

Research Article

Effectiveness of Rwandan Trading Policy on Job Creation: Analytical Approach of Kigali Special Economic Zone

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Abstract: The study evaluates the role of special economic zone on job creation in Rwanda; a case study of Ameki Color in Kigali special economic zone. It was found that there is scarcity of the studies that talk to the role of SEZ in job creation in Rwanda. However, the need of this study is to cover that gap. The specific objectives are to examine the role of economic infrastructure on job creation in Rwanda; to examine the role of Transport accessibility on job creation in Rwanda; and to examine the role of labour resources on job creation on job creation in Rwanda. Methodology used target population of 140 employees and sample size is 58 of respondents in AMEKI Color at KSEZ. Findings on the role of economic infrastructure on job creation in Rwanda confirmed by employment-intensive investment used to address physical changes through adapting infrastructure as 62.1% respondents confirmed it. Community members' involvement in the reconstruction of the infrastructure confirmed by 84.5% of respondents. Findings on the role of transport accessibility on job creation in Rwanda confirmed by Transport accessibility improve businesses ability to provide goods and services, and people's ability to access education, employment and services confirmed by 81.0% respondents. Transport accessibility including travel time, vehicle operating costs, road and parking facility costs, and accident and pollution damages confirmed on 79.3% respondents. Increase businesses' labor pool, reduces their costs to obtain input materials and services, and expands their potential market confirmed by 79.3% respondents. Findings on the role of labour resources on job creation in Rwanda confirmed by labor market analysis at organization to date has focused on developing a foundation in the most operationally relevant issues confirmed by 79.3%. Sound labor-market conditions are needed to guarantee the success of structural reforms, to maintain the social support for those reforms, and to ensure that the benefits are widely distributed as confirmed by 84.5%. Labor market policies and institutions contribute to better investment climate while promoting decent working conditions and supporting workers affected by changes were confirmed by 84.5%. The correlation coefficient result shows the relationship is $r^2 = .744$ or (i.e: 74.4%) categorized as positive and high correlation. However Rwandan Government should continue to sustain security and infrastructure for attracting foreign investors to invest in our country and this mean they should create an attractive investment environment.

Keywords: SEZ, Job creation, KSEZ.

1. Introduction

A special economic zone (SEZ) is an area in which the business and trade laws are different from the rest of the country. SEZs are located within a country's national borders, and their aims include increased trade balance, employment, increased investment, job creation and effective administration. The special economic zone (SEZ) was established in 1937 in New

York, the United States of America (USA) (Chee Kian, 2007). In 1942 in USA invested in establishing the SEZ in Puerto Rico, since then, other countries have also established SEZ but might be in different name. One of the most well-known SEZ is Shenzhen special economic zone has been located in more than 135 countries around the world. Especially in the USA, the pioneer of SEZ has 257 areas of FTZ and 545 area of FTZ subzone (Baeumler, *et al.*, 2009). Therefore, this chapter presents the background of the study, the statement of the problem, the objective of the study included by general objective, and specific objectives, the research questions, the significance of the study, the scope of the study, and organization of the study.

Throughout the history of mankind, different mechanisms have been adopted to facilitate trading, including the introduction of Free Trade Zones. While free zones today are quite different from those of the past, it is not a new concept (Abbas, 2000). The free trade zones were not considered to be mere exchange/trading points of finished goods; they were an industry-based economic activity. Since the mid-1980s, the number of newly established zones has grown rapidly in almost all regions, with dramatic growth in developing countries. For example, in 1986, the International Labour Organization's (ILO's) database of SEZs reported 176 zones in 47 countries; by 2006, this number rose to 3,500 zones in 130 countries (Boyenge 2007).

2. Problem Statement

The worst working conditions and lack of opportunities in rural Africa have encouraged the youth to migrate to urban centers. But, because most countries have not yet initiated their transition to industrialization, urban centers cannot create a massive number of jobs. Thus, in the short term, only rural activities, farm and non-farm, can effectively create occupation for most new job seekers. Given the challenges faced by the youth in labor markets, success in pursuing employment for young people require long term, concerted actions, spanning a wide range of policies and programs. Indeed, success is not achieved and sustained through fragmented and isolated interventions (Brå utigam, and Tang, 2013). For addressing the youth employment challenges is the need for integrated strategy for rural development, growth and job creation which covers the demand and the supply sides of the labor market, and takes into account the youth mobility from rural to urban areas. Combined with targeted interventions to help young people overcome disadvantages in entering and remaining in the labor market like SEZs implementation (Watson, 2012).

When measuring the African special economic zone programs, it is important to consider that most African countries are relatively latecomers in implementing modern special economic zone programs and many of these zones are still in the early stages. The change and rebalancing of the global value chain and industrial structure can possibly provide a good opportunity for these special economic zones.

In terms of investments, exports and employment generation, the African special economic zones are in general falling behind their peers in other continents. One important reason could be the weak business environment (Farole, 2011). In Rwanda, access to employment is one of the major challenges that face unemployed persons and workers wishing to upgrade their working situation. Unemployment rate in Rwanda averaged 7.10 percent in 2001.

As a fast growing economy, Rwanda has seen various reforms aiming at quickly transforming socio-economic situation of the country where SEZs was created expecting also to be channel of job creation (Hillary, and Wandera, 2011).

Rwanda's Special Economic Zone policy was adopted in 2010 with the objective of ensuring the successful development of existing and new SEZs. It was to contribute to the achievement of several for the government's ambitious developmental targets. Specifically, it would contribute to increased foreign and domestic private sector investment; increased employment and income generation (Direct and Indirect); export growth and diversification and increased foreign exchange; development of industry and other sectors; and skills upgrade and technological transfer (Hsieh, and Klenow, 2014).

Kigali Special Economic Zone has accommodated different types of industries included by 4 heavy and light manufacturing industries, 8 large scale industrial plants, industries requiring excellent national and international communication network, 6 logistics industries that requiring close links with other firms (those firms which produce component parts for the same product or those involved in separate stages of the same industrial process), 10 commercial wholesalers, 8 chemical and pharmacy and plastics, 19 warehousing, 5 tourism and service industry and 2 ICT and telecommunications are solution in job creation opportunities to many Rwandan citizens especially these industries like 7 garments manufacturing, fortified food processing, and biscuit manufacturing in the area, the estimated number of job to be created in SEZs is 3,575 off-farm, fulltime jobs and \$2.7m worth of exports annually (Hsieh, and Klenow, 2014). However, in Rwanda, there is scarcity of the studies that talk to the role of SEZ in job creation in Rwanda as gap. The need of this study is to cover that gap. Therefore, this study investigate on which role of KSEZ in job creation in Rwanda.

3. Specific Objectives

Specific objectives are as follows:

- 1) To examine the role of economic infrastructure on job creation in Rwanda.
- 2) To examine the role of Transport accessibility on job creation in Rwanda.
- 3) To examine the role of labour resources on job creation on job creation in Rwanda.

4. Conceptual Framework

In order to solve the problem, the researcher establishes the relationship between independent variable in terms of effectiveness of SEZs and the dependent variable in terms of job creation. The conceptual framework is shown in figure 1 as follows:

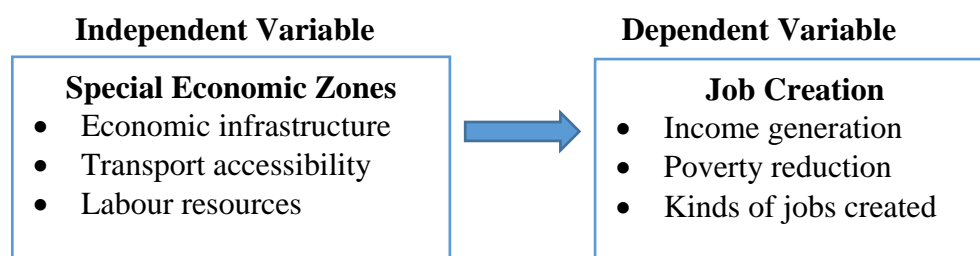


Figure 1. Conceptual Framework
(Source: Researcher conceptualization, 2019)

The conceptual framework shows the concepts related to SEZs and job creation. In terms of SEZ, the study uses the Social and Economic infrastructure, Transport accessibility, and Labour resources and costs, and market absorption as independent variables. While job creation is determined by carpentry, computer programmers, mechanical engineers, pharmacists, welders, electrical technicians, cleaners, drivers, chief executives, commercial managers and finance and accounting persons, marketing and sales persons, food processing,

tailors, clerical and support workers, plant and machine operators, craft and related trade workers, and IT personnel as jobs created in the mentioned types of industries in Rwanda as dependent variable.

5. Theoretical Review

5.1 Human capital theory

According to human capital theory, individuals possessing greater knowledge and experience is more successfully than individuals possessing lower levers of such human capital. For instance, because the hiring of employees adds complexity, responsibility, and a host of challenges to the role of firm founder (Bernsein, 2012), founders with higher human capital should be able to address these challenges more easily and thus create more jobs than founders with less human capital. Yet, given the dearth of research in this area, little is known about the types of human capital relevant for job creation in new firms, let alone whether higher human capital endowments of firm founders actually lead to more job creation. Human resources are considered by many to be the most important asset of an organization, yet very few employers are able to harness the full potential from their employees (Carneiro *et al.*, 2008).

A human resource system is as a set of distinct but interrelated activities, functions, and processes that are directed at attracting, developing, and maintaining a firm's human resources. Traditionally, management of this system has gained more attention from service organizations than from manufacturing organizations. However, to enhance operational performance, effectively managing this system is equally important in both types of organizations. Needless to say a sophisticated technologies and innovative manufacturing practices alone can do very little to enhance operational performance unless the required human resource management (HRM) practices is in place to form a consistent sociotechnical system (Ahmad and Schroeder, 2003).

The impact that HRM policies and practices have on the overall firm performance is very important, not only in terms of human resource management but also industrial relations, industrial and organizational psychology (GMS, 2016). Essentially, the main goal of all firms is to consistently maximize and improve their bottom line. Many managers see human resource management as an integral part of this, while others have questioned its validity. Interest in this area has increased in recent years as academics have argued that a firm's employees can provide an organization with a distinctive from of competitive advantage that is hard for many competitors to imitate.

Woolfrey, Sean 2013) support this when they state that human resources can provide a source of sustained competitive advantage when four basic requirements are met.

- 1) They must add value to the firm's production process, hence the levels of individual performance does matter.
- 2) Because human performance is normally distributed, the skills the firm seeks must be rare.
- 3) Other companies cannot easily emulate the human capital investments that a firm's employees represent.
- 4) A firm's human resources must not be subject to replacement by technological advancements or other substitutes if they are to provide the firm with a sustainable competitive advantage.

Therefore, Huselid (2008) states that according to this theory, a firm's HRM practices should be related to at least two dimensions of its performance. If superior HRM practices increase

employees' contribution to the organization, this should directly affect outcomes that employees have direct control over, such as turnover and productivity. This should in turn increase the corporate financial performance which would come about as a result of lower turnover and increased productivity. These assumptions are supported by various empirical works that have been carried out by numerous HRM academics and practitioners. This theory helps us to examine some of the basic assumptions and any gaps that may exist within some of these theories. It examines the applicability of some of these common human resource (HR) theories in Rwanda context, in addition to looking at their applicability across cultures and industries. 5.2 Employment creation and structural transformation theory.

Employment creation and structural transformation are amongst the two major challenges facing the countries of sub-Saharan African at Present. Based on the understanding that appropriate growth policies will be able to address these challenges, the paper was examining whether SEZs could be an important ingredient of such strategies. So far many African SEZs have been unable to create significant employment or foster structural change. However, there are some positive exceptions with respect to employment creation in countries such as Mauritius, Kenya, Lesotho, Madagascar and Ghana (Osterman *et al.*, 2002).

The SEZs that have contributed to structural transformation are located mainly outside Africa (e.g.: Malaysia and Singapore) and these experiences show that it takes a great deal of complementary policies to enhance the positive impacts. They argue that SEZs may still play a more important role in SSA as long as SEZs are retooled to i) facilitate growth adequately using good quality policies and adequate support institutions; ii) emphasize the clustering aspects of zones and iii) are able to adapt to new global conditions. This involves taking risks which may only pay off when policies can be implemented consistently backed up by significant capacity and fit in with overall growth strategies (Ota, 2003).

The evidence on the success and failure of using SEZs as a growth and employment policy tool seems to indicate that social cohesion, employment generation, and structural transformation are often found together. They suggest there is a virtuous circle amongst social cohesion, good quality growth policies and beneficial outcomes, which in turn increases social cohesion. They also provide new econometric evidence which suggests that SEZs in Kenya have helped to create some 40,000 manufacturing jobs and increased manufacturing labour productivity by some 20% in the decade to 2006 (2% per annum). This suggest that in principle it is possible for SEZs to be both job creating and productivity enhancing (Neumark, and Wall, 2006).

6. Empirical Studies

Wong, (2000) attempted to provide a review of the latest development of China's SEZs, assessing their achievements in terms of the attraction of foreign capital, export growth and foreign exchange earnings and Technology transfer. Reforms and innovative measures initiated in the zones that have implications for other parts of China are also discussed. Problems encountered in course of SEZ development are examined, nothing in particular the heavy capital expenditure on infrastructure provisions, the development of trade-based economy, the over-ambitions objectives which would be difficult to achieve in short period of time as well as other economic and social issues. It is observed that the development of the SEZs has been proceeding without careful and coordinated planning and that the designation of economic development zones in the open coastal cities stands to undercut the allures of SEZs and has made the latter much less "special" than they used to be. Aradhna Aggarwal (2007) studied the impact of special economic zones on employment, poverty and human

development. This study aims at examining the impact of special economic zones (SEZs) on human development and poverty reduction in India. It identifies three channels through which SEZs address these issues: employment generation, skill formation (human capital development), technology and knowledge up gradation. It examines how the impact of SEZs is passed through each of these channels. The study finds that the modality differs significantly according to the characteristics of the SEZs, in particular, the level of their development as reflected in the composition of economic activities. Within this framework, the study examines the sectorial and economic composition of SEZ activities in India. It finds that labour intensive; skill intensive and technology intensive firms co-exist in India's zones and, therefore argues that all the three effects described above are likely to be important in the Indian Context.

Albera and Schweinberger, (2003) special economic zones (SEZ) in developing transition economics a policy proposal. The study was trying to analyze the role of establishing SEZs in the host country with respect to taxes. The main finding of the study shows that establishment of SEZs accompanied by appropriate tax policies, lead to an increase in government revenue. This revenue may be sending to finance other investments in infrastructure or other public goods.

Ota (2003) analyzed the changing roles of SEZs in the context of China's economic development and some of emerging problems that SEZs were confronted with at the new stage of development. An attempt is laid here on study of policy and performance of the SEZs in comparison with those of Asian EPZs, which managed to shift their industrialization strategy from the import-substitution to the export-orientation at the critical stage of development. The SEZs were in a better position to elicit lessons from the experiences of Asian EPZs, despite various conditions and limitations of economic reform policy in 1979, China's economic development is quite impressive with her average annual rate of economic growth of over 10% between 1980 and 1995, increasing her GDP from 451.8 billion yuan to 5826 billion yuan. SEZs apparently triggered her economic growth.

Wang (2009) review the Special Economic Zone (SEZ) all over the world. This can be summarized that an establishment of SEZ aims to enhance the prosperity of the country. There are several forms or types of SEZ depend on the establishing objectives, infrastructure of the country, country's politics, and geographical location. Six types of Special Economic Zone-Free Trade Zone, Export Processing Zone, Enterprise Zone, Single Factory, Free Ports, and Specialized Zone-associated with their characteristics are presented here. It also presents the insights of three leading nations in managing SEZ which include; 1) the United States of America, the pioneer of SEZ, 2) Shenzhen city of China, the most successful model of SEZ, and 3) India, the largest SEZ in the world. Those nations do not merely invest in their own countries. Limitations and benefits in establishing SEZ are also presented. Most of those are about special law, exclusive regulation, a reduction of operation barriers, tax exemption, and financial support. Therefore, this article can be used as a guideline for countries which would like to develop SEZ in the future.

7. Methodology

This study adopted descriptive cross sectional survey design. The target population in this study was the employees of AMEKI COLOR with 140 employees were targeted from the KSEZ. The purposive sampling technique was used to select 58 of respondents. The information used in this research was originated from primary and secondary source while data collection techniques were questionnaire and documentary techniques. Data were

analyzed using both quantitative and qualitative technique and the results were presented by using the descriptive methods of data analysis.

8. Data Analysis and Discussion

8.1 Findings on the role of economic infrastructure on job creation in Rwanda

The findings confirmed that infrastructures play a crucial role in the generation of employment opportunities. They improve mobility, efficiency and productivity of labour. Moreover, larger investment, development of industry and agriculture create all the more employment opportunities.

The infrastructures play a crucial role in the generation of employment opportunities. They improve mobility, efficiency and productivity of labour. Moreover, larger investment, development of industry and agriculture create all the more employment opportunities. However, job creation seemingly occur if the government grew and hired more people to operate it. If demand for goods and services grew substantially, for demanding to grow there need to be a significant base of buyers for those goods and services.

The Kigali Special Economic Zone facilitates to majority of people to get job opportunity like mechanical engineers and electrical technicians, commercial managers, finance and accounting persons, marketing and supply chain, production and inventory etc. The table1 illustrates the findings from respondents on the role of economic infrastructure on job creation as follow.

Table 1. Findings on the role of economic infrastructure on job creation in Rwanda

Effectiveness of economic infrastructure	SA		A		N		D		SD	
	fi	%	fi	%	fi	%	fi	%	fi	%
Employment-intensive investment used to address physical changes through adapting infrastructure.	12	20.7	24	41.4	15	25.9	7	12.1	0	00.0
Community members' involvement in the reconstruction of the infrastructure.	22	37.9	27	46.6	9	15.5	0	00.0	0	00.0
Investing in infrastructure creates income opportunities and generates jobs to community.	23	39.7	23	39.7	6	10.3	3	5.2	3	5.2
Labour-based technologies optimize the opportunities of employment creation and income generation by maintaining cost competitiveness and acceptable engineering quality standards.	22	37.9	30	51.7	6	10.3	0	00.0	0	00.0
Institutional development and capacity building for national and decentralized government help to train the consultants and other employees.	29	50.0	20	34.5	9	15.5	0	00.0	0	00.0
Directly as employment can be created during the construction and	31	53.4	12	20.7	6	10.3	6	10.3	3	5.2

maintenance of infrastructure by using labour-based methods.										
Infrastructure development providing technical assistance to optimize the labour content of investments, ensure quality and timely delivery.	28	48.3	21	36.2	6	10.3	3	5.2	0	00.0
Promoting descent working conditions and setting up monitoring, evaluation systems and collecting data	22	37.9	27	46.6	6	10.3	3	5.2	0	00.0
Source: Primary Data, (2019)										

Table 1 presents the perceptions from respondents on the role of economic infrastructure on job creation in Rwanda. Employment-intensive investment used to address physical changes through adapting infrastructure confirmed by 20.7% strongly agree and 41.4% respondents agreed while 25.9% were neutral and only 12.1% disagreed. This means more than 62.1% respondents accepted that the role of economic infrastructure on job creation in Rwanda is employment-intensive investment which used to address physical changes through adapting infrastructure. Community members' involvement in the reconstruction of the infrastructure as confirmed by 37.9% strongly agreed and 46.6% agreed. The 15.5% were neutral. This means that 84.5% respondents confirmed that Community members' involvement in the reconstruction of the infrastructure.

Investing in infrastructure creates income opportunities and generates jobs to community as confirmed by 79.3% respondents. The use of labour-based technologies to optimize opportunities for employment creation and income generation while maintaining cost competitiveness and acceptable engineering quality standards as 89.7% respondents agreed it. It helps to providing institutional development and capacity building for national and decentralized government, training of consultants and small and medium-size enterprises as accepted by 84.5% respondents. Directly employment is created during the construction and maintenance of infrastructure by using labour-based methods as confirmed by 74.1% respondents. It helps to providing technical assistance to optimize the labour content of investments, ensure quality and timely delivery confirmed by 84.5% respondents. It helps to promote descent working conditions and setting up monitoring, evaluation systems and collecting data confirmed by 84.5% of respondents.

The result supported by Schumayla Khaled (2018) said that “*social infrastructure concern with the supply of such services as to meet the basic needs of a society. Simply it refers to those basic services such as education and training. It also includes health and sanitation, drinking water, housing, sewerage, etc. Social infrastructures are also termed as ‘social overheads’. These social overheads indirectly support the economic systems. They indirectly increase the productivity and the economy sees the impact after some time. Social infrastructures lead to growth in the long run. While also the physical infrastructure is directly concern themselves with the needs of such production sectors as agriculture, industry, trade, etc.*”.

8.2 Findings on the role of transport accessibility on job creation in Rwanda

Well of course people have to be employed to build new railways and roads, but the limited research that has been conducted on this topic shows, not perhaps surprisingly, that it is small

scale projects in urban areas (traffic calming, building footpaths and cycle paths, small traffic management schemes) that create the most jobs in building them per frw invested. This is because in small schemes less can be done by big machines and more has to be done by hand. The international companies are often appointed to build big schemes because local companies do not have the skills or capacity and indeed sometimes there is no local supplier at all. The table 2 shows the findings on the role of transport accessibility on job creation as follows.

Table 2. Findings on the role of transport accessibility on job creation in Rwanda

Effectiveness of transport accessibility on job creation	SA		A		N		D		SD	
	fi	%	fi	%	fi	%	fi	%	fi	%
Transport accessibility improve businesses ability to provide goods/services, and people's ability to access education, employment and services.	20	34.5	27	46.6	9	15.5	0	00.0	2	3.4
Transport accessibility including travel time, vehicle operating costs, road and parking facility costs, and accident and pollution damages.	22	37.9	24	41.4	9	15.5	3	5.2	0	00.0
A new highway or public transport service increases a community's access to other areas.	28	48.3	21	36.2	6	10.3	3	5.2	0	00.0
Increase businesses' labor pool, reduces their costs to obtain input materials and services, and expands their potential market.	24	41.4	22	37.9	3	5.2	9	15.5	0	00.0
Improved accessibility may increase workers' ability to access education and employment opportunities (increasing their productivity and incomes).	35	60.3	20	34.5	3	5.2	0	00.0	0	00.0
Increase residents' access to more shopping opportunities (providing financial savings), and increase access to recreation and cultural opportunities (increasing their welfare).	20	34.5	26	44.8	12	20.7	0	00.0	0	00.0
Mobility management strategies, such as more efficient road pricing, can improve travel time reliability, which reduces logistics and scheduling costs beyond just the travel time savings.	25	43.1	24	41.4	9	15.5	0	00.0	0	00.0
Transportation projects can have various impacts on a community's economic development objectives,	23	39.7	26	44.8	3	5.2	6	10.3	0	00.0

such as productivity, employment, business activity, property values, investment and tax revenues										
Source: Primary Data, (2019).										

Table 2 shows the perception of respondents on the role of transport accessibility on job creation in Rwanda. Transport accessibility improve businesses ability to provide goods and services, and people's ability to access education, employment and services confirmed by 81.0% respondents. Transport accessibility including travel time, vehicle operating costs, road and parking facility costs, and accident and pollution damages confirmed by 79.3% respondents. A new highway or public transport service increases a community's access to other areas were confirmed by 84.5% respondents. It increases businesses' labor pool, reduces their costs to obtain input materials and services, and expands their potential market confirmed by 79.3% respondents. It is improved the accessibility which may increase workers' ability to access education and employment opportunities were on 94.8% respondent. It increases the residents' access to more shopping opportunities, and increase access to recreation and cultural opportunities as confirmed by 79.3% respondents. Mobility management strategies, such as more efficient road pricing, can improve travel time reliability, which reduces logistics and scheduling costs beyond just the travel time savings confirmed by 84.5% respondents. The transportation projects have various impacts on a community's economic development objectives, such as productivity, employment, business activity, property values, and investment and tax revenues as confirmed by 84.5% of respondents.

The results supported by KSEZ Report, (2018) that confirmed that SEZs provide the opportunity to cluster anchor tenants with suppliers and other service providers, thereby creating jobs in skilled sectors and encouraging knowledge transfer thereby acceleration the country's economic activities in general. Rwanda economic zone program operating through a network of diverse sites and activities to deliver benefits and opportunities to investors and Rwanda without any negative impacts. Although KSEZ create more jobs to people in Rwanda, there are still numerous of unemployed youth and older people around the country. Thus during this study at KSEZ, the researcher sought information about suggestions that could support job creation given from staff of companies in operational and directors from PEZ as developer; operator and manager of KSEZ inline of what can be done to create more job opportunities. In the discussion with both sides, confirmed that: "Rwandan Government should expand Kigali special economic zone since two developed phases are almost occupied by investors. Additionally the development of upcountry industrial parks would lead to the creation of more job opportunities to rural and urban population. Moreover, security sustainability all over the country, infrastructure development such: as power access facilities, ICT infrastructure; water infrastructure, roads; firefighting system and sewage treatment plants are a key in attracting foreign investors since they found adequate infrastructures and incentives. Hence, created industries give jobs to Rwandese and country benefit twice that through employability of local population and collection of tax of that investment.

8.3 Findings on the role of labour resources on job creation in Rwanda

Creating jobs and incomes is crucial for development. Most developing countries struggle with high unemployment. Innovations and technologies contribute to economic growth and employment, but also to overcoming other key problems of development. The table 3 show the findings on the role of labour resources on job creation in Rwanda as follows.

Table 3. Findings on the role of labour resources on job creation in Rwanda

Effectiveness of labour resources on job creation	SA		A		N		D		SD	
	fi	%	fi	%	fi	%	fi	%	fi	%
A well-functioning labor market is key to a business climate where new firms are created and private agents.	14	24.1	32	55.2	12	20.7	0	00.0	0	00.0
Labor market analysis at organization to date has focused on developing a foundation in the most operationally relevant issues.	19	32.8	27	46.6	6	10.3	3	5.2	3	5.2
Sound labor-market conditions guarantee the success of structural reforms, maintain the social support for those reforms, and ensure that the benefits are widely distributed.	26	44.8	23	39.7	6	10.3	3	5.2	0	00.0
Labor market policies and institutions contribute to better investment climate by promoting decent working conditions and supporting workers.	20	34.5	29	50.0	3	5.2	3	5.2	3	5.2
Labor markets function in the regulated and unregulated sectors show how the policies be tailored to the needs of workers.	28	48.3	24	41.4	6	10.3	0	00.0	0	00.0
The interactions between education and labor market policies promote human capital, enhance productivity, wages, and promote adaptability of workers.	22	37.9	30	51.7	3	5.2	3	5.2	0	00.0
Source: Primary Data, (2019)										

Table 3 show that labor is most often a poor person's only asset. Moreover, a well-functioning labor market is key to a business climate where new firms are created and private agents as confirmed by 79.3% respondents. Labor market analysis at organization to date has focused on developing a foundation in the most operationally relevant issues confirmed by 79.3% respondents.

Sound labor-market conditions are needed to guarantee the success of structural reforms, to maintain the social support for those reforms, and to ensure that the benefits are widely distributed as confirmed by 84.5% respondents. Labor market policies and institutions contribute to better investment climate while promoting decent working conditions and supporting workers affected by changes as confirmed by 84.5% respondents.

Labor markets function in the regulated and unregulated sectors, and how policies could be tailored to the needs of workers in the two sectors confirmed by 89.7% respondents. The interactions between education and labor market policies that can promote human capital, enhance productivity and wages, and promote adaptability of workers confirmed by 89.7% of respondents.

8.4 Perceptions of Respondents on Job creation in KSEZ

During this study in Kigali Special Economic Zone, the findings show that through industries of made in Rwanda, jobs of Tailoring were created, Industry of agricultural products created food processing jobs to many people for reducing unemployment, clerical workers provide general office support that assists in the functioning of a company in KSEZ, marketing and sales persons were hired to facilitate the companies in KSEZ known on Rwandan market, with environment protection, cleaners were hired to cleaning particular things or places, human resources accounting will help in improving the efficiency of employees, mechanical engineers are hired to design and manufacture everything from small parts like miniature connectors to large machine tools like drill presses. Commercial managers are hired to deal with risk management in procurement, financial reporting and managing the supply chain; financial accounting person is a specialized branch of accounting that keeps track of a company's financial transactions. The marketing supply chain is the chain of suppliers that an organization relies on to produce marketing materials, and production inventory person hired by referring to level of materials and supplies on hand for use in manufacturing production as confirmed by different respondents participated in this important study at KSEZ.

Table 4. Findings on Perceptions of Respondents on Job creation at SPEZs

Job creation	SA		A		N		D		SD	
	fi	%	fi	%	fi	%	fi	%	fi	%
KSEZ creates more jobs to people in Rwanda.	21	36.2	26	44.8	10	17.2	1	1.7	0	00.0
The poverty level was reduced for employees hired in KSEZ.	25	43.1	22	37.9	7	12.1	4	6.9	0	00.0
People work at KSEZ generates some income per month to beneficiaries.	22	37.9	27	46.6	4	6.9	5	8.6	0	00.0
Source: Primary Data, (2019)										

Table 4 shows the perceptions of respondents on job created in KSEZ. They said that through industries of made in Rwanda, KSEZ creates more jobs to people in Rwanda on rate of 81.0% respondents; the poverty level was reduced for employees hired in KSEZ on rate of 81.0% respondents; and People work at KSEZ generates some income per month to beneficiaries on rate of 84.5% respondents.

8.5 The categories of jobs created in KSEZ implemented from different offices in KSEZ

In 2017, the Kigali Special Economic Zone attracted \$87.2m in investment generating \$36M export revenue and 5205 jobs. The Special Economic Zones Authority of Rwanda (SEZAR) reviewed designs and data provided by dwellers approving 6 construction and occupation permits and licensing 3 companies for EPZ* status.

In conjunction with MINICOM, SEZAR reviewed the SEZ Policy, which has been adopted by Cabinet. Special Economic Zone performance is monitored with companies generating \$127.8m in turnover, \$87.2m in firm investment, \$36m export revenue, creating 5205 permanent jobs in 2017. Through marketing of the zone, 352 potential investors received information or visited the Kigali Special Economic Zone. A steering committee of all governing parties of the KSEZ (SEZAR, PEZ, users) was established in order to effectively solve issues. During the study at KSEZ, the researcher would like to know the perceptions of respondents about the categories of jobs created since KSEZ implemented from different offices in KSEZ as follows.

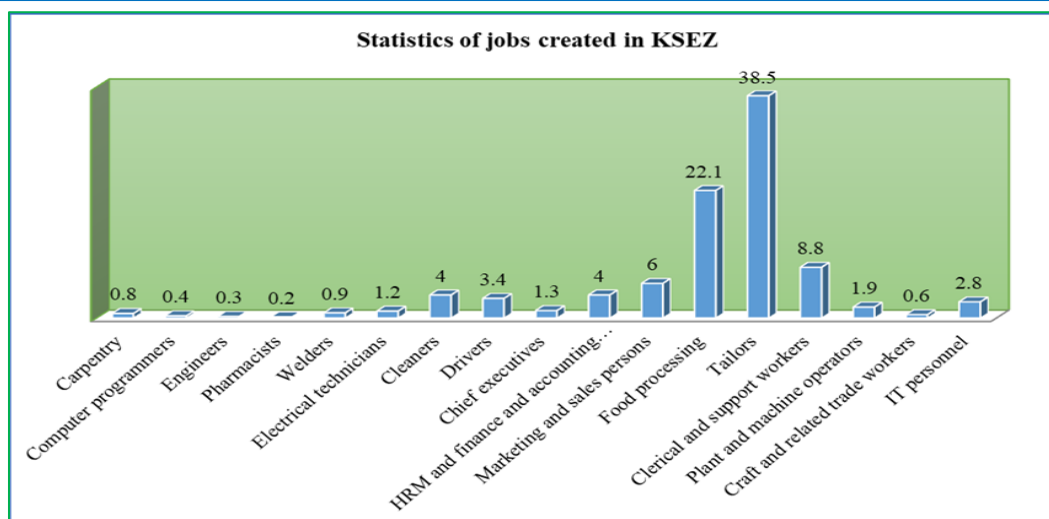


Figure 2. Statistics of jobs created in KSEZ
Source: KSEZ Report on job created (2018)

The figure No 2 present the categories of jobs created in KSEZ since 2014-2017. The Tailors was 38.5%; Food processing was 22.1%; Clerical and support workers was 8.8%; Marketing and sales persons was 6.0%; Cleaners was 4.0%; HRM and finance and accounting persons was 4.0%; Drivers was 3.4%; Engineers was 3.0%; IT personnel was 2.9%; Plant and machine operators was 1.9%; Chief executives was 1.3%; Electrical technicians was 1.2%; Welders was 0.9%; Carpentry was 0.8%; Craft and related trade workers was 0.6%. Computer programmers was 0.4%; and Pharmacists was 0.2% in total jobs created in KSEZ. Data obtained shows that companies that are in clothing and garment industry and companies involved in food processing generated more jobs respectively 38.5 percent of jobs created in KSEZ are tailors and 22.1 percent of job created in KSEZ are food processing personnel, that is to say that two highlighted jobs occupied majority that is 60.6 percent of total jobs created in Kigali Special Economic Zone and others remaining jobs created occupied 39.4 percent.

Rwanda Labour Force Survey (2016) conducted its first national labour force survey (LFS) in August to September 2016 and it was followed by the second round conducted in February to April 2017. The main objective of the survey was to collect current data on the size and characteristics of the labour force, employment, unemployment and other labour market characteristics of the population.

The survey was also designed to measure different forms of work, in particular, own-use production work and other components of labour underutilization including time-related underemployment and potential labour force in line with the new international standards, adopted by the 19th International Conference of Labour Statisticians (ICLS) in 2013. According to the new international standards, employment includes only persons working for pay or profit, excluding persons engaged wholly or mostly in subsistence foodstuff production. The effect of this is to lower the count of employment (according to the old definition) and to higher the count of unemployment because some of the subsistence foodstuff producers would be looking and available for work for pay or profit and thus be classified as unemployed. The comparison of some key indicators using old and new definition is presented in this section as well as in the tables at the end of the section.

The scope of the survey covered all persons living in private households, excluding the institutional population permanently residing in places such as hostels, health resorts,

correctional establishments etc., as well as persons living at their work-sites and in seasonal dwellings. The survey was designed as part of a regular survey programme to be conducted twice a year, in February and August of each year, using a rotation sample scheme with a sample size of 9,344 households per round, selected by means of a stratified two-stage probability design based on information from the Population and Housing Census 2012 updated at the second stage of sampling with fresh listing of the selected enumeration areas. The resulting estimates of the main labour force indicators at the national level have standard errors of about 0.6 percent.

8.6 Relationship between Special Economic Zone and Job Creation in Rwanda

The relationship determined by correlation coefficient between Special Economic Zone which is summarized to generate a representative independent variables, and also all responses related to Job Creation in Rwanda is totaled to give the dependent variable. In correlating by using Spearman analysis the research got table 5 as follows:

Table 5. Correlations Coefficient Test

			Special Economic Zone	Job Creation in Rwanda
Spearman's rho	Special Economic Zone	Correlation Coefficient	1.000	.744**
		Sig. (2-tailed)	.	.000
		N	58	58
	Job Creation in Rwanda	Correlation Coefficient	.744**	1.000
		Sig. (2-tailed)	.000	.
		N	58	58
**, Correlation is significant at the 0.05 level (2-tailed).				

Interpretation of Spearman correlation coefficient

-]-1.00-.000]: Negative correlation
-].000-.25]: positive and very low correlation
- [.25 - .50]: positive and low correlation
- [.50 - .75]: positive and high correlation
- [.75- + 1.00]: positive and very high correlation

From the table 5, p-value is equal to 0.000 which is less than Alpha (0.05). This is an indicator of relationship between SEZ and Job Creation. The level of relationship is $r^2 = .744$ or (i.e: 74.4%) as also revealed by the above table is located in interval statistic [.50 – .75]: categorized as positive and high correlation. This helps us to confirm that there is significant role of SEZ on Job Creation in Rwanda.

9. Conclusions and Recommendations

9.1 Conclusions

This study at AMEKI COLOR in KSEZ show that the policy objectives of GoR is to ensure successful SEZs that contribute significant developmental goals of Rwanda. Whilst utilizing public resources in the most effective way like an increase foreign and domestic private sector investment; export growth and diversification, development of industry/ nonagriculture sectors, and also creation of off farm employment and income. The correlation coefficient result shows the relationship is $r^2 = .744$ or (i.e: 74.4%) categorized as positive and high correlation. This helps us to confirm that there is significant role of SEZ on Job Creation in

Rwanda. According to the numbers of jobs created by KSEZ as findings indicated above, we may confirm that the objectives of the study were achieved, the problem of the study was solved, and the questions answered by saying that there is significant relationship between SEZs and job creation in Rwanda based to information collect from KSEZ.

9.2 Recommendations

To Government of Rwanda

Government of Rwanda is recommended to continue looking for different strategies that can be used in reducing unemployment rate in Rwanda, especially to youths who are not employed and rural population that contribute in reduction of rural migration rate. It should create various opportunities like developing other new industrial parks so that rural population and youth can have access to employment opportunities. Rwandan Government should also continue to sustain security and infrastructure for attracting foreign investors to invest in our country and this mean they should create an attractive investment environment.

To Investors/Ameki Color

Investors should maintain a conducive working environment through recruitment and training processes, motivate employee through fair remuneration, and have effective strategies in retention of competent staff.

Stakeholders in KSEZ

Special Economic Zone Authority of Rwanda (SEZAR) remains as a unit in RDB, but must acquire adequate administrative powers, funding and staffing. SEZAR's mandate should be extended to land earmarked by GOR for Zone development. SEZAR should as a matter of priority set out memorandum of understanding (MOUs) with all relevant GOR stakeholders, to ensure that SEZ Users do not have to go through two processes to obtain User Licenses and the benefits under the Investment Code from Investment Certification. In addition to those benefits set out in the Investment Code, Users in Special Economic Zones also have access to the following benefits: dedicated and high-quality infrastructure connectivity dedicated and high-quality Open Sound Control (OSC) run by SEZAR to facilitate necessary permits and licenses.

Conflicts of interest

There is no conflict of interest of any kind.

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