



What is the impact of climate change on the labour market and jobs in Rwanda? How can policy mitigate negative effects?

Rwanda's labour market and climate change context are interconnected, shaped by the country's reliance on agriculture, which employs over 70% of the population. Climate change exacerbates existing vulnerabilities in the labour market by affecting agricultural productivity leading to income instability for rural communities. As Rwanda seeks to diversify its economy through industrialisation and services, climate risks remain a concern for job creation, as the government has set ambitious targets to transition to a green economy.

Policy challenge

Climate change is a tax on development, diverting resources to adaptation and coping. These increased costs (i) crowd out other public investment projects which would otherwise be funded, and (ii) raise the costs of some private investments (e.g. in plants/warehouses). Some private investments may not be undertaken because they are uninsurable. Energy costs (mitigation) may also be higher.

In the Rwandan context, the following questions are of interest: How will the need for this shift in public investment and the increased cost in private investment affect the jobs transition? And what can be done to reduce this impact – which investments should be preserved?

A second question is what the effect of climate change on the informal sector in agriculture, industry, and services will be. What investments are needed to help this group? What are the trade and transformation implications of reduced yields per hectare in agriculture (if that happens)? Is agro-processing no longer a viable transformation option? What are the effects of importing more food on the labour market?

Data

- [NISR](#): Integrated Household Survey on Living Conditions (EICV5)
- [NISR](#): Labour Force Survey
- [MINFOTRA](#): Other labour statistics
- [Ministry of Environment](#): Weather and climate data

Stakeholders

Ministry of Finance and Economic Planning (MINECOFIN), Ministry of Labour (MIFOTRA), Ministry of Environment, National Institute of Statistics (NISR).