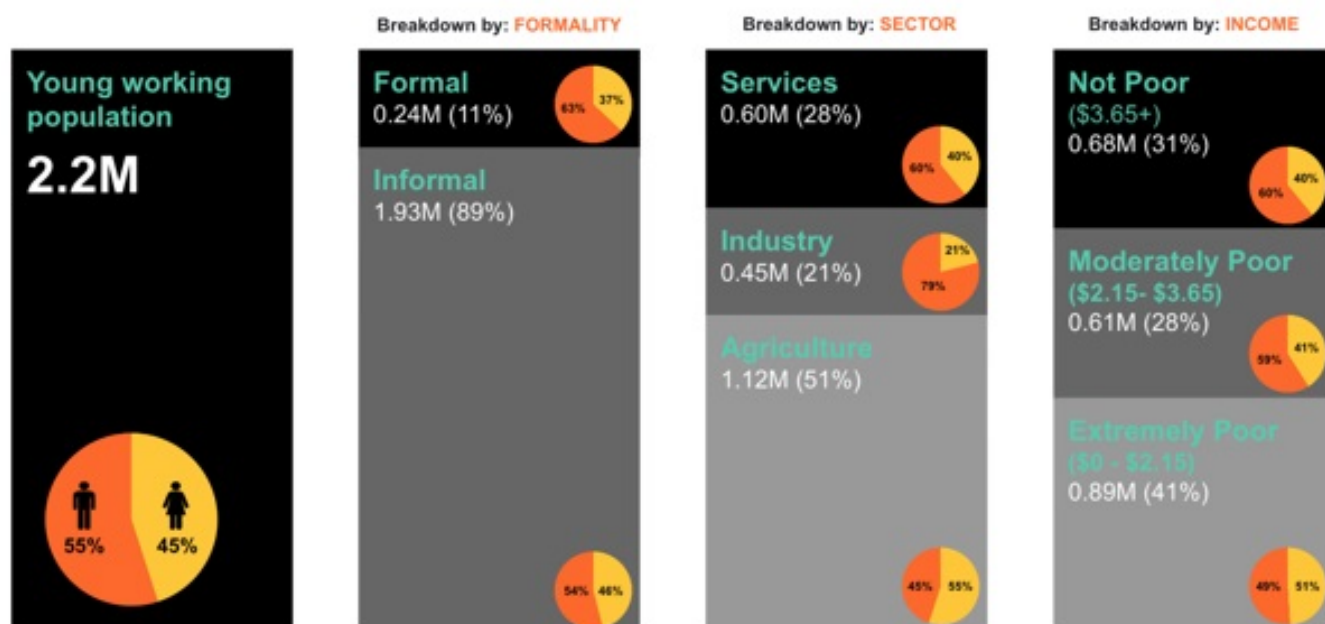


A new study released by a group of scientists from the [World Data Lab \(WDL\)](#), provides insights into the opportunities and challenges faced by Rwanda’s youth job market in a changing economy.

Over the next 25 years, new scientific evidences show that Africa will experience a surge in its youth population accounting for the largest growth in this group of any region in the world. As a result, by 2050 nearly 30% of the world’s youth population will be in Africa, compared to the current share of just 20%, says the report, titled “Navigating Rwanda’s Youth Job Market: Opportunities and Challenges in a Changing Economy”.



A breakdown of youth employment in Rwanda (Source: WDL estimates based on the national labor force surveys, International Labour Organisation (ILO), and IIASA (2023))

The 1,228-word report shows that Rwandan youth employment is predominantly informal, with 89% of all youth being employed in informal work. The majority of youth (51%) are also employed in the agriculture sector, followed by services (which accounts for 28% of employment), and finally industry (which accounts for 21% of employment).

This suggests that the vast majority of Rwandan youth are employed in informal agricultural jobs, which may be particularly precarious if Rwanda is to pursue a path of industrialization as an attempt to drive economic development, it said.

Moreover, new findings show that although a relatively smaller player in the broader African and global context, Rwanda will still see positive growth in its youth population over the next 25 years, and thus needs to ensure that the infrastructure to support these new young people.

According to the report, It seems that, at least in the short-term, the youth population in Rwanda is growing apace with the broader Rwandan population, with youth making up a consistent 36 to 37% of the total population.

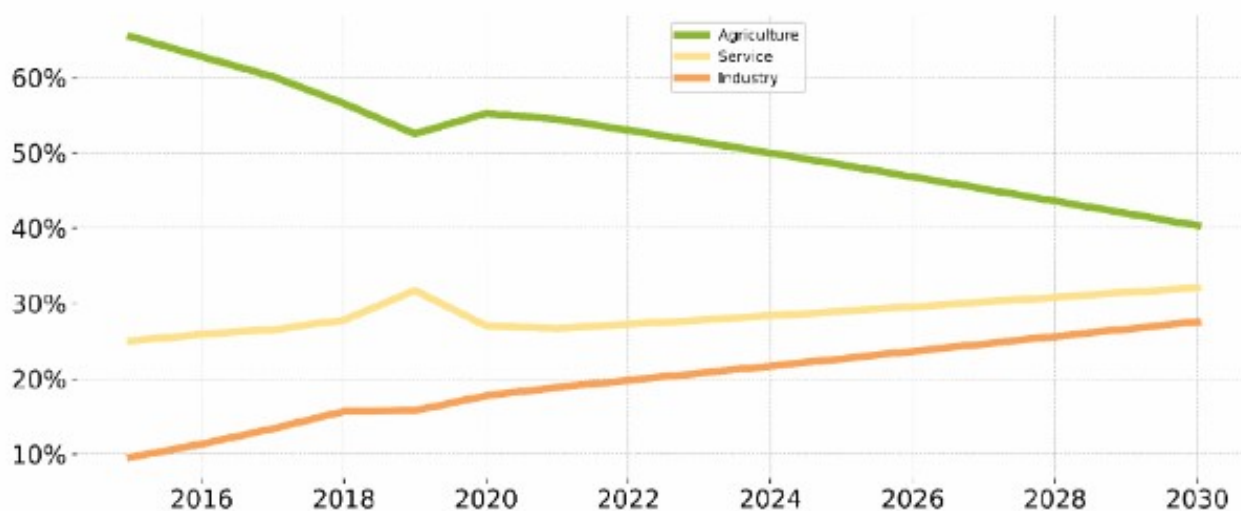
“Employment prospects for youth in Rwanda seem to be more precarious: A total of 49% of Rwandan youth were employed in 2015, however, this figure has declined to only 42% in 2023, and seems set to decline further to only 40% in 2030,” the reports released earlier this year points out.



Dr. Reshma Sheoraj, VP: Strategic Engagements, World Data Lab (WDL) and lead author of the new study

A team of World Data Lab’s scientists led by Dr. Reshma Sheoraj, Vice-President in charge Strategic Engagements, indicates that a decrease in the youth employment rate is not necessarily a problem for development on its own – in fact, if youth

employment rates decrease because the youth are investing in human capital through education, for example, this can be beneficial for the country as a whole.



Source: WDL projection estimates based on IIASA data, 2005 - 2030

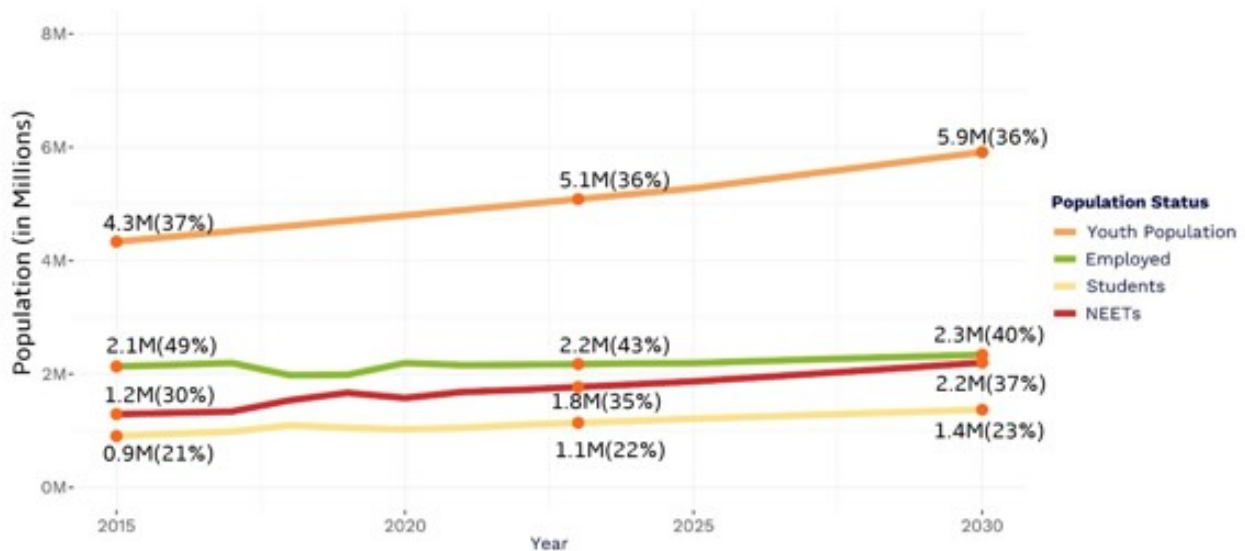
The report co-authored by Samuel Nzaramba, Senior Data Scientist at WDL, however, warns that in the case of Rwanda, there is a concern that this decrease in the share of employed youth may be driven by an increase in the proportion of youths who are not in employment, education or training, otherwise known as NEET.

Given that Rwanda already has a relatively higher share of NEETs (35%) compared to other African countries (25%) and the rest of the world (23%), the concern about youth entering this category is high, it said.

Youth unemployment rate to decline further

Official projections show that by 2030, the share of NEETs in Rwanda is expected to grow to 37% of the youth population (corresponding to approximately 430 000 additional NEETs between 2023 and 2030). Scientists note that this is in contrast to the proportion of students in Rwanda growing from 22% to 23% (representing only an additional 230 000 students between 2023 and 2030).

The increase in NEETs over the 2023 to 2030 period may be driven in part by a lack of appropriate employment opportunities for youth, the report says.



Trends in Rwanda's youth population between 2015 and 2030 (Source: WDL projection estimates based on International Institute for Applied Systems Analysis (IIASA))

In order to better understand what employment opportunities may become available, scientists point out that it is prudent to consider the current state of the Rwandan labour market.

Up to 2030, according to official figures, , the share of agricultural jobs is set to decline by approximately 22% (from approximately 51% to approximately 40% of youth employment), while the share of industry and services jobs are steadily increasing over the same period.

In general, according to the study, the pattern of structural change that leads to a de-agrarianisation of an economy and the subsequent shift towards manufacturing, and then services, is common for countries pursuing economic growth. In Rwanda's case, growth in manufacturing employment accounts for 28.3% of the total change in employment, second only to the construction subsector, which accounts for 78.9% of the total change in net youth employment.

The study proposes that the industry and services sectors generally require higher educational attainment from workers, and as such, authorities should prioritize upskilling and education of the workforce to smoothen the transition that will occur as a result of structural change.

Although the development of strong industrial and services sectors is likely to strengthen Rwanda's economic position through greater development, scientists stress the importance to bear in mind how jobs in these sectors overlay with the existing youth population.

This is because both the industry and services sectors are male-dominated in Rwanda: 79% of employees in the industry sector are male, while 60% of employees in the services sector are male.

Patterns of growing manufacturing employment

The study found that the majority of Rwanda's youth are employed in low-paying jobs: 69% of all employed youth could be classified as "poor" according to international poverty metrics (earning less than US\$3.65 per day). This is a key consideration for future work, as the goal of creating decent work should ensure that this proportion of working poor is substantially decreased with new employment opportunities presented in the future, the report says.

Estimates show that almost all young people in Rwanda's economy are employed in informal employment (89%), generally earning low wages (69% of employed youth are characterized as working poor, earning below US\$3.65 per day).

More than half of those young people who are employed are employed in the agricultural sector (a female-dominated sector in Rwanda).

The study suggests that although future trends show that Rwanda is likely to see an increase in jobs from industry and services sectors due to patterns of industrialization, these sectors are currently male-dominated.

This, coupled with low educational attainment, may lead to skills gaps that will make it more difficult for women to find employment in the new industry or services sector jobs in the future, according to the new findings by the World Data Lab (WDL).