COVID-19 AND INEQUALITY: Issues, Challenges and Policy responses

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Rwanda’s Strategic Choices and Drivers of Governance

Rwanda’s Strategic Choices

• **One — Unity**: we chose to stay together.

• **Two — Accountability**: We chose to be accountable to ourselves.

• **Three — Thinking Big**: We chose to think big, politically, socially and economically.
Introduction

- Rwanda’s Human Development Index (HDI) increased by 109.6 percent between 1990 and 2017 from 0.250 to 0.524, yet discounted for inequality, the HDI falls to 0.387, a loss of 28.7 percent (HDR, 2020).
- This is due to anti-inequality interventions and programs targeting different categories of people (women, poor, youth, disabled,...)
- The COVID-19 crisis affected the economies, many Rwandan households especially those under social protection programs;
- Effects of covid-19 on economies brought inequalities not only among nations but also among individuals;
- Shocks like COVID-19 pandemic and the latest food/fuel price shock correlate with on inequality around the globe and in the African continent;
- Issues differ depending on the country and the efforts to contain the pandemic;
- Rwanda prioritized the health of its citizens and put in place stringent measures to protect its human capital;
- Despite, the efforts, covid-19 shed the lives of people and affected economy at large. This presentation depicts the experience of Rwanda in dealing with the efforts and policies.
Post- COVID-19 challenges

- Still people under Poverty and extreme poverty: 38.2% and 16% respectively (EICV5, 2017), approx 500,000 people fell into poverty due to COVID-19

- Malnutrition and stunting: Stunting stand at 33% countrywide (DHS, 2020)

- *Increased commodity prices* leading to high cost of living; resulting from covid-19 effects, climate change and Russia-Ukraine war;

- Unemployment rate worsened by job loss caused by COVID19: unemployment rate stand at 16.5%;

- VUP introduced in 2007 as one among opportunities to *supplement household incomes by casual labor* to vulnerable households namely public services;

- VUP activities were *not available or limited due to lockdowns and various restrictions* to prevent the spread pandemic,

- The measures largely affected rural areas and effects still manifest in program implementation especially to beneficiaries living conditions.
Dynamics of COVID-19

Figure: Analytical framework of COVID-19 impacts, Bizoza & Sibomana, 2022
General Policy actions to confront inequality left by shocks like covid-19

- Development and fostering health sector capacity to fight the pandemic with the pro-poor mind: decentralizing testing and medical services: Home care approach with CHWs at each village;

- Vaccination campaign: acquiring vaccines and easily mobilized citizens to take vaccines for free, efforts of all stakeholders: public institutions and partners

- Distribution and provision of food and other basic needs to vulnerable and poor HHs including the ones in covid-19 home-care

- The GoR adopted a socio-economic recovery plan implemented in the course and post-pandemic time;

- Establishing the covid-19 recovery fund as a booster of the economy of the country

- Exemption of taxes to some products especially those most needed by females(pads,...)

- Use of Umuganda and other HGSs to deal with human security issues
People with Disabilities

• As a tool to planning and targeting, **classification of PwDs** is done for their needs profiling: done 2016 and 2022(ongoing)
• **Disability policy**
• **Mainstreaming of disability into sectoral programs**: plans, guidelines and budget, inspections on public and private buildings, **represented at all levels** (parliament, local government)
• PwDs are supported through **cooperatives and individuals** in terms of **financial support, medical support, sports and leisure** (teams) other according to needs, each FY

Older persons:

• Older persons are the most affected by shocks
• **Older Persons Policy** adopted by cabinet in 2021
• Direct support under VUP; Planned a **disability grant** to cater for their specific needs

Children

• **NSDS** served as special component to cater for poor children;
• Pro-child programs such as **anti-GBV and other violence**;
• **ECDs** program are very important for the inclusion of children;
• Education reforms to promote **knowledge-based economy**;
Women and gender

- **COVID-19 has not been the great equalizer:** while men have suffered higher mortality, women and girls have been disproportionately affected by the socio-economic impacts of the pandemic (UN Women, 2020)
- **Gender-sensitive public works:** that provide flexible work for women/parents, considerations for young mothers (often abandoned teens).
- With their **representation in all levels of Rwanda Administration**, their participation is always encouraged in Rwanda (education, now with **focus on TVET and hands-on skills**), leadership (recent LG elections)
- Interventions like **NSDS** helps lactating and pregnant women, **home-based ECDs**.

Youth:

- Young people are the future Rwanda;
- Lockdowns and other measures restricted their education;
- Shift from **classic to digital teaching and learning** was a challenging experience
- **Dropouts** had to reintegrated to schools in post-covid-19 period;
- **Schooling and education interventions** were developed to build a capable Rwanda - **School feeding**, increase of teachers’s salaries, **construction of classrooms** among the reforms
Pro-poor actions:

- Covid-19 effects manifested highly among the poor people;
- A socio-economic recovery plan May 2020 – December 2021 was adopted by cabinet as a coordinated response to mitigate the economic impact of COVID-19; 
- Food distribution to poor and vulnerable HHs serves an emergency support; 
- Health insurance for poor people helped them to have access to health services; 
- Pro-poor programs such as VUP played/ still does a key role in supporting the vulnerable people, VUP FS loans on 2% interest, cash transfers and public works helps as safety nets programs; 
- Work hand in hand with CSOs, FBOs and others to implement the social protection programs during and in post-covid 19 period; 
- Revise targeting, horizontal and vertical scaling up of SP programs for lifting up poor people
Finance and Inclusion

• GoR through The National Bank of Rwanda continues to support financial inclusion initiatives in collaboration with different stakeholders;

• The Bank initiated and implemented several policies to advance financial inclusion and these policies vary from financial literacy to financial inclusion as stipulated in the National financial inclusion strategy;

• The National financial inclusion strategy was adopted by the Bank that guides strategic interventions to attain financial inclusion goals;

• Ejo Heza mobilization, and other saving and credits cooperatives, VUP with FS loans on 2% from 11%

• Establishment of tools to periodically track the financial inclusion with focus on different categories of people—that’s Finscope
Future prospects

Key issues to address

Technological changes (often called the Fourth Industrial Revolution) and work in the future: Making technology work for all

The future of labour supply: Demographics and Migration

A challenging future for the employment relationship:

Strategic Priorities

Youth Entrepreneurship and self-employment

Secondary School Education and Skills

School to work transition

Creating Decent Jobs for Youth

Young People’s Participation and Civic Engagement
MURAKOZE !!
THANK YOU !!
MERCI !!