Scoping Brief

Rwandan Jobs in the Digital Era: Scenarios for the Future of IT-enabled Work

Objectives

To better understand digital labour market changes in the context of the Global South, GIZ commissioned in-depth Future-of-Work scenario analyses of two case countries – India and Rwanda. India is a large country and a global driver of these changes, while Rwanda is small, but perhaps becoming a local driver of change.

The objectives of the Rwanda study are to show the potential impact of the global digital transformation on the future of work in Rwanda between today and 2030, and to help develop frameworks for coping with and taking advantage of these changes for the country's sustainable development.

Context

Three ongoing trends will most likely shape Rwanda's world of work throughout the 2020s: a demographic bulge that brings more young Rwandans into the labour market, rural-urban migration that entails a need for more job creation in cities, and technological change that will increasingly shape the creation of these jobs. While most Rwandans are still rural dwellers and, accordingly, most of the working-age population is still engaged in agriculture, this context is fast changing. Over the coming decade, increasingly more youths will need to find urban jobs. For this, the service sector has long been the largest harbour, and today's technological changes are changing many urban service sectors beyond recognition.

Key Sectors

For serving the local market in Rwanda's growing cities, **digital platforms, such as ride-hailing or delivery applications are disrupting** old business models, have the power to bring new forms of work to otherwise un- or underemployed city dwellers, and come with the need for new forms of (self-)regulation.

For serving the domestic and regional markets, **social media platforms are becoming e-commerce storefronts** for small and medium sized enterprises (SMEs), opening new avenues for retailers to make sales and launch advertisements in ways that were hitherto only accessible to larger firms. Algorithmically aided tools such as targeted ads, trader verification, and new payment mechanisms provide unprecedented opportunities for digital micro entrepreneurs, but the associated data collection and market capture can lead to growing power asymmetries and dependencies between vendors and platforms.

For serving global markets, new forms of **digital services exports** are becoming available to Rwandans. Rwanda's political stability and excellent Ease-of-Doing-Business scores are slowly beginning to be coupled with greater availability of human capital that could compete in global markets. Hence, a **business process outsourcing (BPO)** sector and **online platform work** can begin to take root in Kigali. The Covid-19 Pandemic has amplified a dual diversification process in global services offshoring: leading from established clusters in India and the Philippines towards newer markets in Africa; and leading from purely brick-and-mortar BPOs towards work-from-home and online platform work. Both trends bring opportunities for the emergence of a Rwandan services offshoring sector that will need to be steered wisely to achieve optimal outcomes for future-oriented employment creation.

Methodology

The study examines the trends in these new technology-enabled labour markets and devises scenarios for each of them. The analysis is based on the University of Oxford's

Pathways for Prosperity Commission's framework (P4P 2018) and its Digital Economy Kit (P4P 2020) and builds on earlier Economy and Labour Market Assessments (Mummert 2014; Weimann 2018). The scenario building and validation is based on the Stockholm User's Guide, arguably the most widely cited scenarios framework in future studies (Börjeson et al. 2006; WEF 2018).

Empirically, the study draws on a mix of methods: Besides a review of the literature and secondary data, the primary investigation comprises of (i) key informant interviews, e.g., with global outsourcing sector analysts and firms, (ii) focus group discussions (FGDs) with affected IT-enabled service sector workers (see Table 1), and (iii) workshop panels with industry leaders and regulators.

Table 1: Focus Group Discussions (FGDs) with digital workers in Kigali, Rwanda

Participants	Gender/ Inclusion	Location
Male and female Entrepreneurs in social-media-based e-commerce sector	Mixed gender below 35 years	Kigali
Workers outsourcing sector (e.g. iSON employees)	Mixed gender below 35 years	Kigali
Male and female (if accessible) workers on place-based logistics platforms (ride-hailing & delivery)	Mixed gender below 35 years	Kigali
International ITES/BPO / services offshoring experts	Either as workshop panel or individual interviews	Kigali (or remotely)

Scenario Analysis

Three scenarios are developed for each of the three new types of services – digital entrepreneurship via social-media-based e-commerce, place-based platform work via ride-hailing and delivery apps, global offshoring via business process outsourcing companies and online labour platforms. These scenarios will be based on the insights gathered from the primary research in Rwanda, and on

regional good practice case studies in sectors where Rwanda is not yet established (e.g., a BPO sector association case study from South Africa and an online worker association case study from Kenya). The scenarios are validated in stakeholder workshops and supplemented with corresponding policy recommendations.

Project Progress

Table 2, Tasks & Timeline

Tasks	Time	Deliverable
Fieldwork & Writing	Jun-Sep 2021	First draft
Stakeholder Validation	Sep-Dec 2021	Interviews & FDGs, Second & third drafts
Scenario Presentations	Jan-July 2022	Present final study results at national (workshops), regional and international level

Literature

Börjeson, L., Höjer, M., Dreborg, K. H., Ekvall, T., & Finnveden, G. (2006) Scenario types and techniques: Towards a user's guide, *Futures 38*(7), 723-739.

Mummert, A. (2014) Guidelines for an Employment and Labour Market Analysis (ELMA), GIZ, Eschborn & Bonn.

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Project Responsibility

This study is carried out by researchers at MeliaCRED on behalf of and funded by GIZ's global project: 'Future of Work' commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) out of its Fund: Policy Coherence for Sustainable Development.

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GIZ Worldwide – project description