures to include informal economy associations. Hard work of trainers and organizers' work have triggered a fast influx of members from 97,000 in 2014 to 197,000 in 2017, which equals a unionizing growth of 104%.

In December 2017, CESTRAR held its 9th ordinary congress where a new National Executive Bureau was established that included a woman elected as the second-deputy secretary general. A new committee for youth and women representative was also elected.

Congr s du Travail et de la Fraternit  (COTRAF)³

COTRAF was created in 2003 out of the structures of the Industry, Garage, Construction, Mines and Printers Workers Union (former named STRIGECOMI, today STRIGEP) that was affiliated in CESTRAR. COTRAF is governed by a general assembly; a general council; the national bureau with its secretariat.

COTRAF's mission is to protect and promote rights and interest of workers. The federation has an estimated

24,000 members with an estimated growth of 20% in the period from 2014 to 2017 (Appendix Table 25).

Despite an evident rivalry between both COTRAF and CESTRAR, the two trade union centres are establishing some cooperation.

Conseil National des Organisations Syndicales Libres au Rwanda (COSYLI)⁴

COSYLI was registered as a confederation by the authorities in 1996. The organization constituted of 12,000 members in 2017 with a growth of 20% since 2014 (Appendix Table 25).

Among others, COSYLI surveys domestic workers in the informal economy about their work conditions and educate them about their rights. The organization has also initiated actions as part of raising awareness among notably unionists, local authorities and even domestic workers, especially through SYTRAMER on the content of the ILO Domestic Workers Convention (No. 189), which is not yet ratified by Rwanda.⁵

EMPLOYERS' ORGANISATIONS

Based on estimations, 0.5% of the total employment in Rwanda consists of employers (see more on Figure 2). The Global Competitiveness Index provides the Rwandan employers' view on a wide range of aspects, including labour market efficiency. The latter is elaborated upon statistical data and surveys among employers in the country. They considered the labour market as very effective; ranking 8 out of 137 countries (1st is the best).

Out of the 10 labour market efficiency indicators, the highest scoring is women's participation in the workforce with a very low gender gap, reaching 2 out of 137 countries (1st is the best). This measurement is somewhat in contrast with the labour participation gender gap from the recent new Labour Force Survey 2017 (see more on the section: Workforce). It is also worthwhile to mention that cooperation in labour-employer relations is relatively high at 18 out of 137 countries. Redundancy costs, pay and productivity and flexibility of wage determination have the lowest rankings of 48, 37 and 34 out of 137 countries, respectively (see more on Table 4).

Table 4: Labour market efficiency in Rwanda, 2017-2018

Indicator	Rank
Total	8
Cooperation in labour-employer relations	18
Flexibility of wage determination	34
Hiring and firing practices	16
Redundancy costs (weeks of salary)	48
Effect of taxation on incentives to work	13
Pay and productivity	37
Reliance on professional management	29
Country capacity to retain talent	18
Country capacity to attract talent	14
Women participation in the labour force	2

Note: Rank from 1 to 137 (1 is highest).

Source: [The Global Competitiveness Report, 2017-2018, 7th pillar: Labor market efficiency](#)

Private Sector Federation (PSF)

PSF was established in 1999. It is the main umbrella organization of employers in Rwanda. It encompasses 10 chambers for different sectors.⁶ Their membership reaches around 5,000 companies. The organization's mission is to represent and serve the interests of the entire private sector through lobbying and advocacy. At the same time, it provides business development services that lead to private sector led economic growth and development. It has been observed that PSF is a more business organization than an employers' organization vis-à-vis the trade union movement, i.e. focusing more on private sector interests than employer issues.

As a result, PSF has been somewhat inactive in numerous tri-partite forums. However, the organization has recently set up a department for employment and labour relations. The cooperation between PSF and CESTRAR has been unusual, yet working relations have improved considerably during the recent years.⁷ PSF is also sponsoring a Public-Private Dialogue mechanism, which aims to offer the public and private sector a platform to create solutions together on issues impeding business.⁸

A new committee approved in February 2018 and Mr. Robert Bapfakurera elected as the chairperson for the next three years. The organisation has increased the level of financial sustainability since its budget from funders decreased from 54% in 2013 to 33% in 2018, i.e. 67% of federation's budget comes from private investors, federation's services and organized events.⁹

PSF is a member of the East African Employers Organization (EAEO) established in September 2011. The EAEO is a regional platform where East African national employers' organizations and other players in

the sector engage with each other on issues that relate to regional integration. It was established to follow-up implementation aspects of the East Africa Common Market Protocol on clauses on the free movement of workforce, labour standards and regulatory environment, skills development and mutual recognition

CENTRAL BI/TRIPARTITE STRUCTURES

Mediation and Arbitration

The labour law protects mediation and arbitration on the labour market. For example, in an individual dispute, a workers' representative undertakes conciliation. Handling labour disputes is through social dialogue and conflict resolution on workplace committees. These establishments are in companies with at least 20 workers. However, since a large majority of the workforce operate in the informal economy with micro or small enterprises, only a minority are active in workplace committees in large enterprises from the formal sector (see more on the section: Workforce). Despite limited information was available; mediation sessions were implemented in different companies in 2017, such as SRB, SOSOMA, SOCERGI, and ATECARgarage. At least 124 negotiation committees are set in various workplaces that aim to promote collective negotiations.

In a collective dispute, the labour inspector or the Minister of Labour attempt conciliation; if that fails the National Labour Council sets up an arbitration committee that decides and enforces an outcome. The mandatory conciliation and arbitration process can take more than two months. The right to strike following these procedures have some restrictions: i) where the arbitration committee fails to reach a decision within 15 days, or ii) where agreements reached under conciliation procedures are not implemented.

If conciliation of disputes fails, they can end up as court cases. There are no functioning labour courts or other formal mechanisms to resolve antiunion discrimination complaints. Surces reported it could take four to five years for labour disputes to be resolved through the civil courts (see more on the section: National Labour Legislation).¹⁰ In addition, increasing court cases expose ambiguity in the labour law. For example, employers in small companies frequently used transfers, demotions, and dismissals to intimidate union members.¹¹ On the other hand, there is fear among some employers that they cannot get rid of in-disciplined or incompetent staff because the odds are against them owing to the loopholes of the current labour law.¹²

National Labour Council (NLC)

NLC consists of fifteen members with five representatives each from government, workers and employers. The council comments and gives advice on labour law, minimum wage and other labour related matters. Committees established by the council are to act as arbitrators and settle collective labour disputes, when the parties cannot reach a settlement. The council approved and proposed to increase the national minimum wage in 2016, which was depending on a professional category, but it was not approved by the cabinet (see more on the section: Working Conditions). Some improvements in recent years were that NLC meets more regularly and the constituents follow up its recommendations more frequently.¹³

Economic and Social Development Council (RESC)

In 2007, RESC established to improve the possibilities of dialogue and enhanced consensus building of key actors on the labour market. This institution composes of members from the government, representatives of workers, employers and civil society. It gives advice and promotes consensus on social and economic legislation and policies. RESC's Secretariat reports to the Development Council that seats three times per year and chaired by the Prime Minister. Updates from the institution were not available.

Other bi/tripartite organs

- Workforce Development Authority (WDA)¹⁴
- National Social Security Funds
- Rwanda Health Insurance for Public Sector Workers
- Teacher Service Commission
- District Council
- Rwanda Public Private Dialogue (RPPD)
- National Commission Against HIV/Aids
- Rwanda NGO's Forum on HIV/AIDS
- Employment Stakeholders' Forum

Social dialogue and collective bargaining

A culture of consensus-seeking social dialogue and negotiations on the labour market was virtually non-existent in Rwanda in the past confronting ethnic tensions that burst into the Rwandan genocide in 1994 and its aftermath. On the positive side, social dialogue intensified among employees and employers in the formal sector in recent years. There are still often insufficient negotiation techniques/skills experiences for both employers and workers, though. Employers

organizations tend to neglect such issues and leave everything for trade unions to handle.

A tripartite work plan on social dialogue and collective bargaining was adopted in May 2014 and a piloted policy guide on collective bargaining was launched in 2015. A tripartite steering committee on social dialogue and collective bargaining was revitalized and functioning more effectively as a forum for consultations between government and social partners. Legislation furthermore provides detailed election procedures, afforded facilities to representatives, and information that management is required to provide.

There has been some improvements in collective and workplace bargaining, e.g. in practice more workplace negotiation committees were established as mandatory, at times subject to a minimum number of workers in the enterprise. In cases where workplace cooperation forums coexist with unions, it is common for workers to stand for election to the workplace committee or works council on a union ticket.¹⁵ Also employers have assessed as require effective cooperation in labour-employer relations (see also Table 4). A key challenge is still that no law establishing the regulations on minimum wage in the country difficulties negotiations with workers on their salaries.

Despite the improvement in social dialogue, a large majority of employers are still not ready to take social dialogue practices to the level of negotiated collective conventions.¹⁶ Not to mention, the government still enforces limited right to collective bargaining just as legal mechanisms are inadequate to protect this right (see more on the section: National Labour Legislation). According to sources, labour unions have argued that many private-sector businesses controlled by the ruling Rwandan Patriotic Front political party (RPF) or the Rwanda Defence Force (RDF) were off limits to collective bargaining negotiations. The government also controlled collective bargaining with cooperatives and mandatory arbitration. No labour union had an established collective bargaining agreement with the government.¹⁷

The Labour Law allows unions to negotiate with employers in the private sector at company level for collective bargaining agreements (CBAs) that improve working conditions of workers. Only few CBAs are practiced, so far. The first CBA in Rwanda was launched in 2011 with a international tea firm exporter, which covered 2,400 employees. It was renewed with its employees in February 2015. In 2014, another tea

firm, Assopthe, and the sugar business, Kabuye, settled CBAs (see more on Appendix Table 26). Mulindi tea factory, mining and transport sector are still in the process of establishing CBAs. In construction sector, a draft CBA is crafted where trade unions and the private sector will work together to make it a final document and organize a meeting to be signed. This will continue to improve working conditions of workers. A positive impact of the current CBAs is that workers' rights have improved. So far, the coverage of CBAs continues to be extremely low with a share of 0.9% of total employees (Table 5).

Table 5: Status of Collective Bargaining Agreements (CBAs) in Rwanda, 2017

Number of registered CBAs	3
Workers covered by CBAs (est.)	11.000
Share of workers covered by CBAs (employment)	0.2 %
Share of workers covered by CBAs (employees)	0.9 %

Source: WageIndicator Foundation; CESTRAR records and estimations based on density calculations.

There are no CBA's by individual unions although some agreements made between employers and different unions like SNER, SENJOUSMEL, STECOMA, and STAVER. In addition, several agreements in different companies exist but they fully were not finalized due to insufficient use of the procedures and steps in negotiation.¹⁸

NATIONAL LABOUR LEGISLATION

The International Labour Organization (ILO) has registered 334 national labour market related legislations in 2018 (May).¹⁹ Table 6 below outlines the number of approved legislation reforms in the period from 2014 to 2017, which indicates that the parliament has been busy to introduce changes on the labour market.

Table 6: Status of the national labour, social security and human rights related legislations in Rwanda

	2014	2015	2016	2017
Number of new/amended legislations	13	28	27	7

Source: [ILO, NATLEX, Rwanda](#)

Main changes vary from new laws such as the Maternity Law in 2016 to minor amendments such as determining the official holidays in 2017. More information of the pieces of legislation is available on Appendix Table

27. The new Maternity Law is considered as an important improvement. Among others, mothers working for public and private employers can now begin applying for the newly enacted 12-weeks maternity leave to attend to their newborn babies, which is a standard among the Eastern Africa countries; and get 100% of their salary. It is important to realize that a large majority of women are operating in the informal economy and not benefiting from the law's regulations in practice.

A National Employment Program was launched to ensure that there is work for all those available to work. Through that program, laws and regulations were put in place in recent years to implement the policy for equal distribution of the productivity and increasing of the socio economic welfare conditions of workers. An impact of these reforms in terms of real job creation in recent years was not available.²⁰

Other key legislations on the labour market that are regulating the workers fundamental rights are the following:

Constitution²¹

The Constitution of 2003 recognises as fundamental human rights the freedom of association, free choice of employment, equal pay for equal work, basic trade union and employers' organisation rights as well as the right to strike. The constitution was revised in 2015, especially in its Article 30 provides for the right to free choice of employment and equal pay for equal work: "All individuals, without any form of discrimination, have the right to equal pay for equal work." The Constitution was again amended in 2016 allowing Rwandan President Kagame to run for a third term without opposition.

Law Regulating Labour in Rwanda²²

This labour law from 2001 was amended in 2009 and again in 2015. It establishes fundamental rights at work, regulates various aspects of employment, general working conditions, salaried formal sector workers, leaves, occupational safety and health, organization of workers and employers, collective agreements and labour disputes. The law also establishes the Labour Inspectorate, the Ministerial Labour Directorate and the National Labour Council. According to the law, workers representatives are to be elected in firms employing at least ten workers.²³

Overall, the labour law has a comprehensive framework to address the rights for workers and

employers to freely associate and to bargain collectively. However, as previously mentioned, social dialogue in Rwanda is still at an infant stage but with improvements. Point often overlooked is that most provisions of the law do generally not protect unregistered small businesses, cooperatives and workers from the informal economy. This exemplifies that the government is not enforcing applicable laws effectively. Also an insufficient connection between the labour market and the education system keep many workers and employers with a lack of knowledge of the basic labour regulations and overwhelmed by informality.

The government launched a statement of reforms of the Law Regulating Labour in Rwanda in February 2018.²⁴ The reform attempts to establish an inter-trade union forum, but with some uncertainties of its motives, e.g. a measure of controlling unions.

Observations on the labour legislation

The International Trade Union Confederation (ITUC) has registered some flaws on the labour market legislations with reference to international ILO conventions' standards of freedom of association, right to collective bargaining and right to strike:²⁵

- Power to refuse official registration on arbitrary, unjustified or ambiguous grounds: To obtain registration, a union must be able to prove that its representatives has not at any time been sentenced to prison terms of six months or more, i.e. there is a 90-day timeframe for the authorities to complete an application for registration of a trade union.
- Other external interference allowed by law: Unions seeking most representative status must allow the labour administration to check its register of members and property.
- Previous authorization or approval by authorities required to bargain collectively: A union must be registered to obtain statutory bargaining status and must publish its articles of association.
- Authorities' or employers' power to unilaterally annul, modify or extend content and scope of collective agreements: Extension is possible only for agreements that cover two-thirds of workers or employers in a professional category, and that extension is initiated by a majority of concerned unions or employers' associations. The Minister of

Labour also has a power to initiate this process unilaterally, and has an apparently unfettered discretion to choose, which provisions of an agreement will be extended.

- Compulsory recourse to arbitration, or to long and complex conciliation and mediation procedures prior to strike actions: There is a mandatory conciliation and arbitration process for collective disputes, which can take more than two months. The right to strike following these procedures is restricted to just two situations: i) where the arbitration committee fails to reach a decision within 15 days, or ii) where agreements reached under conciliation procedures are not implemented.
- Undue restrictions for "public servants": The only clear trade union right for public servants is the right to join trade unions under the General Statutes for Public Services. Discretionary determination or excessively long list of "essential services" in which the right to strike is prohibited or severely restricted. The Minister of Labour has unfettered discretion to determine both which services are "indispensable" and how the right to strike may be exercised in these services.
- Absence of compensatory guarantees for categories of workers deprived of the right to strike.
- Discretionary determination or excessively long list of "services of public utility" in which a minimum operational service is can be imposed in the event of strikes.
- Unreasonable or discretionary (i.e. without negotiation with social partners or absence of an independent authority in the event of disagreement) determination of the extent of the "minimum service" to be guaranteed during strikes in public services.

Ratified ILO Conventions

With reference to Rwanda's ratification of the international labour standards, a total 28 ILO Conventions are ratified (more details are available on Appendix Table 28):²⁶

- Fundamental Conventions: 8 of 8.
- Governance Conventions (Priority): 2 of 4

- Technical Conventions: 18 of 177.
- Out of 28 Conventions ratified by Rwanda, of which 27 are in force, no Convention has been denounced; 1 instrument abrogated; none have been ratified in the past 12 months.

The latest ratified Convention was the Employment Policy Convention (No. 122) from August 2010.

Trade agreements

Rwanda has joined a wide range of international trade agreements that have an impact on the labour market regulations. Some of the key free trade agreements are the East African Community (EAC) that agreed to establish full common market with free movement for workers, goods, services and capital. Freedom of association and collective bargaining is protected in the EAC common market in the sense that an EAC migrant worker has equal rights as a national.²⁷ The free movement of labour within the EAC opens up questions of how to achieve equal opportunities and equal social and labour rights for migrant workers. For example, if workers can bring pensions with them across borders. Also the Common Market for Eastern and Southern Africa (COMESA) agreement extended to cooperation on employment conditions and labour law.²⁸

The free movement of labour is a source of concern in some of the EAC countries as an impact of differences in productivity and educational level. The actual implementation of the economic integration has slowed down the last few years especially with regards to lifting barriers to trade and free movement of labour.

Rwanda furthermore benefits from several bilateral trade agreements, which includes from the United States and the European Union.

TRADE UNION RIGHTS VIOLATIONS

Rwanda has a ranking two out of five of ITUC's Global Rights Index in 2017, registered of 'repeated violations of rights', i.e. some weak collective labour rights as well as certain rights have come under repeated attacks by governments and/or companies and have undermined the struggle for better working conditions (Table 7).²⁹

Table 7: Global Rights Index, Rwanda ranking, 2014-2017

	2014	2015	2016	2017
Ranking	2	2	3	2

Note: Five clusters in total with ratings from 1 to 5. A country is assigned the rating 5+ by default, if the rule of law has completely broken down.

Source: [ITUC, Global Rights Index](#)

ITUC registered two cases of repeated violations of rights. The first was from 2014 with reference to six teachers working in a private school were illegally dismissed without prior notice contrary to a valid collective agreement. The second from 2017 was related to management in the public sector which often was guilty of violation of labour laws. It was noted that the Government lost 75% of the lawsuits filed against managers in the public sector by its former employees. Such high prevalence of adjudicated violations demonstrated the level of injustice in the public service and pointed to the lack of serious sanctions for managers who break the law while managing their staff.³⁰

Freedom of association and the right to collective bargaining often were not respected in practice. It was observed that the latest recorded strike was with textile workers in 2013.³¹

WORKING CONDITIONS

The last national minimum wage was from 1974 that was set at Rwandan francs (RWF) 100 (US\$0.12) per day and it is now outdated. The government initiated a process in 2013 to revise the minimum wages in continuation of the revision of the Labour Code from 2009. The National Labour Council worked on several years to craft a new minimum wage. A proposal was presented in 2016. It is currently waiting for approval on the parliament level and its publication. An issue that has stalled its approval is an attempt of bringing minimum wages on a broader spectrum that involves informal employment, which covers at least eight out of ten of all employment, and currently are not covered by the wage regulations. In addition, the absence of a new minimum wage has furthermore been responsible for the pensioners low benefits, since these are calculated based on the current minimum wage.³²

The Ministry of Public Service and Labour set industry-specific minimum wages in the small formal sector in 2013. In practice, the sector minimum wages were not enforced.³³ The latest Labour Force Survey 2017 registered that the median wage was RWF 20,800

(US\$25) per month with a deep gender gap of 30%. This exemplifies that gender bias is rampant in the country (see more on the section: Gender). On the other hand, the national average hourly cash income from employment of employees at main jobs was assessed to be much higher; see more on Table 8. Families regularly supplemented their incomes by working in micro-businesses or subsistence agriculture.

Table 8: Wages and earnings in Rwanda, monthly wages, current Rwandan Franc (RWF) and US\$

	Current RWF	Current US\$
Minimum wage (1974-)	2,167	3.3
Median wage (2017)	20,800	25
Men	26,000	31
Women	18,200	21
National average cash income (2017)	70,920	85
Agriculture	41,040	49
Industry	95,220	114
Service	108,720	130
Special Economic Zones (2016)	91,667	108

Source: [National Institute of Statistical of Rwanda, Labour Force Survey 2017](#); [International Labour Organization](#); and [International Growth Center](#)

Thirty-five labour inspectors covered the country in 2016. There was at least one inspector in each district and they reported to mayors. However, their coverage of the entire workforce is very weak. The inspectors' coverage of the total employment was estimated of 1 inspector per 173,000 workers. If the estimation is turned towards a more formalized employment segment among employees, the inspectors' coverage was estimated 1 per 34,000 workers. This is more in line with the ILO recommends of 1 per 40,000 workers in less developed countries.³⁴

Main labour market regulations in Rwanda provide a standard workweek of 45 hours and 19.3 days paid annual leave on average. In practice, the number of hours usually worked were estimated lower at 39.1 hour per week on average, according to the latest Labour Force Survey 2017. Other main regulations on the working conditions are presented on Table 9. Violations of wage, overtime, and occupational health and safety (OHS) standards are common in both the formal and the informal economy. Not to mention, there

is no unemployment insurance or other social safety net programs for workers laid off for economic reasons.

Table 9: Working Conditions in Rwanda

Fixed-term contracts prohibited for permanent tasks	No
Maximum length of a single fixed-term contract (months)	No limit
Maximum number of working days per week	6
Premium for night work (% of hourly pay)	0
Premium for work overtime work (% of hourly pay)	0
Paid annual leave (average for working days with 1, 5 and 10 years of tenure, in working days)	19.3
Minimum length of maternity leave	84 days
Receive 100% of wages on maternity leave	Yes
Five fully paid days of sick leave a year	Yes
Unemployment protection after one year of employment	No

Source: [World Bank, Doing Business, Labor Market Regulation in Rwanda](#)

WORKFORCE

Rwanda is one of the most densely populated countries in Africa with an estimated population of 11.9 million inhabitants in 2017. The degree of urbanization (i.e. the share of urban population in the total population of a country) rose from 20% in 2006 to 30% in 2016.³⁵

Reforms of statistical registers were launched in 2017 in Rwanda. According to the new international standards, employment includes only persons working for pay or profit, excluding persons engaged wholly or mostly in subsistence foodstuff production. The effect of this is to lower the count of employment (according to the former definition). Thus, working age population (WAP) comprised 6.8 million workers and a workforce participation rate of 53% in 2017, according to the new Labour Force Survey 2017. The employment-to-population ratio was set at 43% with a gender gap of 18 percentage points (men of 53% and women of 35%); 47% were outside the workforce (i.e. subsistence foodstuff production, not classified as employment activities, and labour underutilization).

Comparing the country's employment-to-population rate to the region average is available from ILO databank. This displays that Rwanda has significant higher employment-to-employment ratio on all levels relative to the Eastern Africa averages. There was no employment-to-employment gender gap in the country (Table 10). Data from ILO databank and the Rwanda Labour Force Survey 2017 diverge significantly due to different statistical employment definitions.

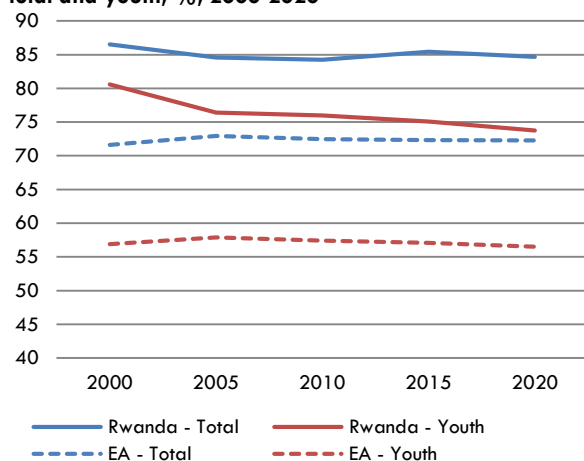
Table 10: Estimations of employment-to-population ratio in Rwanda and the Eastern Africa, Age and Sex distribution, 2018

Sex	Age		Rwanda	Eastern Africa
Total	Total	15+	85 %	72 %
	Youth	15-24	74 %	57 %
Men	Total	15+	85 %	78 %
	Youth	15-24	74 %	59 %
Women	Total	15+	85 %	67 %
	Youth	15-24	74 %	53 %

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Figure 1 illustrates that the total employment-to-population trend has been estimated and projected to stay stable in Rwanda during the period from 2000 to 2020; youth employment-to-population entered into a slow decline. However, the country remains hovering far above the Eastern Africa average.

Figure 1: Estimations and projections in employment-to-population trend in Rwanda and the Eastern Africa (EA), total and youth, %, 2000-2020



Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Rwanda experienced some structural changes on the status of employment in the 2000s, but it was stalled in the 2010s, so far. First of all, many workers moved from contributing family workers (i.e. self-employment in an establishment operated by a related person) to employees (i.e. workers who get a basic remuneration). The latter segment increased by 13 percentage points in the period from 2000 to today, peaking at 20% of the total employment in 2018. This was an impact of the urbanization and a substantial creation of jobs, predominantly in non-farm activities.³⁶ A large majority, 70%, is still operating as own-account workers (i.e. self-employment and not engaged as 'employees' on a continuous basis) while 9% are contributing family workers.³⁷ Based on estimations from 2018, men are

more present among employees than women: 27% and 12%, respectively. In contrast, women have higher rates than men among own-account workers of 76% and 67%, and among the contributing family workers of 12% and 5.4%, respectively. Data moreover illustrate that the segment of Rwandan employees is today in line with the Eastern Africa average. Key differences are that the regional average among own-account workers is much lower at 43% and the contributing family workers is higher at 35%.

Figure 2: Estimations and projections of status of employment in Rwanda, %, 2000-2020

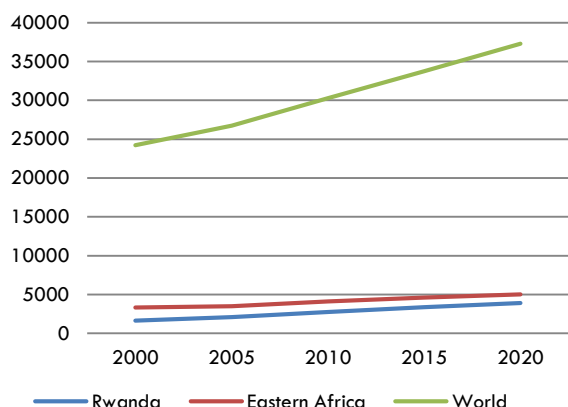


Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

It should be mentioned that the above-mentioned employment data from Figure 2 are in contrast with the results from the Labour Force Survey 2017. This has been related to statistical methodology differences. The latter survey registered that almost three-fourth of the employed population (72%) were employees or paid apprentices or trainees. The share of own-account workers was 23%, followed by contributing family workers of 3.9%, employers of 1.3% and members of producers' cooperatives of 0.5%.

Labour productivity has been on a rise in Rwanda, but it stays below the Eastern Africa average and far below the World average. The labour productivity gap between Rwanda and the Eastern Africa dropped from 49% in 2010 to 35% in 2015, and a projected to 25% in 2020. World average has a much higher labour productivity evolution than Rwanda and the region average pace (see more on Figure 3).

Figure 3: Estimations and projections of labour productivity trend, 2000-2020



Note: Labour productivity is defined as output per worker (GDP constant 2011 international \$ in Purchasing Power Parity (PPP))

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

A study of Rwanda Economic Update from 2017 revealed that almost two-third of overall improvement in labour productivity in the period between 2005 and 2014 came from an inter-sectoral shift in employment (or structural transformation; see also Figure 2 and Figure 4), with remaining one-third driven by productivity growth within economic sectors. Within sector productivity growth was driven mostly by some productivity gains in agriculture and manufacturing. It must be remembered that a majority of small-scale farm workers are still engaged in low productivity activities and earnings. There were also gains in service sectors including transport, communication, financial services and retail trade. A decline in labour productivity in mining, construction and hotels and restaurants negatively contributed to the overall productivity.³⁸ The still relatively low labour productivity in Rwanda continues to be an effect of the dominating informal economy.

Unemployment

In many years, the unemployment rate was estimated very low. According to the strict international definition, the unemployment rate was estimated at 1.4% in 2017, which was much lower than the Eastern Africa unemployment rate of 6.5% on average. This strict definition of unemployment standards was interpreted as all those of working age who were not in employment, carried out activities to seek employment in a recent period (comprising the previous 4 weeks or month) and were currently available to take up employment (in the reference period or within a short subsequent period not exceeding two weeks in total).³⁹ However, this measurement is underestimating the over-

qualification, involuntary part-time, and over-staffing or otherwise hidden unemployment. New international statistical standards were introduced by the Rwanda Labour Force Survey 2017 that applied a relaxed international definition of unemployment, which included some of the subsistence foodstuff producers that were looking and available for work for pay or profit were classified as unemployed. Then suddenly the unemployment rate increased significantly: The new survey registered a total unemployment rate of 17% and youth unemployment of 21% in 2017. A significant youth unemployment gender gap was noted of 7 percentage points (see more on Table 11).

Table 11: Unemployment and time-related underemployment in Rwanda, %, 2017

	Unemployment	Youth unemployment	Time-related under-employment *
Total	17 %	21 %	28 %
Men	16 %	17 %	26 %
Women	18 %	26 %	32 %

* Time-related underemployment refers to the situation when the working time of persons in employment is insufficient in relation to alternative employment situations in which they are willing and available to engage. Source: [National Institute of Statistical of Rwanda, Labour Force Survey 2017](#)

Table 11 furthermore illustrated that status of time-related underemployment was a challenge in Rwanda, estimated at 28% with a gender gap of 6 percentage points in 2017. Both the high unemployment and time-related underemployment rates echoed in a high labour underutilization of the workforce that was estimated at 58% in 2017 along with the relatively low labour productivity.

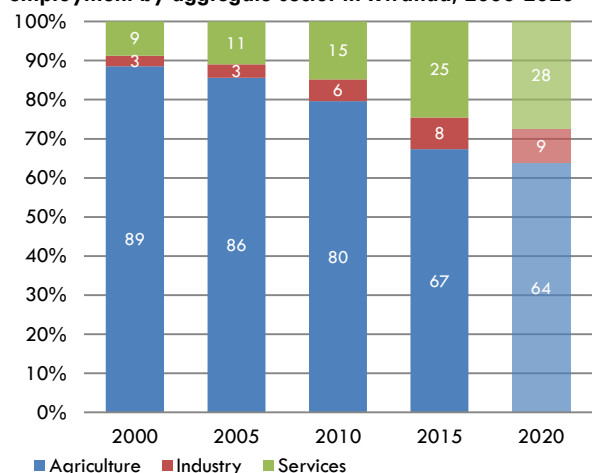
Formal sector is not creating sufficient new jobs to curb the high influx of youth on the labour market. However, the country is not operating with unemployment protection schemes (see also Table 9). Thus, unemployment cannot be considered as a choice meanwhile looking for jobs in the formal sector. Many enter instead in casual and informal activities as a survival strategy to get some earnings. This was reflected by the abovementioned relaxed international definition of unemployment that demonstrated high rates of unemployment and underemployment.

Sectoral Employment

Just as the status of employment, the labour market in Rwanda experienced also some sectoral shifts in the employment. Especially many workers from the subsistence agriculture moved towards the service sector

and to some extent the industry sector. This was driven by the steady economic growth since the early 2000s and an increasing urbanization. Based on an aggregate interpretation of sector employment, the agricultural sector dropped by 19 percentage points in the period from 2005 to 2015; this sector remains the largest employer of around 67% of the total employment, which is adjusted for subsistence foodstuff production. Service sector covers around one out of four (25%) of the total employment and the industry sector of 8%. More details of the employment changes are available on Figure 4.

Figure 4: Estimations and projections of broad employment by aggregate sector in Rwanda, 2000-2020



Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Labour Force Survey 2017 registered that the total employment population covered 3.0 million workers. New international standards were applied, which included that employment represented only persons working for pay or profit, excluding persons engaged wholly or mostly in subsistence foodstuff production. In addition, agriculture employment includes only those who produce agriculture good intended mainly for sale or barter. At the outset, the number of workers in employment was significant lower than former surveys' data as well as employment sector shares were diverging from the abovementioned Figure 4. Notwithstanding, the new survey presented that the agricultural sector absorbed close to one out of two (46%; 1.4 million workers) with the highest number of employment; industry sector of 14% (435,000 workers) and service sector of 39% (1.2 million workers).

There are slightly more men than women in employment, which is illustrated by a 10 percentage point gender gap; 55% vs. 45%, respectively. Men are dominating the industry and service sector while women are more

present in the agricultural sector. The second largest employment branch of economic activity was workers in trade (16%) followed by construction (7.9%) and activities of households as employers of domestic personnel (registered in Other sources) (7.1 percent). More sectorial employment details are available on Table 12 below.

Table 12: Sector employment share in Rwanda, 2017

Sector	Total sector employment	Sector employment share, %	Ratio of men in sector employment, %
Agriculture	1,385,421	46 %	45 %
Mining & quarrying	40,735	1.3 %	91 %
Manufacturing	137,201	4.5 %	58 %
Electricity, gas & water	17,367	0.6 %	80 %
Construction	239,471	7.9 %	81 %
Trade, restaurants & hotels	490,779	16 %	52 %
Transport, storage & communication	139,257	4.6 %	92 %
Finance, real estate & business services	27,013	0.9 %	54 %
Diverse services *	271,241	9.0 %	64 %
Other sources **	270,048	8.9 %	48 %
Total	3,018,533	100 %	55 %

* Diverse services - Professional, scientific and technical activities; Administrative and support service activities; Public administration and defence; compulsory social security; Education; and Human health and social work activities.

** Other sources - Arts, entertainment and recreation; Other service activities; Activities of households as employers, undifferentiated goods- and services-producing activities of households for own use; and Activities of extraterritorial organizations and bodies.

Source: [National Institute of Statistical of Rwanda, Labour Force Survey 2017](#)

Employment in Rwanda is counting 72% (2.2 million workers) in rural areas and 28% (832,000 workers) in urban zones. As already mentioned, urbanization is in progress in the country. Around 98% of the employment was concentrated in micro, small and medium enterprises.⁴⁰ Informality is rampant. Some of the challenges on the employment in urban zones are the high un- and underemployment, an unstructured entrepreneur environment and a lack of technical and managerial skill. In rural areas, a large majority were in small-scale farming and a vast majority often lack a qualified education, weak infrastructure and confronting volatile seasonal weather changes.

Agricultural sector created merely 33% of the Gross Domestic Product (GDP), 17% in industry and 50% in the service sector in 2017. Calculations revealed that the broad finance sector, which covered only 0.9% of the total employment, formed 20% of the GDP with an extremely high GDP share by workers of US\$66,027 per year. This sector is particularly Information Technology and capital intensive. The rest sub-sectors diverge from GDP share by sector per worker of US\$1,644 (diverse sectors) to US\$5,473 (mining) (see more on Table 13).

Table 13: GDP share by sector and per worker in Rwanda, 2017

Sector	GDP share by sector, %	GDP share by sector per worker, US\$
Agriculture	33 %	2,124
Mining & quarrying	2.5 %	5,473
Manufacturing	6.4 %	4,160
Electricity, gas & water	1.8 %	9,243
Construction	6.3 %	2,346
Trade, restaurants & hotels	9.3 %	1,690
Transport, storage & communication	5.4 %	3,458
Finance, real estate & business services	20 %	66,027
Diverse services	5.0 %	1,644
Other sources	9.9 %	3,269
Total	100 %	2,954

Note: GDP share by sector per worker is calculated by the total GDP (current US\$) divided by GDP share per sector origin which is then divided in number of workers per sector.

Source: [African Economic Outlook 2018: Rwanda](#); and own calculations on GDP share by sector per worker.

Migration

Forms of migration and migratory patterns have been changed during the last decades in Rwanda. A high positive net migration rate was present in the end of the 1990s, which mainly was related to the returning refugees in the reverberation of the Rwandan Civil War from 1990 to 1994. The patterns changed in the 2000s when the net migration turned into a higher outflow of emigrants than immigrants. Table 14 demonstrates that net migration reached a negative outflow of around 16,000 per year in Rwanda. The country has furthermore a higher net migration population rate than the sub-Saharan Africa average.

Remittances still play a relatively small role in the economy with an average of 2.2% of GDP, surpassed slightly by the sub-Saharan Africa average. It is only recently that labour migration has emerged as an economic issue in the country.

Table 14: Status of migration in Rwanda

Net number of migration (2015)	Rwanda	- 79,101 *
Net migration rate	Rwanda	- 1.65 ** (2010)
		- 1.45 ** (2015)
Personal remittance (received), % of GDP (2012-2016, av.)	Rwanda	2.2 %
	Sub-Saharan Africa	2.4 %

* Net migration is the net total of migrants during a period of five years, i.e. the total number of immigrants less the annual number of emigrants, including both citizens and non-citizens. ** One migrant per thousand of the population.

Source: [World Bank DataBank](#) and [KNOEMA](#)

The country is especially going through an internal rural-urban migration that, so far, peaked at 30% urbanization rate in 2016. This has been characterized as a 'youth bulge', i.e. in urban areas, the percentage of people aged 15 to 34 is higher than in rural areas.⁴¹ This segment is seeking higher pay jobs and due to the upsurge in employment in the formal sector as employees, especially in the industry sector. Labour Force Survey 2017 registered a stock of the migrant population of 1,342,000 persons, representing 12% of the total population. Among them, an estimated 651,000 were internal migrant workers, a majority of those were engaged as domestic workers (24%) or in agriculture (21%), wholesale and retail trade workers (15%) and in construction (9%).

The East African Community (EAC) commits Rwanda and its neighbors to facilitate the free movement of persons and labour. Rwanda has taken steps by abolishing work permit fees for EAC citizens and by introducing the use of ID-cards as travel documents within the EAC. In January 2018, all visitors to Rwanda started to get a 30-day visa upon arrival without prior application; citizens of the other East African Community Partner states are even entitled to six months' visitors pass (renewable) upon arrival with no fee. However, the migration directorate mentioned that the visitor's visa should not be used for employment.

Among others, the National Migration Policy is aiming to boost economic development by attracting foreign investments and immigrant workers with valuable skills,

as well as facilitating the return of the Diaspora.⁴² This was observed by upsurges in Gross Fixed Capital Formation and the Foreign Direct Investments in recent years (see also the section: Economy Performance).

Informal Economy

Both the economy and the labour market is fragmented into a dominating informal economy and a narrow formal sector in Rwanda. First of all, the labour law does not govern the informal economy in practice, which includes not paying taxes; it has created a legal challenge of setting a new minimum wage; and bottlenecks in social security coverage and higher vulnerability of households. Secondly, what characterizes the informal employment is divided into three technical aspects:⁴³

- *Informal economy:* unincorporated enterprises owned by households. In such economic units the fixed capital and other assets of the enterprise do not belong to the production units as such but to their owners, and may be used both for production and personal purposes. Production expenditure can hardly be separated from household expenditure.
- *Informal employment (employment relationship):* A job held by an employee is considered informal, if the job does not entail social security contribution by the employer, and is not entitled of paid sick leave and paid annual leave.
- *Own-account workers and employers.* Own-account workers (without hired workers) operating an informal enterprise is classified as in informal employment. Employers (with hired workers) operating an informal enterprise is classified as in informal employment. All contributing family workers are classified as having informal employment, irrespective of whether they work in formal or informal sector enterprises.

On this background, Table 15 below provides an overview of the extent of the informality of the employment. Overall, the nature of Rwanda's informal employment as main job was estimated at 2.8 million persons in 2017, constituting 91% of total employment. In addition, informal employment is furthermore outspread in the formal sector (241,073 persons; 50%). On the other hand, just one out ten (28,515 persons; 11%) in formal employment is operating with informal production units; the latter example is most often an employee with short-term contract without social security

contribution by the employer working in a large private corporation. Not to mention, formal employment with social security in the formal sector is a minority that constitutes 8% of the total employment.

Table 15: Cross-classification of employment by informal or formal job and production unit, 2017

Classification of production units	Classification of jobs		Total
	Formal employment	Informal employment	
Informal economy	28,515	2,326,355	2,354,870
Formal sector	241,560	241,073	482,633
Household	556	180,474	181,030
Total	270,631	2,747,901	3,018,532

Source: [National Institute of Statistical of Rwanda, Labour Force Survey 2017](#)

Table 15 furthermore shows that the informal employment covered 2.3 million persons in the informal economy, corresponding to about 78% of total employment. Data also show slightly more men (54%) were employed persons in the informal economy than women (46%) as well as employees (66% vs. 34%, respectively) while the gender gap diverges among own-account workers (28% vs. 72%, respectively). Employment in the informal economy was mostly in agriculture (56%), followed by whole sale and retail trade; repair of motor vehicles and motorcycles (17%) and construction (8.6%).⁴⁴

Just as the workforce is dominated by informality; the informal economy contributing to around 46% of the Gross Domestic Product (GDP) in Rwanda.⁴⁵ A large segment of export is traded informal: a study revealed that informal exports accounted for 20% of Rwanda's total merchandise exports in 2016; and it was doubling in dollar terms since 2010.⁴⁶ Others sources argued that 82% of the cross-border traders come from informal economy.⁴⁷ With this in mind, the economy has a low revenue-to-GDP ratio of 14% and the national accounts that measure GDP is underestimating the full production.

Another issue that characterizes the labour market and the economy in terms of the informality is that 98% of businesses are micro- and small-scale operators. To catch this segment requires a fine 'mesh net' for example in registering starting a business or paying taxes. However, this is complex and intertwining the capacity of implementing the labour regulations, quality of education, health and pension insurance coverage and otherwise economic incentives of formalizing enterprises. Not to mention, the 'youth bulge' is putting pressure on the labour market in the country in terms of

formal job creating; to the extent it is not succeeded they become absorbed in the informal economy with unstable low-pay income and vulnerable livelihood.

In practice, a majority of workers in informal employment operate as street vendors, hawkers, street vendors, taxi bicycles, domestic workers, hairdressers and barbers, and restaurants, and workers in tea plantations and mines, unregistered service providers, among others.

Rwanda lacks a Tripartite National Informal Economy Forum and an absence of other national forums and policies addressing informal economy workers.

Child Labour

Child labour remains present in Rwanda despite the labour law impose stringent prohibitions and countrywide campaigns against child labour. One reason is that the government does not enforce the law effectively due to lack of resources and as an impact of the labour market informality. And child labour is most often related to that poor parents are forced to send their children to work instead of school. On the positive side, child labour was on a declining trend.

The minimum age for full-time employment is 16 years old. The law prohibits children under age 18 from participating in hazardous work. On the other hand, children between 5 and 12 years are allowed to perform unpaid household chores, but not more than 20 hours a week. Similarly, those aged 13-15 years old are allowed to work not more than 20 hours per week in light non-paid agricultural related activities performed for the household as well as in paid light activities performed outside the household such as selling newspapers, selling air times, hair cutting, among others. Children aged 16-17 years old are allowed to work in all activities which do not harm their life during the same working hours as the adult persons aged 18 years and above.⁴⁸

Rwanda had a ratio of child labour to total children at 9.3% (351,350 working children) in 2017. It is quite low in comparison with the most updated data from sub-Saharan Africa and the World average (Table 16). Other interesting results from the latest Labour Force Survey 2017 were that only 0.3% among the age 5 to 12 were working children. This is related to the access to free primary education and otherwise protecting legislation (see also the section: Education). Child labour

is higher among age 13 to 15 and widespread among age 16 to 17 (Table 16).

Table 16: Status of child labour, 2017

Country/region	Per cent
Rwanda (total)	9.3 %
Age 5 to 12	0.3 %
Age 13 to 15	14 %
Age 16 to 17	42%
Sub-Saharan Africa	26 % *
World	12 % *

Note: Child labour among 5 to 17 years old refers to the engagement of children in prohibited work (i.e. include work in industrial institutions, domestic service, mining and quarrying, construction, brick making, or applying fertilizers and pesticides); and more generally, in types of work to be eliminated as socially and morally undesirable as guided by national legislation and relevant ILO conventions and recommendations

* Year: 2012 (estimation).

Source: [National Institute of Statistical of Rwanda, Labour Force Survey 2017](#) and [ILO, Global child labour trends 2008 to 2012, 2013](#)

A large majority (82%) of child labour work in the agricultural sector and one out of ten (10%) as household domestics workers. Some are in whole sale and retail trade and repair of motorcycles; small companies and light manufacturing, in cross-border transportation, and in the brick making, charcoal, rock crushing, and mining industries.

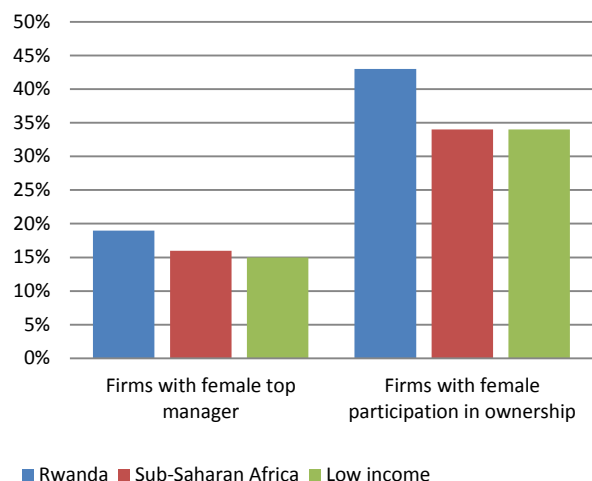
A large segment (47%) of working children works only between 1 to 14 hours per week, which were predominantly present in agriculture. This could also direct towards the country's relatively low labour productivity. By the same token, 6 out of ten of all working children operated without pay. Low wages for those who receive it.⁴⁹ On a geographical view, child labour is more prevalent in the East and Western Province, and less in common in the City of Kigali and Northern Province.

Gender

Rwanda has a favourable legal and policy gender sensitive frameworks that is linked to the Vision 2020 Umurenge (i.e. Integrated Local Development Program to Accelerate Poverty Eradication, Rural Growth, and Social Protection), the National Employment Program and the Girinka Program (One Cow per Poor Family), among others. This has contributed into poverty reduction that has benefitting both men and women (see more in the section: Economy). Women's empowerment is progressing in many aspects of Rwandan life. For example, women's role in management and ownership of enterprises are on relatively high levels hovering

above the sub-Saharan Africa and low income countries averages (Figure 5), and women's owned enterprises is on an increasing trend.⁵⁰ Among employed persons with managerial positions, 27% were women in 2017.⁵¹

Figure 5: Women in management and ownership, 2011



Source: [World Bank & IFC, Rwanda Country Profile 2011](#)

It is interesting to observe that the international Global Gender Gap Index - measuring gaps rather than gender equality and women's empowerment - was ranking Rwanda 4 out of 144 countries (1 is highest).⁵² However, gender inequality and challenges of women's access to decent work remains present in the country, which is not captured in that index.

One issue is that the society is characterized as a patriarchal social structure that underlies unequal social power relations between men and women. This is exemplified by men's employment dominance in the formal sector; for some, gender inequality is not seen as unjust, but as social normality, according to the Rwandan National Gender Policy.⁵³ In practice, women had a significantly lower workforce participation rate than men with a gender gap of minus 17 percentage points in 2017. Other reflections were that unemployment and underemployment were more present among women than men were. This is part of these social and cultural structure as well as the insufficient access to formal jobs (see more on Table 17). It was noteworthy to mention that there was no gender pay gap in hourly earnings in Rwanda. However, if the monthly earnings was applied, it was observed that women were paid around 11% lower than men were. The different results of using hourly or monthly earning may indicate that the monthly working time of men was higher than women's was.⁵⁴

Table 17: Workforce indicators, Men and Women, 2017

	Men	Women	Gender gap, percentage point (p.p.)
Participation rate	63 %	46 %	- 17 p.p.
Unemployment	16 %	18 %	+ 2 p.p.
Underemployment *	26 %	35 %	+ 9 p.p.

* Time-related underemployment

Source: [National Institute of Statistical of Rwanda, Labour Force Survey 2017](#)

Overall, a majority of women are engaged in the informal economy as unskilled labourers, traders, artisans or subsistence farming. This informality keeps them in employment that is more vulnerable. Other issues that complicates to let women realize their full economic empowerment is related to that the insufficient new jobs in the formal sector. Women, especially those in the rural areas, spend much of their time on households' care activities that make them unable to focus on income generating activities. Not to mention, high illiteracy rate among women affect negatively their participation in formal employment opportunities, which result in high dependency and subordination dependence position on family and husband revenues. Thus, gender inequality is still an issue in Rwanda: according to the other international Gender Inequality Index - measuring health, empowerment and economic status - ranking Rwanda 84 of 159 countries (1 is highest).⁵⁵

Youth

Transition from the education system into the labour market are intertwined into the employment structure, cultural stance, social networks, urban or rural context, and educational achievement in Rwanda. Labour market is under a pressure due to a fast growing youth population share that demands around 200,000 jobs each year.

In Rwanda, youth is defined as persons of 16 to 30 years of age. This segment represented 3.1 million youth population in 2017, which was 47% of the total population 16 years old and over. Out of these, 25% were in education or training, 39% in employment and 34% were not in employment or in education and training (NEET). There were significant gender gaps among the youth on the labour market, in particularly men were more active in both education/training and employment while women were more present in NEET (see more on Table 18).

Table 18: Youth population in employment or education or training, Men and Women, % and percentage point, 2017

	Men	Women	Gender gap, percentage point (p.p.)
Education training	28 %	23 %	- 5 p.p.
Employment	44 %	35 %	- 9 p.p.
Not in employment (NEET)	26 %	41 %	+ 15 p.p.

Note: Youth population of 16 to 30 years old.

Source: [National Institute of Statistical of Rwanda, Labour Force Survey 2017](#)

Thousands are entering as new workers on the labour market every year. The formal sector does not provide them many opportunities. Many simply lack relevant and accurate information about job openings and require demanded qualifications. Other inadequately communicate their skills to potential employers.⁵⁶ It has also been noted that young people are frequently confronting negative stereotypes that creates adverse effect on both their ambitions and access to resources. These attitudes and practices are exacerbated along gender lines.⁵⁷ No access to youth unemployment insurance schemes forces many instead into vulnerable employment in the informal economy. This situation has lowered the urbanization pace and many young Rwandans keep staying with traditional roles and do not seek opportunities in cities.⁵⁸

Another hindrance of creating more general job creation for youth is a lack of start-up capital: A main financial barrier cited by youth is their inability to raise the collateral required by banks to obtain a loan and start their own enterprises.⁵⁹ Not to mentioned, bureaucracy of starting a business is cumbersome that keeps many in informality (see also Appendix Table 30).

Skill mismatch is a contributor to youth unemployment and underemployment in Rwanda. It has already been shown that the youth unemployment rate was very high and a significant gender gap (revisit Table 11). Domestic responsibilities weigh most heavily on young women which push them toward a higher unemployment rate. It should be mentioned that this high youth unemployment rate is also a result of a new statistical unemployment definition in 2017 where those subsistence farming or unpaid/nonmarket work are not considered as employment.

EDUCATION

A way to measure the education system influence of employability is through the education attainment levels. Data revealed deep gaps in Rwanda, e.g. 26% of the population were with no education. This illustrates a clear defunctionality between the education system and the labour market.

Rwanda provides nine years' free education: six years of primary education and three years of post-primary education (equivalent of junior secondary). Today, close to three out of five (57%) had primary education attainment; and it has been on an increasing trend. Even for those who complete the primary school cycle, there are fewer places in the secondary school so that many qualifiers end up being locked-out or confronting a need of paying high fees. Similarly, the labour market does not offer many job opportunities in the formal sector, which reduce the youth incentives of continuing in the education system. This could to some extent explain why only one out of ten (11%) operates with secondary education attainment and very few (1.9%) with tertiary education attainment. Thus, since the education system plays a central role to strengthen an educated workforce that support the labour market; just as the labour market transmits signals on the types of qualifications expected from the education system, the presented data illustrate that the country is confronting challenges.

Table 19: Population by level of educational attainment in Rwanda, %, 2012

	Total	Men	Women
No education	26 %	23 %	28 %
Primary	57 %	58 %	48 %
Secondary	11 %	11 %	10 %
Tertiary	1.9 %	2.4 %	1.5 %

Npte: Resident population 3 years and over

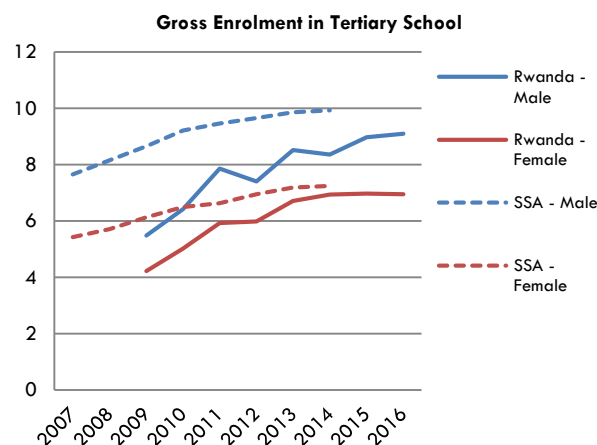
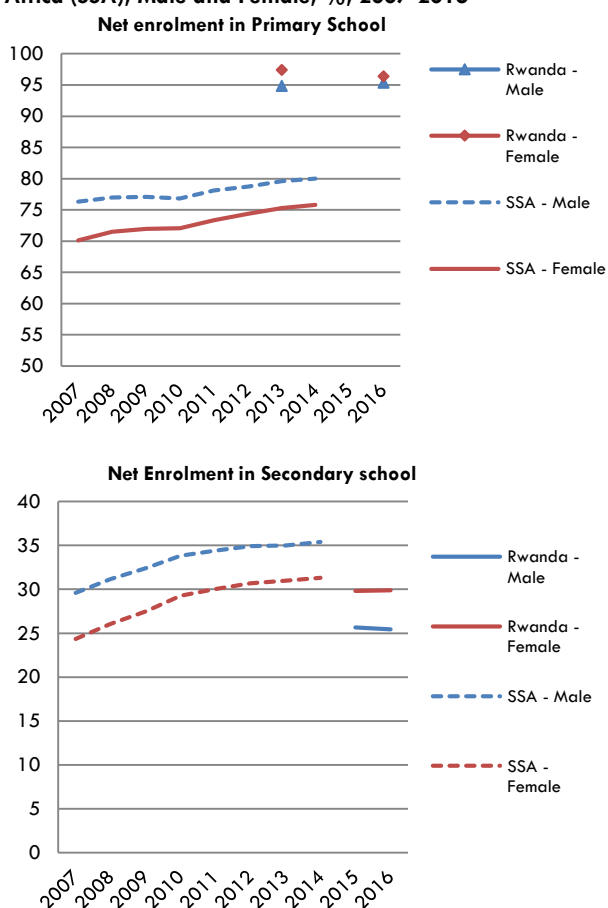
Source: [National Institute of Statistical of Rwanda, Data portal, Education Attainment](#)

Net enrolment in primary education is very high in Rwanda with a narrow gender gap and hovering far above the sub-Saharan Africa averages (Figure 6). These very high primary enrolment rates were also reflected in the relatively low prevalence of child labour in the country. In addition, the Ministerial Order from January 2016 introduced sanctions against parents who do not send their children to school and against persons who employ children to work that prevents them from going to school or incites them to leave school

Implementation of gender policies and strategies such as the Girls' Education Policy, the National Gender Policy and the Girls' Education Strategic Plan (2008-2012) have improved girls' enrolment, retention and completion, particularly in the science field at secondary and tertiary levels of education. Among others, net enrolment in secondary education is significantly higher for women than men with a gap of 5 percentage points (Figure 6).

Gross tertiary enrolment ratio is on a rise for both males and females. Both rates are lower than the region averages. There is reported a problem for employment of shortage of workers with useful skills. At least 45% of master degree holders are underemployed, which is based on results from a survey on graduates' competences and employment from 2014.⁶⁰

Figure 6: School Enrolment in Rwanda and the sub-Sahara Africa (SSA), Male and Female, %, 2007-2016



Note: Net enrolment is the ratio of children of official school age, who are enrolled in school to the population of the corresponding official school age. Gross enrolment is the ratio of total enrolment, regardless of age, to the population of the corresponding official school age. Gross primary enrolment is therefore sometimes higher than 100 %.
Source: [World Bank, DataBank](#)

Vocational Training

Vocational training has been prioritized by the government and a reform of the Technical and Vocational Education and Training (TVET) system was launched in 2008.⁶¹ A revamped TVET Policy was launched in 2015 and a gender action plan is being mainstreamed into the existing TVET plans and structures.

Two bodies were formed in the Ministry of Education: i) the Workforce Development Authority (WDA) and ii) the Integrated Polytechnic Regional Centres (IPRCs). WDA performs a regulatory role and is responsible for the management of TVET qualifications framework, national occupational standards, national TVET examination and certification, labour market information system and business incubation.⁶² In 2014 the WDA registered a total of 308 TVET schools. A total 167 are technical secondary schools and 132 vocational training centers (VTC).⁶³ IPRCs have to progress into centres of expertise on a provincial level. Currently there are 18 IPRCs across the country of which 10 are privately owned. During 2018, the Government initiated to construct at least 14 new standardised TVET based on donor funding.

The TVET reform from 2008 started only slowly to enrolment more students in the end of the 2000s; but since 2013 a fast influx was registered, though with a slight drop in 2016 (see more on Figure 7 below). Overall, enrolment in vocational training increased by 116% in the period from 2007 to 2016. Many women

are also enrolled in TVET that constituted 45% of total secondary vocational pupils (see more on Table 20).

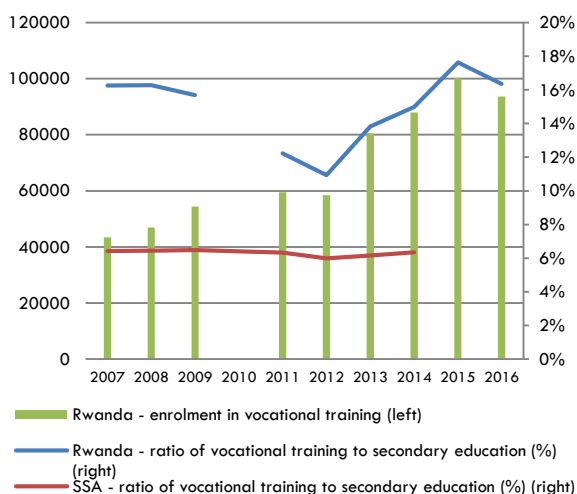
Table 20: Status of Vocational Training in Rwanda and the sub-Saharan Africa (SSA), 2007-2016

Rwanda	2007	2016
Enrolment in vocational training, total	43,349	93,629
Comparative estimations	Country/region	%
Secondary education, vocational pupils (% women)	Rwanda	45 %
	SSA	40 %
Ratio of pupils in vocational training to all pupils in secondary education	Rwanda	16 %
	SSA	6.3 %

Sources: [World Bank, Education Statistics](#)

Rwanda has a relative high ratio of pupils in vocational training to all pupils in secondary education in comparison with the sub-Saharan Africa average. One of the reasons is that business development centres have been developed in all districts to support business and job creation for Rwandans, including youth. These centers promote entrepreneurship by offering entrepreneurial training in central business competencies and other services necessary to support successful business growth. Any economic operator is eligible for these services although Small and Medium Enterprises (SME) are prioritized. According to the World Bank, 35% of firms are offering formal training.

Figure 7: Student enrolment in vocational training and ratio of vocational pupils to students enrolled in secondary education, Rwanda and sub-Saharan Africa (SSA), 2007-2016



Source: [The World Bank, World DataBank](#)

Graduates in TVET were more successful than graduates in general education on the labour market: The proportion of employed population among those who

completed TVET was 58% while the corresponding proportion among those who followed general education was 42%. The unemployment rate among both TVET and general education graduates was the same at 19%. The most popular training courses in terms of participation rates were tailoring (29%) and masonry (22%), respectively.⁶⁴

On the negative side, research revealed a lack of teaching materials and an outdated curriculum that were affecting the learning outcomes in the TVET. It has been argued that there was an urgent need to harmonize the TVET curriculum and the job market demands. A new survey cited that 51% had a lack of experience as a major obstacle to find placement, followed by 35% with a lack of referees who said employment opportunities were hard to come by; while 29% of all respondents cited lack of adequate skills and competencies as a major obstacle to joining the labour market.⁶⁵

SOCIAL PROTECTION

Social protection has been under an evolution in Rwanda during the last decade. It has contributed to remarkable achievement in poverty reduction from 59% in 2000/01 to 39% in 2013/14. Other policies were interlinked to improve the social protection, especially the Rwanda Vision 2020, the Economic Development and Poverty Reduction Strategy (2013-2018) and a revised National Social Protection Strategy (2013-2018).

Social protection system is divided by i) the contributory core programs, and ii) the complementary social protection programs or cash initiatives (see also Appendix Table 29). Rwanda's main core national social protection program is the Vision 2020 Umurenge Program (VUP). It contains three components: regular cash transfers for very poor households with no labour capacity (VUP Direct Support), a public works program for very poor households who are able to work (VUP Public Works) and a microcredit scheme that provides small loans at low interest rates to individuals or groups (VUP Financial Services). Based on the latest Integrated Household Living Conditions Survey data from 2013/14, 80% were participating in the VUP; a majority (33%) were in VUP Direct Support only.⁶⁶

Rwanda has also made impressive strides towards universal health coverage since 2006. This include to provide health insurance to people living in poverty in the informal economy through a community-based

health insurance scheme (CBHI). The universal health scheme provides basic health insurance for an annual premium to formal and informal workers. The minimum annual premium is RWF 2,000 (US\$3.3) for the lowest groups in “Ubudehe category”.⁶⁷ The scheme changed from a voluntary CBHI to an obligatory enrolment and subsidies from the formal sector, thus paving the way to a national health insurance model. Data from the Integrated Household Living Conditions Survey from 2013/14 registered a health insurance coverage of 72% while other sources registered a CBHI coverage of 82% in 2015/16.⁶⁸ An additional 6% working in the formal sector were enrolled in other health insurance schemes: the RAMA (French: *Rwandaise d’Assurance Maladie*), which covers civil servants; the Military Medical Insurance (MMI), and private health insurances.⁶⁹ The country has the highest health insurance coverage in Africa that was measured at 91% of the total population (see more on Table 21).

Table 21: Status of social protection in Rwanda and the sub-Saharan Africa (SSA)

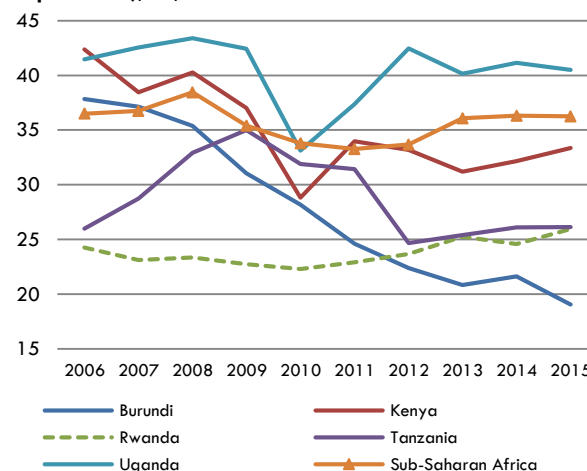
Indicator	Measure	Rwanda	SSA
Total social protection expenditure	% of GDP	6.9 %	4.3 %
Public health care expenditure	% of GDP	5.4 %	2.6 %
Health social protection coverage	% of total population	91 %	25 %*
Trends in government expenditure in health	% change per year	14 %	N/a

* The average covers the entire Africa region.

Source: [ILO, Social Protection, Statistics and indicators](#)

Current health expenditure per capita was on a fast increase during the 2000s, but it was stalled during the 2010s, so far: Health expenditure per capita increased from US\$31 in 2006 to US\$57 in 2015. Although prepayment mechanisms extended with the scale-up of mutual health insurance schemes, out-of-pocket expenditures were still a main mechanism of private expenditure in the health sector. The share of private spending increased by 2 percentage points in the period from 2006 to 2015, standing at 26% in 2015. However, out-of-pocket expenditures in Rwanda remain much lower than the sub-Saharan Africa and most of the neighboring countries (Figure 8).

Figure 8: Out-of-pocket expenditure (% of current health expenditure), %, 2006-2015



Note: Out of pocket expenditure is any direct outlay by households, including gratuities and in-kind payments, to health practitioners and suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or enhancement of the health status of individuals or population groups. It is a part of private health expenditure.

Source: [World Bank, World Development Indicators](#)

Complementary social protection programs or cash initiatives, which are not part of VUP, cover around 14% of households receive some kind of support based on the latest Integrated Household Living Conditions Survey 2013/14.⁷⁰ Health and education expenditure, particularly in rural areas, are the main programs. The Genocide Survivors Support and Assistance Fund (FARG), the Rwanda Demobilization and Reintegration Commission (RDRC) and food relief programs were reported to have assisted around 1% of households per program in the country. In addition, a similar proportion of households were registered of having received formal social security in form of pension from the Rwanda Social Security Board or other old age grant. This formal social security is more widely in urban than in rural areas, which is related to a greater proportion of people in formal sector employment in urban areas.

It is also worthwhile to mention that the coverage of the pensionable age receiving an old age pension was significantly lower than the African average. This is similar among the active contributors to old age effective coverage that was noted at 4.3% in Rwanda while it was 8.4% on the sub-Saharan Africa average (see more on Table 22). The latest Integrated Household Living Conditions Survey 2013/14 furthermore recorded that among individuals 16 and over in permanent or fixed employment, 3.1% covered by formal medical care, 3.5% in pension and 4.2 in paid leave. This reflects that since a large majority of workers operates in the informal economy, a majority

are excluded of basic social protection services like annual leave, sick leave or pension.

Structural reforms in the Rwandan pensions sector was launched in July 2016 on the registration of voluntary pension schemes and licensing of pension scheme service providers. The aim was to create a platform for the regulation and supervision on the pension schemes and establish a structured manner of establishing and managing voluntary occupational pension schemes (see also Appendix Table 27). It is supposed to trigger a rush by existing voluntary occupational pension schemes to comply with the new regulations. It also expectations an entry of professional service providers that should contribute in deepening the financial markets as well as added value to members of voluntary pension schemes.⁷¹ An impact of this legislation has not yet been registered in statistical registers.

Table 22: Pension Benefits, Coverage and Contributions in Rwanda and the sub-Saharan Africa (SSA), 2009

Theme	Measure	Rwanda	SSA
Social benefits for active age	% of GDP	0.5 %	0.3 %
Pensionable age receiving an old age pension (age 55+)	Proportion of total	4.7 %	22 %*
Active contributors to a pension scheme	15+	4.3 %	8.4 %
Active contributors to a pension scheme	15-64 years	3.8 %	5.9 %

* The average covers the entire Africa region, which is most likely to be higher than the SSA average.

Source: [ILO, Social Protection, Statistics and indicators](#)

Another significant social protection program is the Girinka 'One Cow per Poor Family' that supports poor households to own a dairy cow or other animals to contribute in nutrition and other wise improve soil fertility. This program has involved around 9% of households.

ECONOMY

Rwanda is a small landlocked economy that seeks to transform the country from a low-income agriculture-based economy to a knowledge-based, service-oriented economy. On the positive side, the country has experienced remarkable development successes over the last decade that were reflected in high economic growth and fast poverty reduction. On the negative side, the economy is still dominated by the informal economy that mute the labour productivity.

Total Gross Domestic Product (GDP) was estimated at US\$8.9 billion in 2017 and GDP real growth of 7.6% on average during the last decade. GDP growth per capita was hovering far above the sub-Saharan Africa average, 4.9% vs. 1.5% on average during the last decade (Table 23). Despite impressive economic results, it is worthwhile to mention that Rwanda remains as one the poorest countries in the world, ranking 204 out of 228 countries in terms of GDP per capita in purchasing power parity (PPP) (1 is richest).⁷²

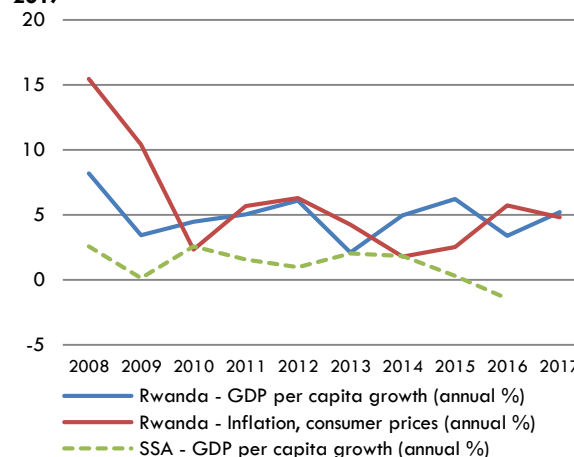
Inflation in consumer prices was estimated at 4.8% in 2017; and at 5.9% on average over the last decade (Table 23). In both 2016 and 2017, the inflation dropped following a decline in food and fuel prices, slack demand and more gradual national currency depreciation. To some degree, the inflation is still affecting slightly the workers' income purchasing power.

Table 23: Key economic data in Rwanda, 2017

GDP	US\$ 8.9 billion
GDP per capita (current US\$)	US\$ 772
GDP real growth	6.2 %
Inflation	4.8 %

Source: [CIA, The World Factbook, Rwanda](#); [World Bank, World Development Indicators](#)

Figure 9: GDP per capita growth and inflation, %, 2008-2017



Source: [World Bank, World Development Indicators](#) and KNOEMA

The amount of capital formation signals how much of the new value added in the economy is invested rather than consumed. When it increases it points towards that economic activities are in progress that could support the economic development and job creation. Put this on some numbers: Gross fixed capital formation was estimated at 24% of GDP on average during the last decade in Rwanda and it balanced above the sub-Saharan Africa average that was set at 20%. This was

mirrored by the abovementioned relatively higher GDP growth per capita.

Foreign Direct Investment (FDI) is the net inflows of investment to acquire a lasting management interest in an enterprise operating in an economy other than that of the investor. In Rwanda, the amount of FDI is quite similar as the sub-Saharan Africa average: 2.9% of GDP vs. 2.8% on average over the last decade, respectively. This is similarly with the other regional averages in Middle East and Northern Africa and South Asia. Despite the relatively higher economic growth in Rwanda, it has not turned into a relatively higher FDI rate, which indicates that investors still lack some special interests in the country. Blurred transparency and predictability, the high informal transaction costs and somewhat cumbersome doing business inhibit robust FDI. The low FDI rate is moreover due to a fairly small export sector in Rwanda that covers 'only' 14% of GDP on average during the last decade. It has been observed that the number of firms exporting is increasing with diversified products and creating new jobs (see more the sub-section: Special Economic Zones).

The economy has improved the regulations of doing business. Rwanda is scoring quite well on the global Doing Business Index as 41 out of 190 countries (1 is best) in 2018. The country is staying far above the sub-Saharan Africa average. It was noted that registering property, getting credit and protecting minority investors have the best scores. It is still cumbersome getting electricity and dealing with construction permits (see more on Appendix Table 30). But, be as it may, the doing business regulations are still not covering the activities in the informal economy.

Also the governance milieu has improved a lot during the last decade. Rwanda scores quite well on most Governance Indicators: Particularly the control of corruption has a very high ranking. Peoples voice and the government's accountability has not improved, though, and it continues with a low ranking (see more on Appendix Table 31).

Rwanda met most of the Millennium Development Goals (MDGs) by the end of 2015 and human development is improving. This is exemplified by an improving ranking on the global Human Development Index (HDI) taking four steps up the ladder since 2010 reaching 159 out of 188 countries in 2015. A middle-class living with at least US\$5 per day also evolving with an increase of 15 percentage points from 2000 to 2018 peaking at 18% of the total employment in 2018, based on

estimations. In contrast, extremely poor (<US\$1.9 per day) plunged from 78% to 46% in the same period. Still many workers in employment are still in vulnerable positions that keep them as moderately poor (\geq US\$1.90 & <US\$3.10) or as near poor (\geq US\$3.10 & <US\$5) (see more on Table 24).

Table 24: Employment by economic class in Rwanda, 2000-2018

Year	Extremely poor (<US\$1.90)	Moderately poor (\geq US\$1.90 & <US\$3.10)	Near poor (\geq US\$3.10 & <US\$5)	Middle class (\geq US\$5)
2000	78 %	14 %	5.2 %	2.4 %
2010	60 %	20 %	10 %	9.9 %
2018	46 %	23 %	14 %	18 %

Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Special Economic Zones (SEZ)

After a slow upstart of initial export processing zone initiatives in Rwanda in 2008, the Special Economic Zones program in Kigali (KSEZ) was finally launched in 2012. This SEZ seeks to attract investment in all sectors, but specifically in agri-business, information and communications technologies, trade and logistics, mining, and construction. In 2015, the government also launched a new phase with light manufacturing and six sub-cities SEZ are in the pipeline by the government.

Around 60 manufacturing small scale plants are cluster-anchored into KSEZ. The tax authorities have 'only' registered 44 operational KSEZ firms, which employed around 2% of all Rwanda's permanent employees, and covered 2.5% of all VAT-reported sales in 2016. In addition, between 2013 and 2016, the KSEZ has contributed between 4.5% to 10% of all national exports. Salaries were low in KSEZ: Average annual salary for permanent employees was around RwF 550,000 (USD\$650) between 2013 and 2014. Introduction of KSEZ manufacturing firms in 2015 brought the annual salary up to around RwF 680,000 (USD\$800) and further increased in 2016 to almost RwF 1.1 million (USD\$1,300) (see also Table 8). One reason of these salary differences was that employed workers in recent years were of a different type (e.g. more highly educated, higher share of foreign workers), and reflected into productivity improvements across KSEZ firms.⁷³

There are no information available of the practice of rights of organizing workers and collective bargaining in KSEZ. It was observed that firms lack public transport links between KSEZ and the rest of the city, which make

logistics difficult and expensive for employees to come to work or go out for lunch. The authorities are working on improving these conditions.

Rwanda's KSEZ products are still struggling with their competitiveness compared to the neighbouring Kenyan and Tanzanian Export Processing Zones. As already mentioned, the country is landlocked and the transportation of the export products to international markets through coastal ports in Kenya and Tanzania rises the production costs.

Kenya has promoted EAC to increase the quantity of products that manufacturers operating in export processing zones sell within the region's domestic markets. But the country stands alone while Rwanda, Uganda, Tanzania and Burundi opposed the idea of raising the domestic sales limit. The latter countries argue that EPZ companies were inherently export-driven.

APPENDIX: ADDITIONAL DATA

Table 25: Registered Trade Unions in Rwanda, 2017

Trade Unions	Affiliated trade union centre	Total members	Membership trend, %, 2014-2017
STAP (trade union for employees in the Central Administration)	CESTRAR	298	8 %
SYPEPAP (trade union for personnel in privatised and parastatal enterprises)	CESTRAR	8,857	285 %
SPS (health sector workers union)	CESTRAR	3,964	164 %
SNER (Rwanda national Teachers union)	CESTRAR	65,000	81 %
STAVER (trade union for staff working in the agricultural public sector) (informal)	CESTRAR	9,699	53 %
STRIGEP (trade union for workers in garages, mines, printing houses and enterprises in the private sector)	CESTRAR	7,693	999 %
SYBATECHETRA trade union for workers in the banking, insurance, transport and hotel sector	CESTRAR	4,715	574 %
SENJOUSMEL (trade union for teachers, journalists, in the medical sector, in public libraries, and in the NGO sector)	CESTRAR	8,073	55 %
STECOMA (workers union of enterprises in construction, carpentry and handcraft) (informal based)	CESTRAR	56,615	624 %
SYATEL (telecommunication workers union)	CESTRAR	339	54 %
SYAPOST (postal workers union)	CESTRAR	89	31 %
ACPLRWA (drivers of heavy trucks' association)	CESTRAR	491	-73 %
APPHORWA (Association of Photographs and Cameramen of Rwanda)	CESTRAR	125	108 %
SYPELGAZ (workers union in energy, water and sanitation)	CESTRAR	1,439	11 %
SYTRAMORWA (Union for motorcyclists' and taxi drivers) (informal)	CESTRAR	8,254	8 %
RNMU (Rwanda Nurses and Midwives Union)	CESTRAR	9,812	17 %
REWU (Rwanda Extraction Workers Union)	CESTRAR	11,860	N/a
COTRAF IB (Industry)	COTRAF	-	-
SYPERWA (education)	COTRAF	-	-
COTRAF – Media (Media)	COTRAF	-	-
SNIC (Public administration, university personelle and senior staff)	COTRAF	-	-
COTRAF – Agriculture & Elevage (farming and agriculture industry)	COTRAF	-	-
COTRAF- Service (Bank and transport)	COTRAF	-	-
SITR Syndicat Interprofessionnel des Travailleurs du Rwanda	COSYLI	-	-
ASPESAR Association Syndicale du personnel de santé au Rwanda	COSYLI	-	-
SYNESER Syndicat des Enseignants du Secondaire du Rwanda	COSYLI	-	-
SAAB (Agriculture)	COSYLI	-	-
RESYFET Réseau Syndical pour la Promotion du Statut de la femme Travailleuse Salariée	COSYLI	-	-
SYTRAMER: Syndicat des Travailleurs (es) Ménagers (ères) au Rwanda	COSYLI	-	-
STRADH (Human rights workers)	COSYLI	-	-
SJR Syndicat des Journalistes du Rwanda;	COSYLI	-	-
STRIECI (Informal sector)	COSYLI	1,600	-
SYTRAUPLAT Syndicat des Travailleurs des Usines et Plantations Théïcoles	COSYLI	-	-

Source: CESTRAR and LO/FTF Council data collection.

Table 26: Collective Bargaining Agreements in Rwanda, 2018 (April)

Rwanda Tea Production and Marketing Company - SORWATHE Ltd - 2012 and renewed in 2014/15
Memorandum of Settlement between Workers Committee of Kabuye Sugar Works Ltd and Management of Kabuye Sugar Works Ltd - 2014
Assopthe Tea Plantation - 2014

Source: [WageIndicator, Collective Agreements in Rwanda](#) and LO/FTF Council

Table 27: Labour market related national legislations passed in 2014-2017

Type of legislation	Laws
2014	
General provisions	Arrêté Présidentiel n° 105/01 du 10 juillet 2014 portant organisation et fonctionnement des organes administratifs du Village
	Arrêté Présidentiel n° 106/01 du 10 juillet 2014 portant organisation du Conseil de Cellule
	Arrêté Présidentiel n° 107/01 du 10 juillet 2014 déterminant les attributions et le fonctionnement du Comité de Sécurité
	Loi n° 14/2014 du 28 mai 2014 modifiant et complétant la loi n° 07/2009 du 27 avril 2009 relative aux sociétés commerciales telle que modifiée et complétée à ce jour
	Arrêté présidentiel n° 72/01 du 12 mars 2014 portant création du Comité de sélection des candidats commissaires à la Commission nationale des Droits de la Personne et déterminant ses missions, organisation et fonctionnement
	Arrêté ministériel n° 001/14/10/TC du 19 février 2014 portant réglementation des marchés publics, des dossiers types d'appels d'offres et contrats types
	Arrêté ministériel n° 005/08.11 du 11 février 2014 portant modalités d'exécution de la peine d'interdiction et d'obligation de séjour
Freedom of association, collective bargaining and industrial relations	Arrêté ministériel n° 01 du 11 novembre 2014 déterminant les modalités d'élection des délégués du personnel et les conditions d'exercice de leur mission
Migrant workers	Loi 13ter/2014 du 21 mai 2014 relative aux réfugiés
	Arrêté ministériel n° 05/01 du 14 mars 2014 déterminant d'autres catégories de documents de voyage et une autre classe de visa
	Arrêté ministériel n° 06/01 du 14 mars 2014 modifiant et complétant l'arrêté ministériel n° 03/01 du 3 mai 2011 déterminant les frais des documents de voyage, permis de résidence, visas et autres services délivrés par la Direction générale de l'immigration et émigration
Specific categories of workers	Loi n° 13/2014 du 20 mai 2014 portant exploitation des mines et carrières
	Arrêté présidentiel n° 65/01 du 4 mars 2014 portant modalités d'application du régime disciplinaire pour les agents de l'Etat
2015	
General provisions	Arrêté présidentiel n° 74/01 du 30 septembre 2015 portant règlement d'ordre intérieur de l'Office de l'Ombudsman
	Loi organique n° 02/2015/OL. du 16 juillet 2015 modifiant et complétant la loi organique n° 02/2010/OL. du 9 juin 2010 portant organisation, ressort, compétence et fonctionnement du Comité de Conciliateurs
	Loi n° 15/2015 du 5 mai 2015 modifiant et complétant la loi n° 07/2009 du 27 avril 2009 relative aux sociétés commerciales telle que modifiée et complétée à ce jour
	Loi n° 01/2015 du 25 février 2015 modifiant et complétant la loi n° 40/2008 du 26 août 2008 portant organisation de l'activité de micro finance
Labour administration	Arrêté du Premier Ministre n° 35/03 du 27 février 2015 portant mission et fonctions, structure organisationnelle, salaires et avantages accordés au personnel du ministère de la Fonction publique et du Travail (MIFOTRA)
	Arrêté du Premier Ministre n° 36/03 du 27 février 2015 portant mission et fonctions, structure organisationnelle, salaires et avantages accordés au personnel du ministère de la Gestion des catastrophes naturelles et des Réfugiés (MIDIMAR)
	Arrêté du Premier Ministre n° 37/03 du 27 février 2015 portant mission, fonctions, structure organisationnelle, salaires et avantages accordés au personnel du ministère du Genre et de la Promotion de la famille (MIGEPF)
	Arrêté du Premier Ministre n° 48/03 du 27 février 2015 portant fonctions et structure organisationnelle, salaires et autres avantages accordés au personnel du ministère de la Santé (MINISANTE)

	Arrêté du Premier Ministre n° 50/03 du 27 février 2015 portant mission, fonctions et structure organisationnelle, salaires et autres avantages accordés au personnel du ministère de la Jeunesse, de la Technologie de l'information, et de la Communication (MYICT)
Education, vocational guidance and training	Loi n° 44/2015 du 14 septembre 2015 régissant les prêts et les bourses pour étudiants
	Arrêté ministériel n° 008/2015 du 22 janvier 2015 portant organisation et fonctionnement de l'éducation des adultes
Conditions of work	Arrêté Présidentiel n° 42/03 du 30 juin 2015 déterminant les jours fériés officiels
	Arrêté ministériel n° 02/Mifotra/15 du 9 juin 2015 déterminant les heures de travail hebdomadaire dans la Fonction publique et les modalités de leur application
Occupational safety and health	Arrêté ministériel n° 01/Mifotra/15 du 15 janvier 2015 déterminant les modalités de mise en place et de fonctionnement des comités de santé et sécurité au travail
Social security (general standards)	Loi n° 48/2015 du 23 novembre 2015 portant organisation, fonctionnement et gestion des régimes d'assurance maladie au Rwanda
	Arrêté du Premier Ministre n° 202/03 du 13 octobre 2015 portant tutelle, catégorie et gestion de l'Assurance maladie des militaires (MMI) et déterminant l'organisation, le fonctionnement et les attributions de ses organes
	Arrêté du Premier Ministre n° 198/03 du 22 septembre 2015 portant montant et modalités de paiement des contributions par toutes les entités d'assurance maladie opérant au Rwanda
	Loi n° 05/2015 du 30 mars 2015 régissant l'organisation des régimes de pension
	Loi n° 04/2015 du 11 mars 2015 modifiant et complétant la loi n° 45/2010 du 14 décembre 2010 portant création de l'Office rwandais de Sécurité sociale (RSSB) et déterminant sa mission, son organisation et son fonctionnement
	Loi n° 03/2015 du 2 mars 2015 portant organisation du régime des mutuelles de santé
Migrant workers	Arrêté du Premier Ministre du 19 juin 2015 déterminant l'organisation et le fonctionnement du Comité national de reconnaissance du statut de réfugié et les avantages accordés à ses membres
Specific categories of workers	Arrêté du Premier Ministre n° 202/03 du 13 octobre 2015 portant tutelle, catégorie et gestion de l'Assurance maladie des militaires (MMI) et déterminant l'organisation, le fonctionnement et les attributions de ses organes
	Loi n° 40/2015 du 29 août 2015 modifiant et complétant la loi n° 10/2011 du 13 mai 2011 portant missions, organisation et compétences des Forces Rwandaises de Défense
	Arrêté présidentiel n° 53/01 du 19 août 2015 portant classification des emplois et grille indiciaire de salaires dans la Fonction publique
	Arrêté Présidentiel n° 45/01 du 30 juin 2015 portant Code d'éthique professionnelle des Agents de l'État
	Arrêté ministériel n° 02/Mifotra/15 du 9 juin 2015 déterminant les heures de travail hebdomadaire dans la Fonction publique et les modalités de leur application
	Arrêté ministériel n° 03/Mifotra/15 du 9 juin 2015 déterminant les modalités de recrutement des Agents sous contrat dans la Fonction publique
	Arrêté du Premier Ministre du 16 janvier 2015 portant modalités de déroulement des formations des agents de l'État
2016	
General provisions	Loi n° 32/2016 du 28 août 2016 régissant les personnes et la famille
	Loi organique n° 001/2016/OL du 20 avril 2016 portant dispositions générales régissant les établissements publics
Freedom of association, collective bargaining and industrial relations	Loi organique du 8 septembre 2016 abrogeant la loi organique n° 02/2010/OL du 09 juin 2010 portant organisation, ressort, compétence et fonctionnement du comité de conciliateurs telle que modifiée et complétée à ce jour
Elimination of child labour, protection of children and young persons	Loi n° 001/2016 du 5 février 2016 portant mission, organisation et fonctionnement du Conseil national de la Jeunesse
	Arrêté ministériel n° 001/2016 du 8 janvier 2016 portant sanctions contre les parents qui n'envoient pas leurs enfants à l'école et contre des personnes qui emploient les enfants aux travaux qui les empêchent d'aller à l'école ou les incitent à quitter l'école
Equality of opportunity and treatment	Arrêté ministériel n° 007/2016 du 1er mars 2016 portant modalités de traitement particulier des personnes handicapées en matière d'éducation
Labour administration	Arrêté du Premier Ministre n° 239/03 du 8 décembre 2016 portant mission, fonctions, structure organisationnelle et synthèse des emplois, salaires et avantages accordés au personnel du Ministère de la Justice/ Services du Garde des Sceaux (MINIJUST).
	Arrêté du Premier Ministre n° 210/03 du 14 septembre 2016 portant mission et fonctions, structure organisationnelle, salaires et avantages accordés au personnel du ministère de l'Administration locale

	(MINALOC)
	Arrêté du Premier Ministre n° 130/03 du 9 mai 2016 portant règlement d'ordre intérieur de l'Observatoire du Genre au Rwanda.
Employment policy, promotion of employment and employment services	Loi n° 43/2016 du 18 octobre 2016 portant création de l'Office de développement des capacités et services de l'emploi et déterminant ses missions, son organisation et son fonctionnement.
Education, vocational guidance and training	Loi n° 42/2016 du 18 octobre 2016 portant création de l'Office rwandais de développement de la main-d'oeuvre et déterminant ses missions, son organisation et son fonctionnement.
	Arrêté ministériel n° 003/2016 du 8 janvier 2016 déterminant les règles générales régissant les écoles maternelles, primaires et secondaires, ainsi que le fonctionnement de l'assemblée générale de l'école et de ses organes subsidiaires
Conditions of employment	Arrêté du Premier Ministre n° 164/03 du 5 juillet 2016 portant structure organisationnelle, salaires et avantages accordés au personnel de la Commission Rwandaise de Réforme du Droit (RLRC)
Social security (general standards)	Règlement n° 04/2016 du 19 juillet 2016 relatif à l'enregistrement des régimes de pension volontaire et l'agrément des prestataires de services de régimes de pension.
	Arrêté du Premier Ministre n° 136/03 du 3 juin 2016 déterminant la composition, l'organisation et le fonctionnement du Conseil national d'Assurance maladie au Rwanda.
	Arrêté Présidentiel n°009/01 du 10 mai 2016 portant fixation du taux des cotisations au régime de pension obligatoire.
	Arrêté ministériel n°003/16/10/TC du 19 avril 2016 portant détermination des modalités de demande et de paiement des prestations sous le régime de pension obligatoire.
	Arrêté ministériel n° 004/16/10/TC du 19 avril 2016 déterminant les modalités d'enregistrement au régime de pension obligatoire.
	Arrêté ministériel n° 002/16/10/TC du 19 avril 2016 portant détermination des indemnités à caractère compensatoire et la contrevaletur des avantages en nature sous le régime de pension obligatoire.
	Arrêté ministériel n° 005/16/10/TC du 19 avril 2016 portant détermination des modalités de recouvrement forcé des arriérés des cotisations au régime de pension obligatoire.
Maternal protection	Arrêté ministériel n° 007/16/10/TC du 28 octobre 2016 relatif au régime des prestations de congé de maternité.
	Loi n° 003/2016 du 30 mars 2016 portant création et organisation du régime des prestations de congé de maternité.
Specific categories of workers	Arrêté présidentiel n° 24/01 du 24 novembre 2016 portant statut particulier des enseignants d'éducation préscolaire, primaire et secondaire.
	Arrêté présidentiel n° 22/01 du 21 octobre 2016 portant Statut particulier des Forces rwandaises de défense (RDF).
	Arrêté du Premier Ministre n° 213/03 du 30 septembre 2016 fixant la valeur indiciaire applicable dans la Fonction publique.
	Arrêté du Premier Ministre n° 195/03 du 3 août 2016 déterminant les critères et les modalités de fixation des indemnités des agents de l'Etat.
	Arrêté du Premier Ministre n° 151/03 du 10 juin 2016 portant modalités de déroulement des formations des Agents de l'Etat.
2017	
General provisions	Loi n° 19bis/2017 du 28 avril 2017 modifiant et complétant la loi n° 34/2010 du 12 novembre 2010 portant création, fonctionnement et organisation du Service correctionnel du Rwanda (RCS).
Labour administration	Arrêté du Premier Ministre n° 002/03 du 30 janvier 2017 portant mission et fonctions, structure organisationnelle, profils des emplois, salaires et avantages accordés au personnel du ministère de la Fonction publique et du Travail (MIFOTRA).
Education, vocational guidance and training	Loi n° 20/2017 du 28 avril 2017 portant création du Conseil national de l'enseignement supérieur et déterminant ses missions, son organisation et son fonctionnement
	Loi n° 20 bis/2017 du 28 avril 2017 portant création de l'Office pour la promotion de l'éducation au Rwanda et déterminant ses mission, son organisation et son fonctionnement

	Loi n° 01/2017 du 31 janvier 2017 portant organisation et fonctionnement de l'enseignement supérieur
Conditions of work	Arrêté présidentiel n° 54/01 du 24 février 2017 déterminant les jours fériés officiels
Specific categories of workers	Arrêté Présidentiel n° 144/01 du 13 avril 2017 déterminant les modalités de recrutement, d'affectation et de nomination des agents de l'Etat
General provisions	Loi n° 19bis/2017 du 28 avril 2017 modifiant et complétant la loi n° 34/2010 du 12 novembre 2010 portant création, fonctionnement et organisation du Service correctionnel du Rwanda (RCS).
Labour administration	Arrêté du Premier Ministre n° 002/03 du 30 janvier 2017 portant mission et fonctions, structure organisationnelle, profils des emplois, salaires et avantages accordés au personnel du ministère de la Fonction publique et du Travail (MIFOTRA).

Source: [ILO, NATLEX, Rwanda](#)

Table 28: Ratified ILO Conventions in Rwanda

Subject and/or right	Convention	Ratification date
Fundamental Conventions		
Freedom of association and collective bargaining	C087 - Freedom of Association and Protection of the Right to Organise, 1948	1988
	C098 - Right to Organise and Collective Bargaining Convention, 1949	1988
Elimination of all forms of forced labour	C029 - Forced Labour Convention, 1930	2001
	C105 - Abolition of Forced Labour Convention, 1957	1962
Effective abolition of child labour	C138 - Minimum Age Convention, 1973	1981
	C182 - Worst Forms of Child Labour Convention, 1999	2000
Elimination of discrimination in employment	C100 - Equal Remuneration Convention, 1951	1980
	C111 - Discrimination (Employment and Occupation) Convention, 1958	1981
Governance Conventions		
Labour inspection	C081 - Labour Inspection Convention, 1947	1980
	C129 - Labour Inspection (Agriculture) Convention, 1969	Not ratified
Employment policy	C122 - Employment Policy Convention, 1964	2010
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	Not ratified
Up-to-date Conventions		
Working time	C014 - Weekly Rest (Industry) Convention, 1921	1962
Wages	C094 - Labour Clauses (Public Contracts) Convention, 1949	1962
Social security	C118 - Equality of Treatment (Social Security) Convention, 1962	1989
Industrial relations	C135 - Workers' Representatives Convention, 1971	1988

Note: Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Equivalent to basic human rights at work.

Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions that promotes a well-regulated and well-functioning labour market.

In addition, there are 71 conventions, which ILO considers "up-to-date" and actively promotes.

Source: [ILO, NORMLEX, Rwanda](#)

Table 29: Contributory and non-contributory social protection schemes in Rwanda

Category	Type of programs
Core programs (contributory)	<ul style="list-style-type: none"> • The Vision 2020 Umurenge Program (VUP) • The Direct Support program and the Public Works program • The Genocide Survivors Support and Assistance (FARG) • The assistance to demobilization and reintegration of former armed personnel (RDRC).
Complementary social protection programs or cash plus initiatives (non-contributory)	<ul style="list-style-type: none"> • VUP financial services • <i>Ubudehe</i> program • Income-generating and other activities • Old age, disability and survivors' pensions • <i>Mutuelle de Santé</i> • Free basic education • Support to orphans and other vulnerable children • <i>Girinka</i>, the One Cow Per Poor Family Scheme • Fertilizer subsidies and seed • Districts preparedness to social protection intervention • Support to people with disabilities • Saving and Credit Cooperatives (SACCOs)

Source: [National Institute of Statistical of Rwanda, The Fourth Integrated Living Conditions, 2013/14 \(EICV4\), Social protection and VUP report](#)

Table 30: Ease of Doing Business in Rwanda, 2018

Topics	2018
Overall	41
Starting a Business	78
Dealing with Construction Permits	112
Getting Electricity	119
Registering Property	2
Getting Credit	6
Protecting Minority Investors	16
Paying Taxes	31
Trading Across Borders	87
Enforcing Contracts	85
Resolving Insolvency	78

Note: *Doing Business 2018* indicators are ranking from 1 (top) to 190 (bottom) among other countries. The rankings tell much about the business environment, but do not measure all aspects of the business surroundings that matter to firms and investors that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

Source: [World Bank & IFC, Ease of Doing Business 2018 in Rwanda](#)

Table 31: Governance Indicators in Rwanda, % and change percentage points, 2006-2016

Indicator	2006	2016	Change, percentage point (p.p.)
Voice & Accountability	14 %	15 %	+ 1 p.p.
Political Stability	26 %	46 %	+ 20 p.p.
Government Effectiveness	47 %	58 %	+ 11 p.p.
Regulatory Quality	26 %	58 %	+ 32 p.p.
Rule of Law	30 %	58 %	+ 28 p.p.

Control of Corruption	50 %	75 %	+ 25 p.p
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Note: The Governance Indicators score from a percentiles rank from 0 (lowest) to 100 (highest).⁷⁴

Source: [World Bank, Worldwide Governance Indicators](#)

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