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## SPEAKING OUT, REACHING OUT:

Country Brief - Rwanda



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# Introduction

The COVID-19 pandemic is having a dire effect on the Rwandan economy, threatening to undo years of social and economic progress. Prior to COVID-19, Rwanda was in the middle of an economic boom, with real economic growth exceeding 9% in 2019, in large part because of the Government's investment in the country's National Strategy for Transformation.<sup>1</sup> Pre-COVID, Rwanda was one of the ten fastest growing economies in the world. The largest degree of economic growth over the past decade has been in the services sector, which makes up half of the country's Gross Domestic Product (GDP).<sup>2</sup>

GDP dropped by 0.2% in 2020, the country's first contraction since 1994, against a projected increase of more than 8%. The services sector is the hardest hit amidst international disruptions in trade and travel. Thousands of Rwandans are facing crippling unemployment and rising consumption costs, and the poverty rate is estimated to increase by more than 5% (more than 550,000 people) in 2021.<sup>3</sup> Unemployment soared from 13% in February, 2020 to more than 20% in May, 2020 and earnings of employed workers fell dramatically, with women

experiencing the greatest declines.<sup>4</sup> Youth in Rwanda are disproportionately affected by the impacts of COVID-19 due to the fact that they often work in low-skilled employment sectors, such as retail, the service industry or tourism, which have been hard hit by the lockdowns and reduced consumer demands.<sup>5</sup> Youth-run MSMEs, the largest youth employment sector in Rwanda, are at risk of collapsing.<sup>6</sup>

Despite these challenging circumstances, Rwanda has a strong foundation to manage the impacts of the crisis. Rwanda has well-functioning institutions, robust social protection policies, and a strong commitment to youth employment and entrepreneurship as a core pillar of its national development strategy.<sup>7</sup> The Rwandan government's commitment to internet access and digital innovation presents an opportunity for youth in the country to turn the challenges they have faced as a result of COVID-19 into new opportunities for the future.

Grounded in commitment to enabling youth to tell their own stories of coping and adapting in the face of the COVID-19 pandemic, DOT

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<sup>1</sup> UNDP. (June, 2020). The socio-economic impact of COVID-19 in Rwanda. Retrieved March 2021, from UNDP: <https://www.undp.org/content/undp/en/home/coronavirus/socio-economic-impact-of-covid-19.html>.

<sup>2</sup> *ibid.*

<sup>3</sup> World Bank. (January, 2021). Rwanda Economic Update, January 2021. Protect and Promote Human Capital in a Post-Covid World. Retrieved March 2021, from World Bank: <https://www.worldbank.org/en/news/press-release/2021/02/08/covid-19-pandemic-pushes-rwanda-into-recession-severely-impacts-human-capital>

<sup>4</sup> *ibid.*

<sup>5</sup> Talent Match (2021). The impact of Covid-19 pandemic on youth employment in Rwanda. Retrieved December 2021 from Talent Match blog: <https://talentmatch.rw/blog/news-details.php?nid=11>

<sup>6</sup> *ibid.*

<sup>7</sup> Heshima, O. (September 2021). Heshima, O. (2021). Leveraging on opportunities provided by the Rwandan Government to innovate solutions for a robust post-pandemic Rwanda. Retrieved December 2021 from World Bank blogs: <https://blogs.worldbank.org/youth-transforming-africa/leveraging-opportunities-provided-rwandan-government-innovate-solutions>



## INTRODUCTION

and the Mastercard Foundation supported a youth-led investigation effort in Ethiopia, Kenya, Ghana, Rwanda, and Uganda that examined how young people in these countries are navigating and responding to the pandemic's social and economic impacts. This report details the findings of the data collected in Rwanda and reveals that the pandemic is having a profound negative effect on the lives and livelihoods of Rwandan youth. The findings of this investigation offer Government, development agencies, funders, community-based organizations, and financial institutions firsthand evidence of what young women and men in Rwanda want and need, not only to survive the COVID-19 pandemic, but to thrive in spite of it.



**"Ways of earning money have decreased. Most of us work part time jobs so we earn money through our daily work. We didn't even have enough savings to sustain us through this pandemic when we lost our jobs."**

**- Woman, 21**



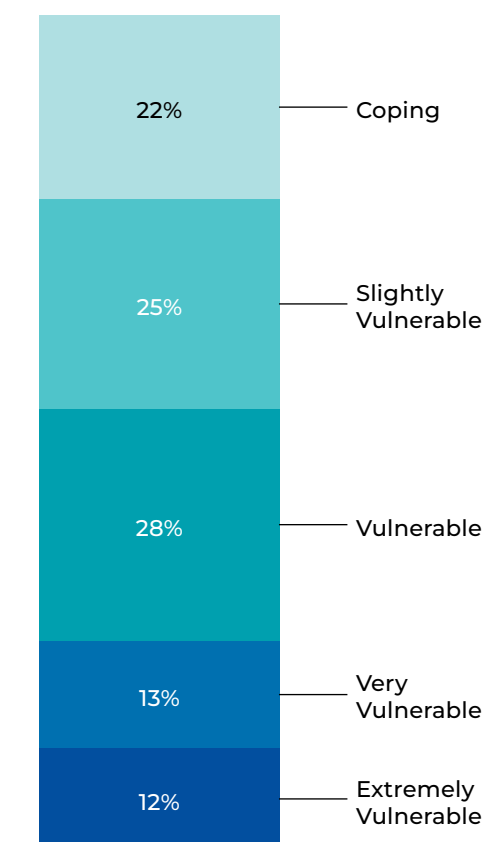
#DOTYouth Researcher Monique Usabyimana

# Who is Speaking Out?

In line with the investigation's commitment to raise the voices of youth, research was conducted in Rwanda by a team of 10 youth leaders, who surveyed a total of 302 other youth (37% women; 63% men) between 18 and 35 years of age. 25 youth also participated in focus group discussions and in-depth case study interview. To capture a cross-section of different vulnerabilities, the investigation aimed to be inclusive, recruiting a diverse group of young men and women that considered gender, rural and urban divides, employment status, level of education and household dynamics. As a result, youth from all walks of life participated, including young parents, youth with disabilities, and youth refugees.

31% of Rwandan youth surveyed live in poverty, defined as living on less than US\$3.20/ day, compared to Rwanda's national poverty rate of 37% and the urban average poverty rate of 17% pre-Covid.<sup>8</sup> 53% of survey respondents are defined as vulnerable according to 60db's vulnerability index. (Figure 1).<sup>9</sup>

**FIGURE 1:**  
Vulnerability index



<sup>8</sup> World Bank Group (January 2021). Rwanda Economic Update: Protect and Promote Human Capital in a Post-COVID-19 World. Retrieved April 2021 from The World Bank: <https://documents1.worldbank.org/curated/en/593761612554686869/pdf/Rwanda-Economic-Update-Protect-and-Promote-Human-Capital-in-a-post-COVID-19-World.pdf>

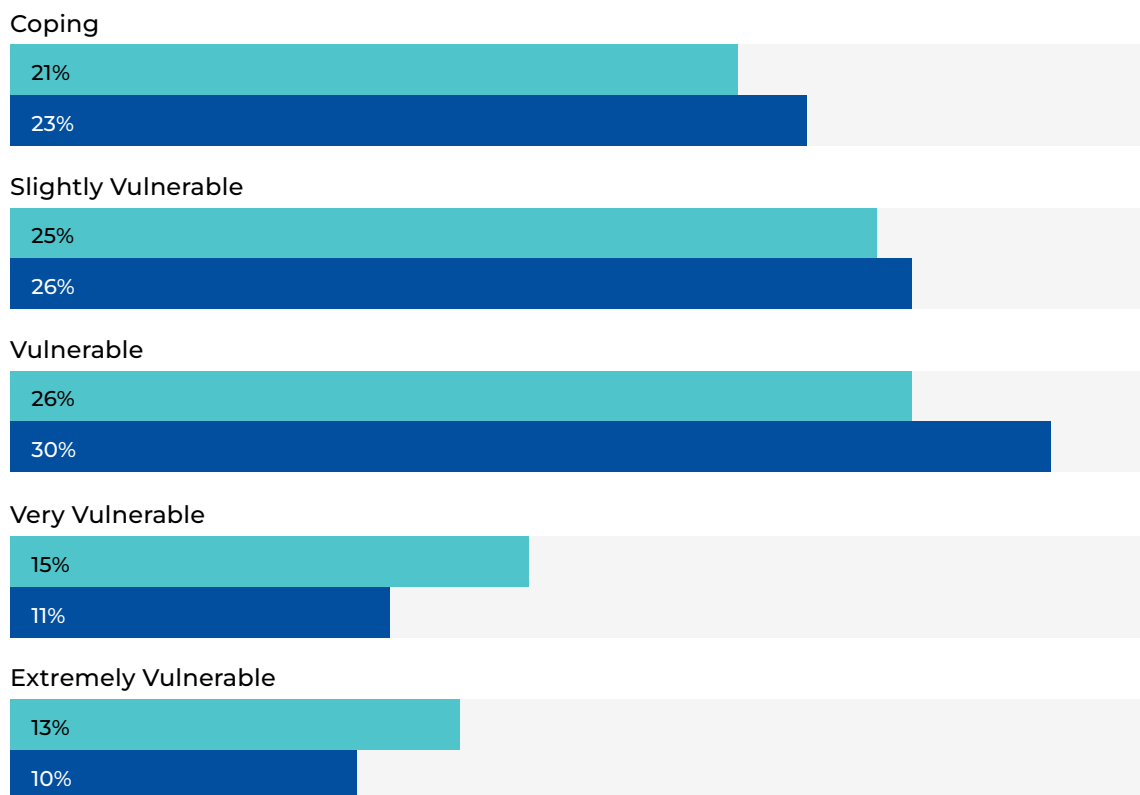
<sup>9</sup> The vulnerability index was developed by 60 Decibels. The index is a composite of multiple indicators that together assign a vulnerability score between 0 and 97, with higher scores indicating higher levels of vulnerability.

## WHO IS SPEAKING OUT?

There is little difference between women and men in terms of vulnerability, with 77% of women and 79% of men classified as vulnerable. Men are slightly more likely than women to be very or extremely vulnerable to the effects of the pandemic (Figure 2).

**FIGURE 2:**  
Vulnerability  
by gender

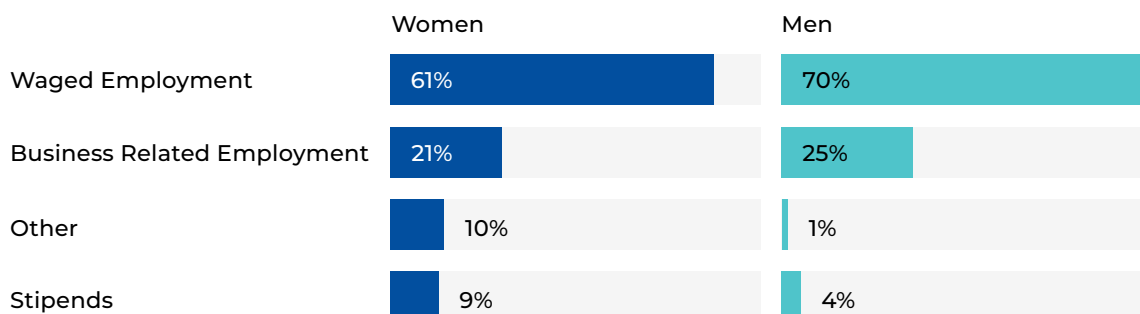
● Men  
● Women



58% of Rwandan youth surveyed are the primary income earners in their households, and 47% have children under the age of 18. Meanwhile, 45% of respondents have deceased parents, which is considered another driver of vulnerability.

The majority of respondents report waged employment as their primary source of income, and 23% of youth surveyed are engaged in self-employment and entrepreneurship (Figure 3).

**FIGURE 3:**  
Primary source  
of income  
among  
respondents<sup>10</sup>



<sup>10</sup> Values are rounded to the nearest percentage and therefore may not sum to 100%.

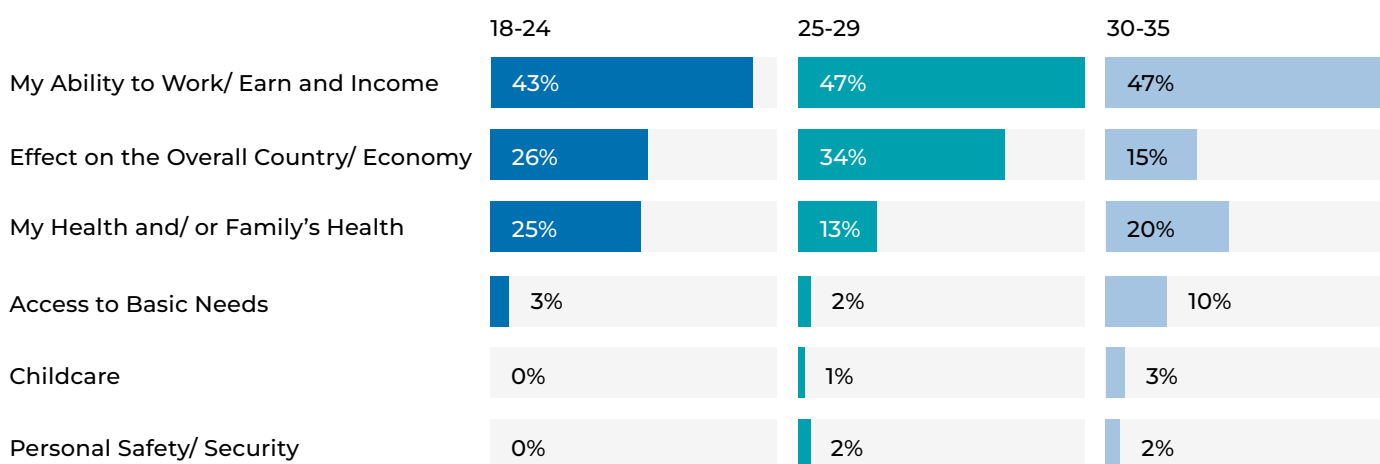
# Country Results

Data was collected in Rwanda from October to December 2020. The country results presented here therefore represent the impact of the pandemic during the period of lockdown, and do not represent changes in the lives and livelihoods of youth since. The results of this investigation were distilled through a robust process of youth engagement in analysis, synthesis, and reflection.

## CHALLENGES RWANDAN YOUTH ARE FACING AS A RESULT OF COVID-19

Rwandan youth are experiencing substantial challenges as a result of COVID-19, and the majority indicate that their top concern is their ability to work and earn an income, followed by the effect of the pandemic on the country and economy (Figure 4).

**FIGURE 4:** Top concerns by age group

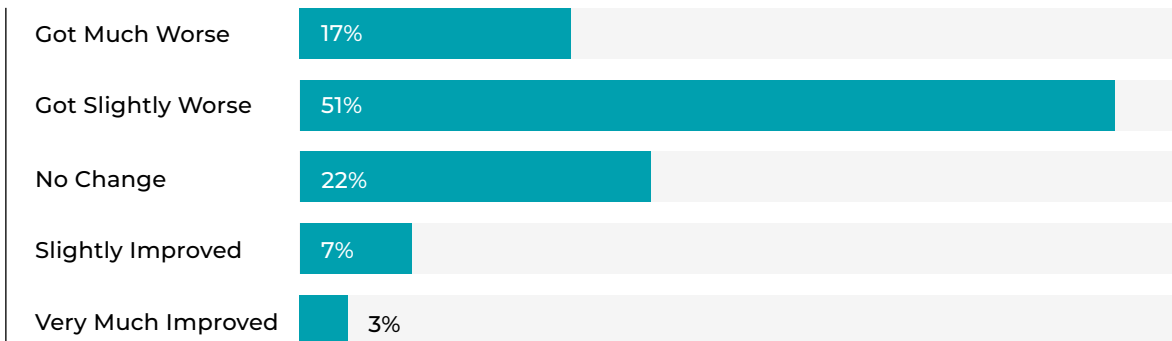


Young women and men in Rwanda report their quality of life worsened during the lockdowns. However, only 17% indicate their lives became much worse, with 51% reporting their lives became slightly worse and 22% reporting no change in their quality of life (Figure 5).



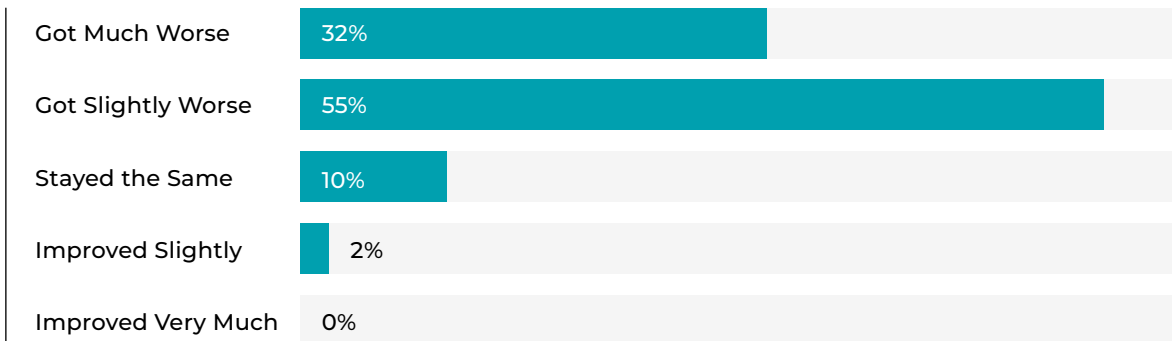
COUNTRY RESULTS

**FIGURE 5:**  
Quality of life



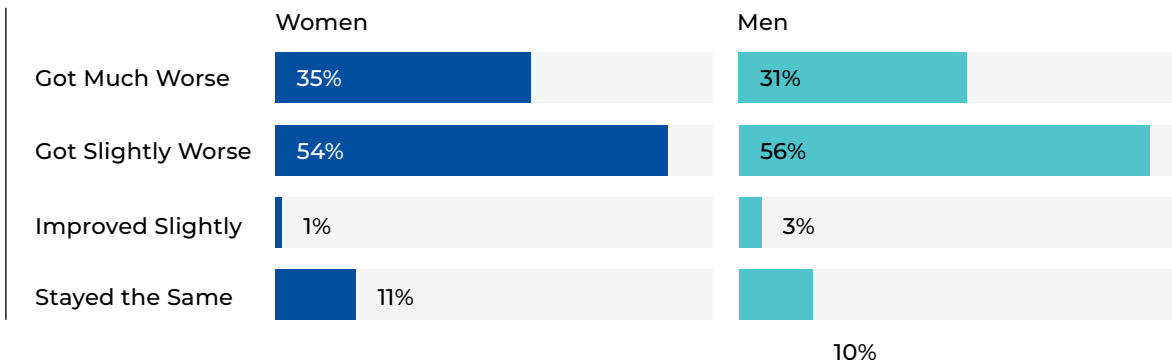
Rwandan youth are experiencing household financial shocks, with 87% indicating their family financial situation has worsened (Figure 6).

**FIGURE 6:**  
Family financial situation<sup>11</sup>



The economic impacts are affecting women and men similarly, with 89% of women and 87% of men reporting that their financial situation has deteriorated (Figure 7).

**FIGURE 7:**  
Financial impacts by gender

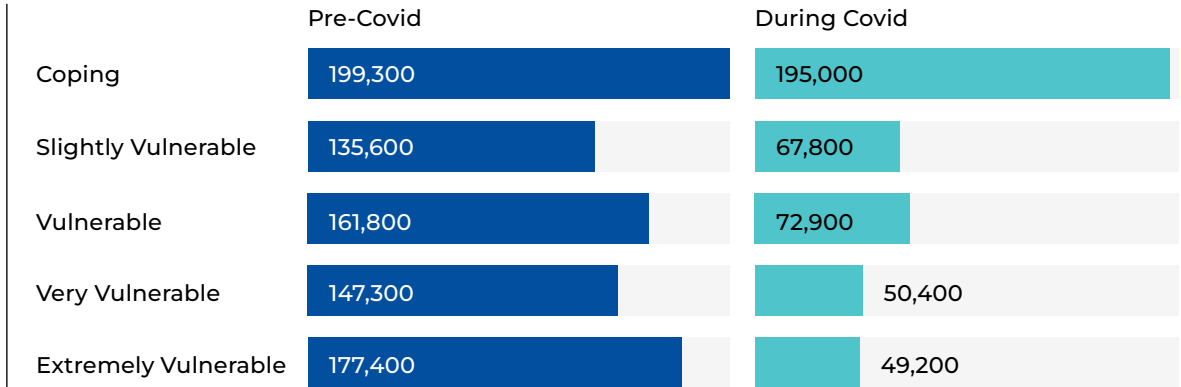


The financial impacts are most acutely felt by those who are more vulnerable, with youth classified as very or extremely vulnerable experiencing the greatest declines in monthly income (Figure 8).

<sup>11</sup> Values are rounded to the nearest percentage and therefore may not sum to 100%.

**FIGURE 8:**

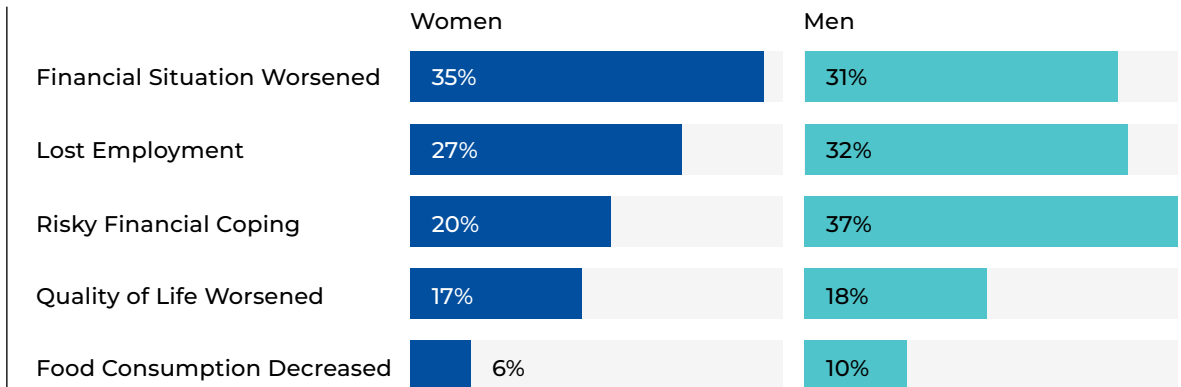
Average change in monthly income (RWF)



Young women and men in Rwanda are similarly impacted by the pandemic, with slightly more women than men reporting their financial situation worsened, but more men than women employing risky financial coping strategies such as taking on additional debt (Figure 9).

**FIGURE 9:**

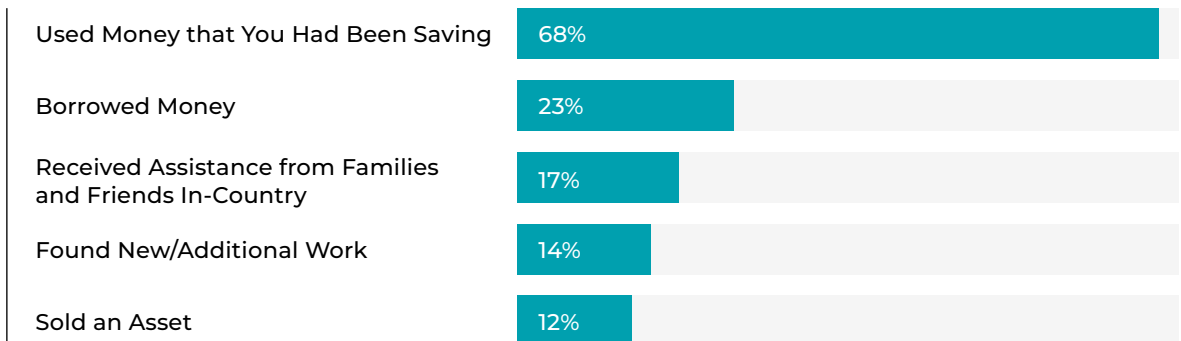
COVID-19 impacts by gender



The vast majority of Rwandan youth are coping with the economic challenges wrought by COVID-19 by using their savings. Only 14% of respondents indicate they are replacing lost income with new income generating opportunities (Figure 10).

**FIGURE 10:**

Coping strategies

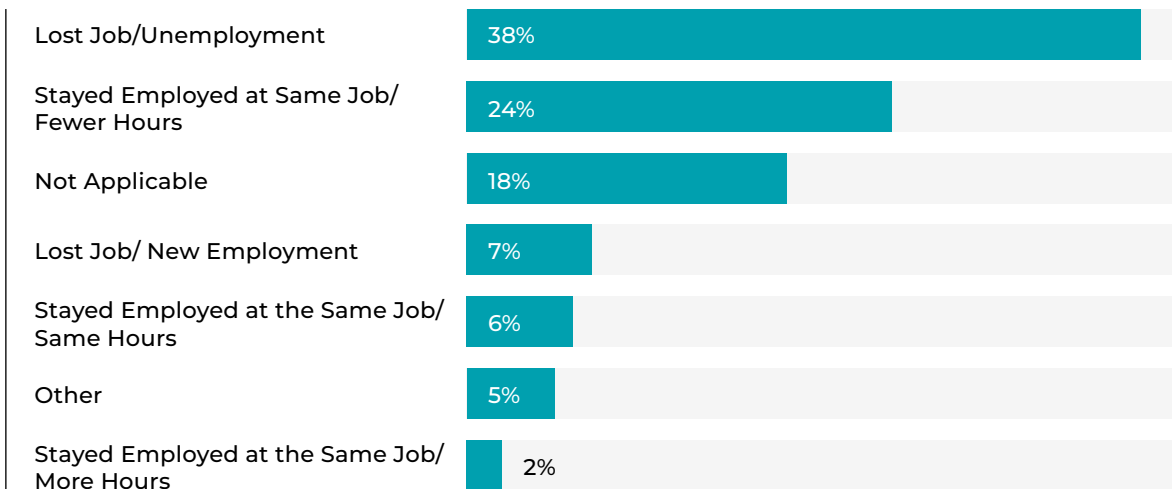


## IMPACT OF COVID-19 ON YOUTH EMPLOYMENT

For youth who have waged employment as their primary source of income, the pandemic has had a significant impact, with 38% indicating they have lost their job and remain unemployed, and 24% reporting a reduction in hours. Just 6% maintained their pre-pandemic level of employment, and only 7% were able to replace their lost income with a new job (Figure 11).

**FIGURE 11:**

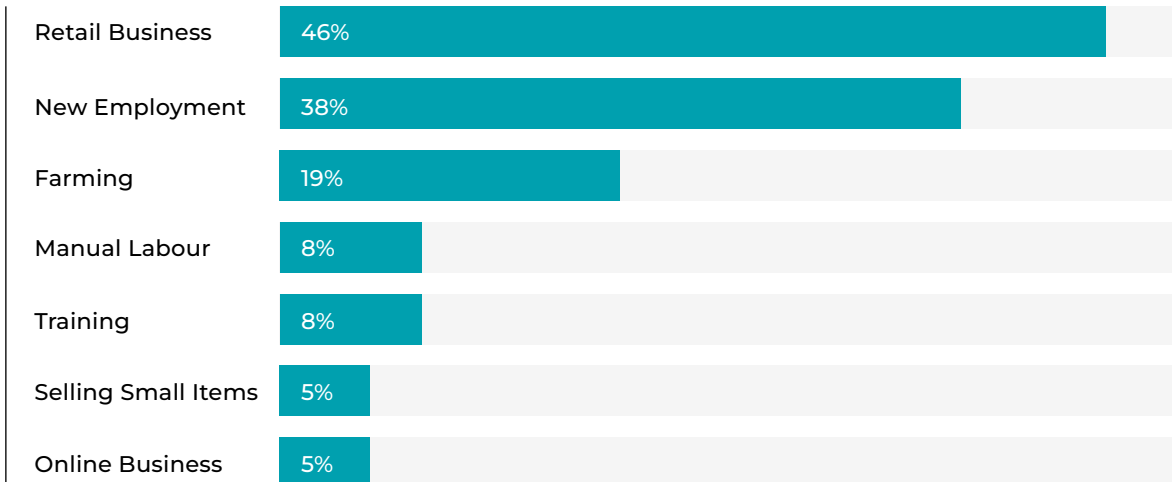
Impact of COVID-19 on employment among waged employees



Only 12% of Rwandan youth have been able to offset their lost income with additional income generating activity. Of the young women and men who report additional sources of income, the majority are engaging in retail work, such as selling masks and sanitizers, or handicrafts. A small number of youth have generated some income through farm work or manual labour.

**FIGURE 12:**

Sources of additional income

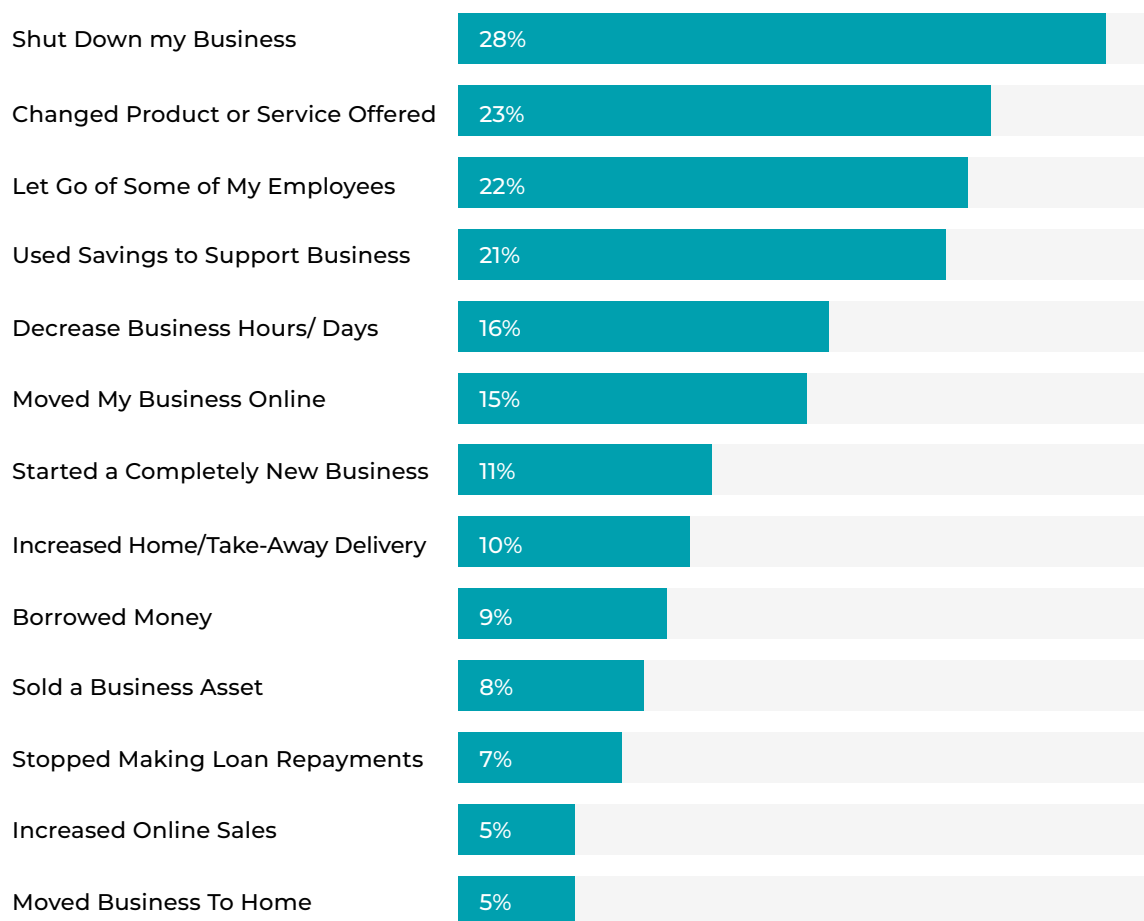


## IMPACT OF COVID-19 ON YOUTH ENTREPRENEURSHIP

The economic contraction of the Rwandan economy is also having a negative impact on youth entrepreneurs, as supply chain disruptions, reduced consumer demand and lockdown protocols are reducing revenues and making it difficult for them to keep their businesses open. 28% of entrepreneurs report closing their business altogether, with an additional 16% reporting that they reduced the number of hours or days their business was open, and 22% indicating they laid off employees to cope with decreased revenues (Figure 13).

**FIGURE 13:**

Coping strategies among entrepreneurs

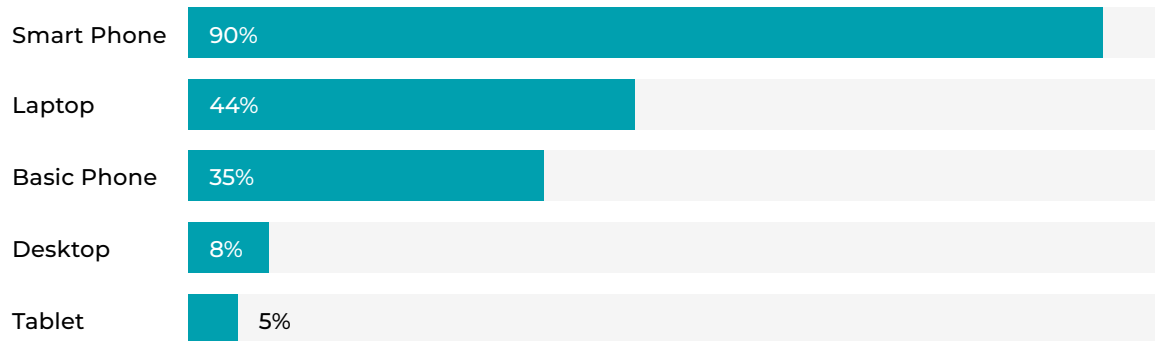


Entrepreneurs who managed to stay in business are employing creative coping strategies such as changing the product or service to changing market demands (23%), moving the business online or increasing online sales (15% and 5%, respectively), increasing home/ take-away/delivery sales (10%), and starting a new business (11%). Similar proportions of Rwandan youth entrepreneurs are employing survivalist strategies such as using savings to keep the business afloat (21%), borrowing money (9%), and selling business assets (9%), risking the future viability of their businesses (Figure 13).

## DIGITAL PROFILE OF RWANDAN YOUTH

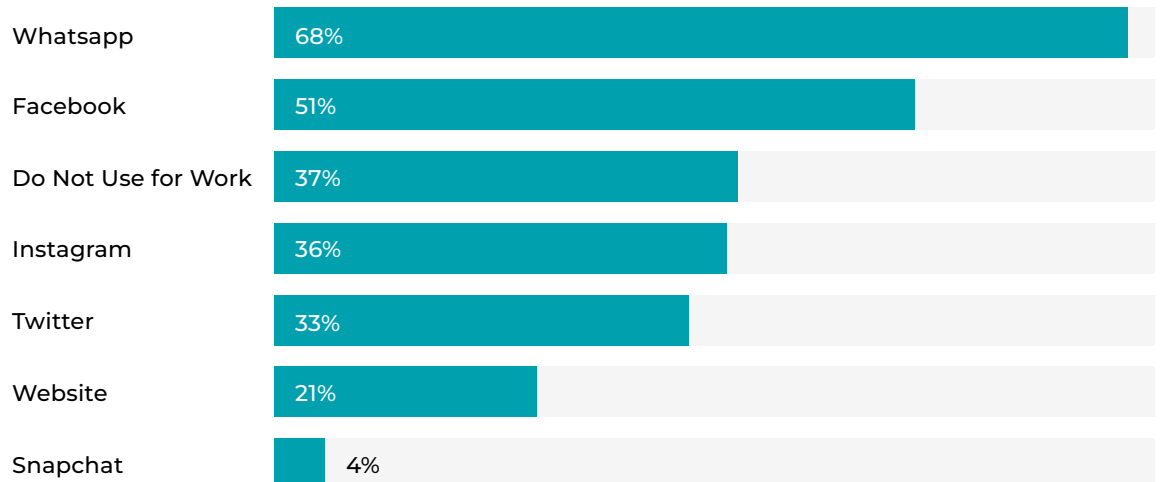
Access to digital devices is extremely high among Rwandan youth, with 90% of respondents owning a smartphone, and 44% owning a laptop (Figure 14). Smartphone ownership is similar between men and women (89% for women and 91% for men), but men are more likely to own a laptop than women (31% of women compared to 52% of men).

**FIGURE 14:**  
Digital device ownership



The majority of Rwandan youth are using social media tools for work and business, with WhatsApp and Facebook the most commonly used platforms. 37% of respondents indicate they do not use social media at all for work or business (Figure 15).

**FIGURE 15:**  
Social media apps used for work or business

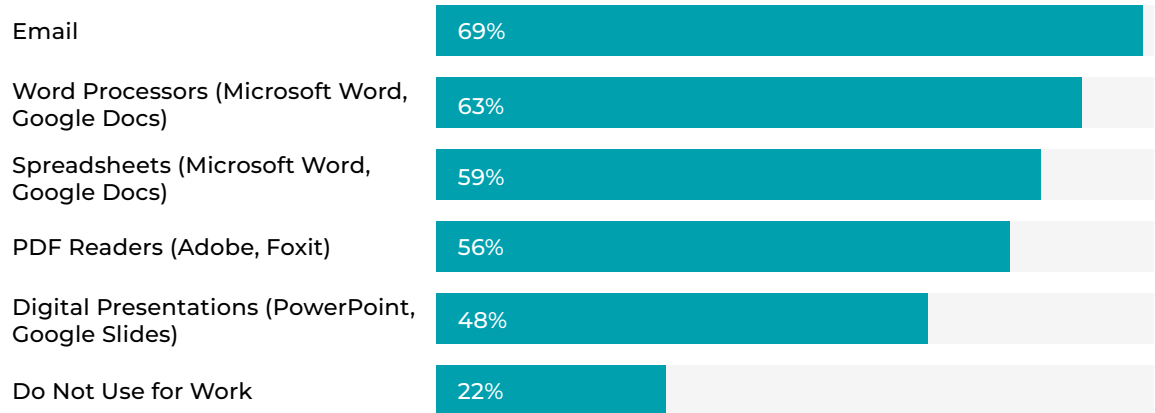




## COUNTRY RESULTS

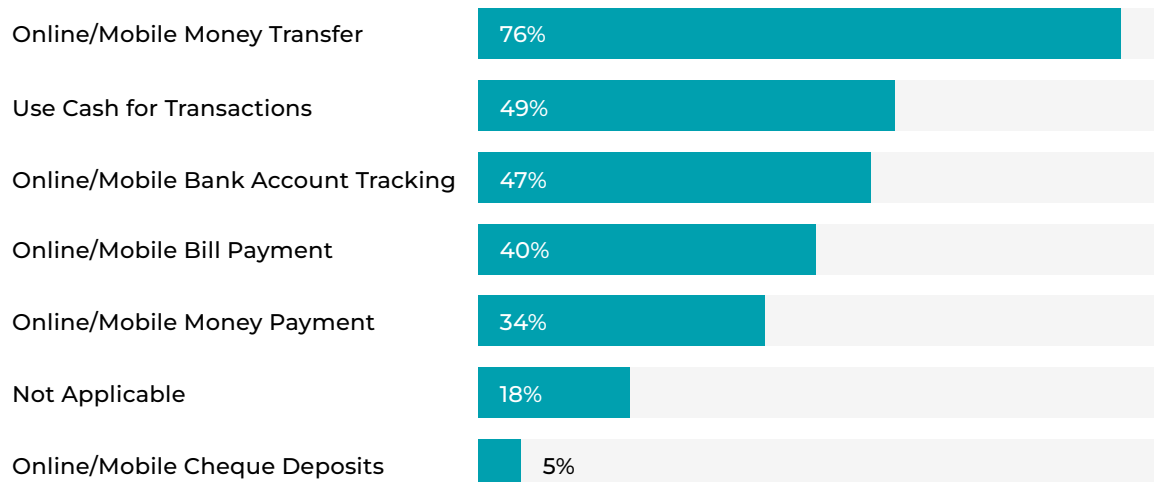
Rwandan youth use a variety of digital platforms for their work or business, with email, word processors and spreadsheets the most commonly reported tools. Despite the high levels of device ownership, 22% of youth report not using digital tools at all for professional purposes, suggesting that they are not fully optimizing their devices to take advantage of digital shifts in the marketplace occurring as a result of COVID-19 (Figure 16).

**FIGURE 16:**  
Digital applications used for work or business



Youth in Rwanda report relatively high rates of fintech adoption, with 76% indicating they use mobile money in their work or business, 47% using online banking, and 40% paying bills online. Despite this high level of adoption, many young people still use cash for transactions (Figure 17).

**FIGURE 17:**  
Fintech used for work or business

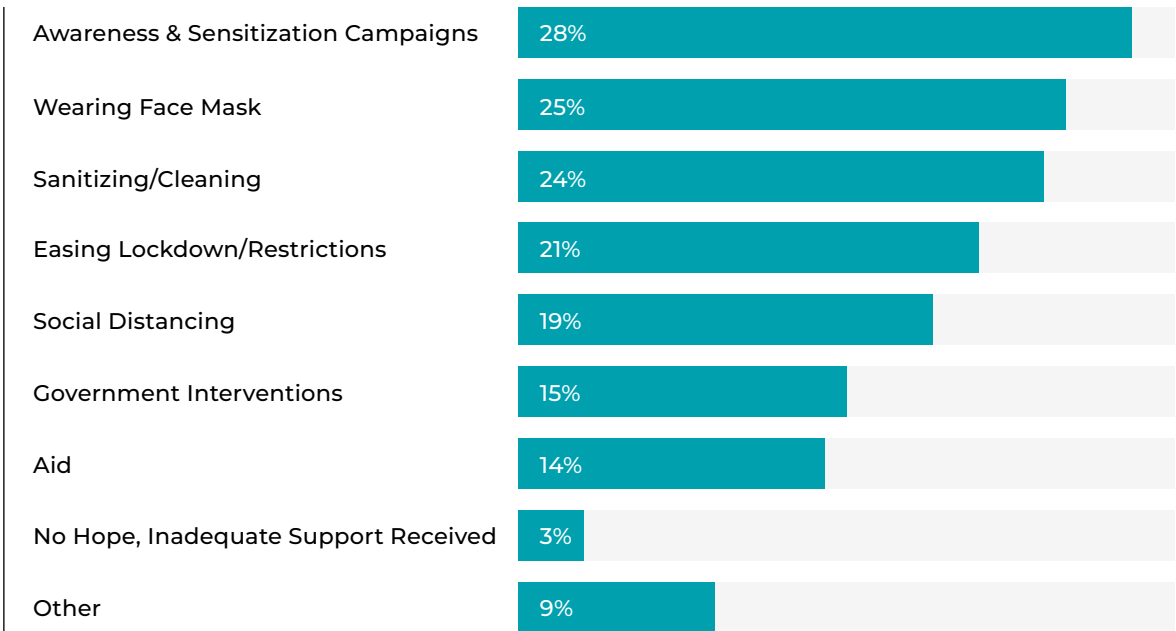


## SUPPORT NEEDED

Young women and men in Rwanda report that much of the support they are aware of is focused on emergency response, such as awareness campaigns, face masks, government cash transfers and food aid, and sanitization, but do not report support focused on improving livelihoods recovery and longer term resilience (Figure 18).

**FIGURE 18:**

Sources of support



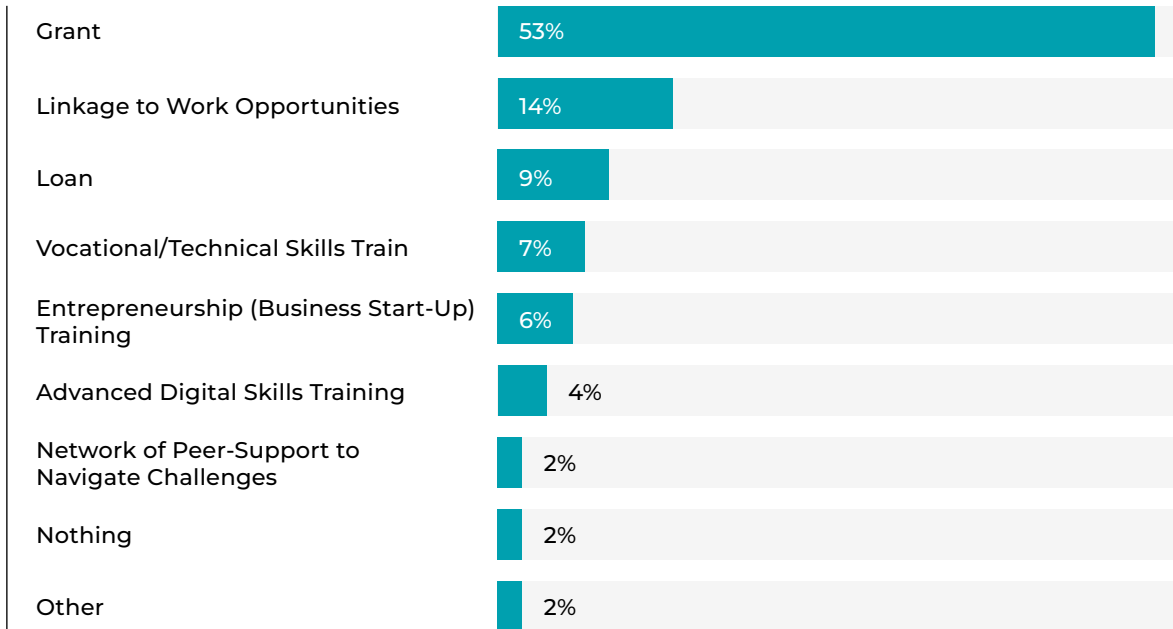
The supports that youth are aware of do not match their needs, with the majority of youth indicating they need financial support in the form of grants or loans to recover economically. Respondents also indicate they need linkages to new work opportunities and training in entrepreneurship, advanced digital skills and vocational skills to help them get back on their feet (Figure 19).



DOT Rwanda Digital Business Class in Kayonza District, Eastern Province of Rwanda

**FIGURE 19:**

Support needed



Rwandan entrepreneurs report they need, on average, \$3,142 of capital to recover their businesses post-pandemic.



**\$3,142**

Average capital needed for recovery

**\$2,017**

Median capital needed for recovery

**\$202**

Minimum capital needed for recovery

**\$15,124**

Maximum capital needed for recovery

# Conclusions

**Co-design pandemic recovery and support strategies with youth to ensure that solutions respond to their unique needs and situations.**

- + Many young Rwandans have been unable to access the support they need to recover, and often what is available does not address their medium and long term priorities. Youth employment sectors are rapidly changing and vulnerable to economic shocks. As a result, it is critical they have access to demand-driven and flexible services. Including young women and men in developing pandemic recovery policies and programs is essential for broader economic and social renewal in Rwanda post-COVID.

**Improve access to grants and loans by ensuring financial products take into account the unique circumstances of young women and men**

- + Grants and loans provided by banks, government programs, and non-profits are often not tailored to the constraints youth face, such as a lack of assets and limited financial history. Entrepreneurs in particular struggle to access the capital they need to succeed. Financial aid for youth should be easy to access and quickly deployed to respond to the dynamic often informal nature of youth jobs and youth-run businesses. Vulnerable youth, who often have jobs and run businesses in informal employment sectors, are often not eligible for formal support programs, and risk falling further behind.

**Youth entrepreneurs need support to integrate new technology into their businesses in ways that respond to digital transformations that COVID-19 has accelerated. Women entrepreneurs need tailored support to integrate digital technologies in their business operations.**

- + While Rwandan youth report high levels of device ownership and internet access, they are not optimizing digital as they try to cope and recover from the impacts of the pandemic. They need more support to leverage these tools to improve their businesses and employment prospects. Digital literacy training designed by and for youth can help young job-seekers better optimize the rapid digital shifts that are poised to transform the employment landscape in Rwanda post-COVID. Digital literacy support for entrepreneurs can help them modernize their businesses, become first movers in a digital economy, and take advantage of new market opportunities in the digital sector.



DOT Rwanda Consultant Maarifa Ndekezi training a class of Social Entrepreneurs

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