



Mobile for  
Employment

# SCALING MOBILE EMPLOYMENT SERVICES: A STAKEHOLDER PERSPECTIVE

Increasing opportunities for youth through mobile

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List of Acronyms

B2B	BUSINESS TO BUSINESS
B2C	BUSINESS TO CUSTOMER
EDC	EDUCATION DEVELOPMENT CENTER
GSMA	GSM ASSOCIATION
GVA	GROSS VALUE ADDED
ICT	INFORMATION AND COMMUNICATIONS TECHNOLOGY
IVR	INTERACTIVE VOICE RESPONSE
JOBMATCH	A SMS BASED JOB MATCHING PLATFORM FROM SOUKTEL
KSF	KEY SUCCESS FACTORS
MFE	MOBILE FOR EMPLOYMENT
MNO	MOBILE NETWORK OPERATOR
NGO	NON-GOVERNMENTAL ORGANISATION
MYICT	MINISTRY OF YOUTH AND ICT
RURA	RWANDA UTILITY REGULATORY AGENCY
RWF	RWANDAN FRANC
SMS	SHORT MESSAGING SYSTEM
USAID	UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
VAS	VALUE-ADDED SERVICE

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# Executive Summary

The 'Akazi Kanoze Youth Livelihood Programme' in Rwanda provides an example of how a consortium of players can collaborate to deliver a multifaceted service. To scale, donors and NGOs must seek to align objectives of various stakeholders with an aim to sustain the service in the absence of funding.

## Key Highlights of the Report:

- Mobile offers a perfect opportunity to extend the youth employment initiative
- Multi-stakeholder partnerships can be effective in supporting mobile employment efforts and adding value to the activities and public images of operators, governments and donors.
- Government involvement will be beneficial to the governance, design and implementation of a nationwide mobile employment service.
- Scaling will come through the reuse of the platform across skills training, job connection, employment information sharing and micro financing.

# Introduction

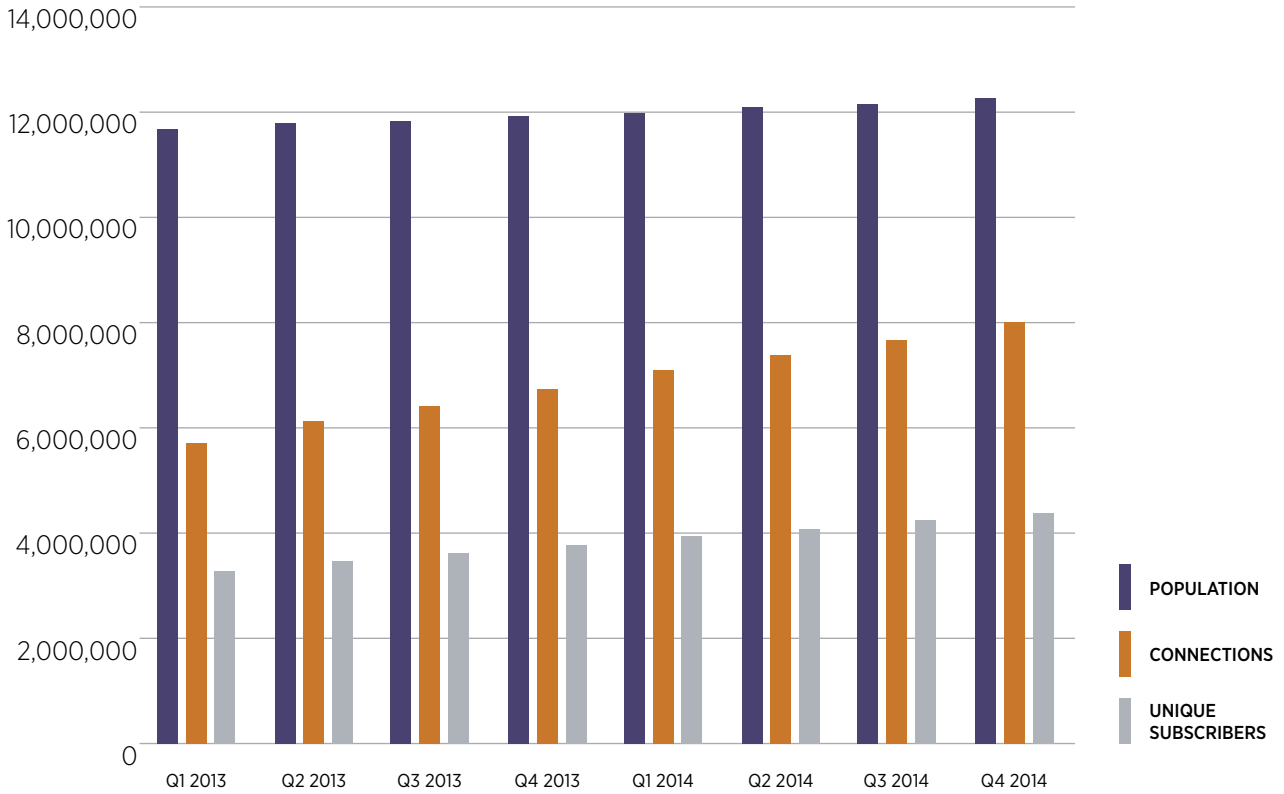
**G**SMa's Mobile for Employment (MfE) programme fosters the development of mobile services that can have a transformative impact on the growth and development of a thriving working economy. As part of our on-going research, the MfE programme held a workshop on the topic of 'Youth, Mobile and Employment' in Kigali, Rwanda on 28th January 2014. This report highlights the key findings of the workshop along with a review of the employment market in Rwanda. It discusses the commercial and operational considerations for all stakeholders and introduces possible business models along with recommendations to accelerate MNO market entry and participation in this sector in a meaningful and value-adding role.



# Mobile Market Dynamics

**T**he Rwandan telecoms sector has shown particularly strong growth in recent years. As a result, the country is rapidly catching up with other markets in Africa, with increased penetration particularly evident in the mobile sector. There are 6.5 million mobile connections in Rwanda across three mobile operators: MTN, Tigo Rwanda Ltd. and Airtel.<sup>1</sup> Whilst mobile subscriber penetration continues to grow rapidly, internet penetration remains at 7 per cent with slower growth rates. With access to mobile growing, mobile operators have an opportunity to offer VAS services and work with entrepreneurs and software developers in creating innovative solutions for their networks.

FIGURE 1  
**MOBILE USER BASE, RWANDA<sup>1</sup>**



1. GSMAi



# Employment Landscape

## 3.1 Awareness

Rwanda’s ICT sector has grown substantially in recent years, with the government administering several programmes and policies which target youth in particular. However, there is a general lack of awareness about these programmes primarily due to a lack of marketing. This presents an opportunity for mobile to be a channel of promotion delivering campaigns to help build awareness.

## 3.2 Access to Education and Training

Rwanda spends 4.8 per cent of its GDP on education out of which 45.3 per cent is allocated to primary education.<sup>2</sup> Despite this financial commitment, the country still has a high number of primary school dropouts, making it challenging for its youth to access opportunities in emerging sectors such as ICT and tourism. Given the importance of training and acquiring skills, mobile-based training content would be a valuable mechanism to help improve job prospects for Rwandan youth.

## 3.3 Access to Capital and Finance

A lack of access to capital and finance is another obstacle for those wanting to start small businesses. Whilst there is no “silver bullet” answer for this challenge, increased access to information about microfinance can help open up new opportunities for aspiring entrepreneurs. Mobile has shown early promise in connecting youth with microfinance and entrepreneurship opportunities in several developing markets such as ‘Musoni’, a Kenyan based mobile only micro finance service offering mobile money transfer services for all loan repayments and disbursements. As a result, promoting entrepreneurship and self-employment via mobile can play a vital role in the growth and development of Rwanda’s economy as well.

## 3.4 Formal and Informal Sector Jobs

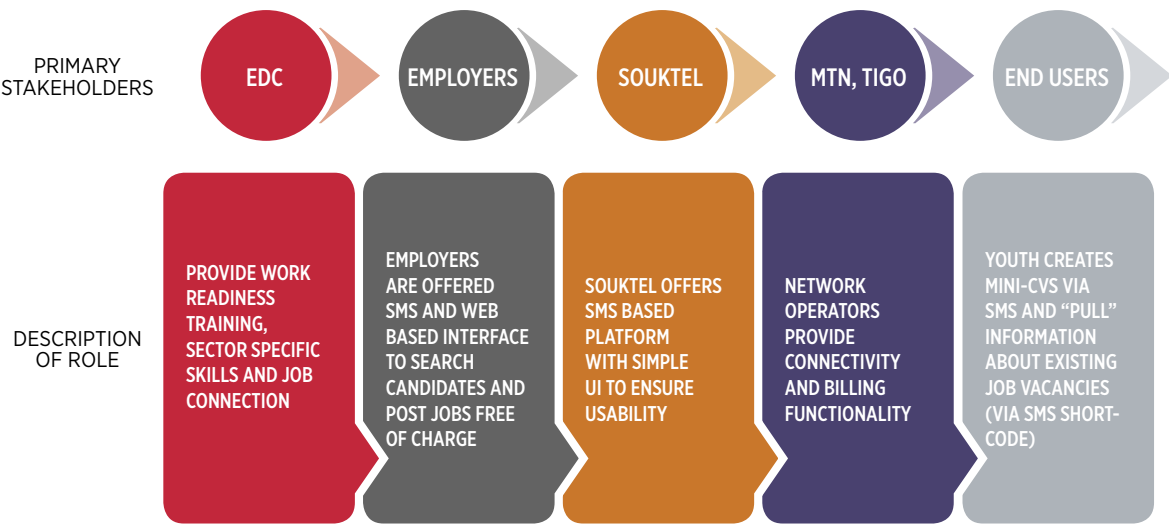
As jobs in the formal sector are predominately for skilled employees or university graduates, a majority of youth who are less educated or skilled are often forced into the informal sector. Given that the majority of Rwandan youth do not enter university, 94 per cent of all Rwandans are reported to be working in the informal sector. In some developing economies, the informal sector is seen as a stepping stone for youth to gain experience, skills training and income while opening doors to potential transitions into formal sector employment.<sup>3</sup> Mobile technology would be an ideal platform to offer job connections in the informal sector, as a stepping-stone strategy for movement into formal-sector work.

2. World Bank  
3. UNESCO.org: A qualitative survey carried out by the AFD on a group of 110 youth association leaders from Central Africa showed that 60% of these young people, having done a Bachelor’s or Master’s level higher education degree course, enter the labour market by acquiring on-the-job experience or doing an apprenticeship in the informal sector.

# Akazi Kanoze: An Example of Collaboration between Ecosystem Players

In 2009, the international non-profit Education Development Center (EDC) began implementation of the Youth Livelihoods Project ‘Akazi Kanoze’ in Rwanda. Funded by United States Agency for International Development (USAID), Akazi Kanoze provides youth with the foundational skills and technical training required to connect them to jobs in the local labour market. As part of the project, mobile service provider Souktel provides an SMS job connect platform (JobMatch) for participating youth, which is available on both the MTN and Tigo networks.

FIGURE 2  
AKAZI KANOZE (JOBMATCH) SERVICE VALUE CHAIN<sup>4</sup>



SECONDARY STAKEHOLDERS: GOVERNMENT, NGOS

4. Source: Souktel, EDC, GSMA

TABLE 1  
AKAZI KANOZE YOUTH LIVELIHOOD PROJECT<sup>4</sup>

CASE STUDY: AKAZI KANOZE	
JOBMATCH PLATFORM DESCRIPTION	<p>The mobile job connect platform is developed by Souktel and operated by EDC. Key characteristics of service include:</p> <ul style="list-style-type: none"><li>• On MTN's network, EDC is billed for all incoming and outgoing SMS transactions, making the service free for employers and users</li><li>• On Tigo's network, EDC is billed for the outgoing messages while charging the employers and youth for incoming SMS</li><li>• Employer related information is fed into the system by EDC both for the formal and informal sector jobs. Working through 40 local implementing partners, the national team creates direct linkages with companies to place the youth</li></ul>
SERVICE LIMITATIONS	<p>Akazi Kanoze program works with both the urban and rural youth, however:</p> <ul style="list-style-type: none"><li>• JobMatch is offered only to urban youth in the Kigali area</li><li>• JobMatch is built with the assumption that there is a sufficient supply and demand of jobs and job-seekers</li></ul>
KPI'S	<p>The key performance indicators for the project are set jointly by EDC and USAID on an annual basis. KPIs are set around:</p> <ul style="list-style-type: none"><li>• Number of youth graduates gaining employment</li><li>• Number of youth receiving skills training</li><li>• Number of partnerships developed with private companies</li><li>• Number of youth embarking on advanced courses after Akazi Kanoze training</li></ul>
ACHIEVEMENTS SO FAR	<ul style="list-style-type: none"><li>• Of some 1690 graduates tracked through the SMS system, 24 percent reported to have received an employment opportunity</li></ul>
IMPACT	<ul style="list-style-type: none"><li>• 16,515 (8144 Male; 8371 Female) urban and rural youth including 3,672 orphans and vulnerable children (OVC) have received Akazi Kanoze training</li><li>• 7,573 youth pursued further education or training after the work readiness program</li><li>• 6,298 youth worked in income generating activities post-training</li><li>• 40 implementing partners and 23 technical vocational training and technical secondary schools</li></ul>
KEY SUCCESS FACTORS TO DATE	<ul style="list-style-type: none"><li>• Collaboration between EDC, Souktel, USAID, mobile networks and various government and private partners</li><li>• Employer confidence in Akazi Kanoze graduates' skill levels</li></ul>





# JobMatch Platform: Existing Challenges

## 5.1 Ease of Use

The mobile JobMatch platform currently used runs on SMS, providing greater outreach to Rwandan youth, given that smartphone penetration stands at just under 5 per cent.<sup>5</sup> Although the user interface has a simple design, due to limitations of the SMS format, some training of users on the system is recommended.

## 5.2 Cost

Pricing is a common constraint with many mobile products and services that are targeted at youths who are often perceived as having little to no income. Under the two mobile employment pricing models being offered in Rwanda, traffic was considerably higher when the service was free to the user making it paramount to evaluate the user’s ability and willingness to pay for the service. The average cost of an on-network SMS in Rwanda is RWF 10 and off-network is RWF 25. The pricing of commercial mobile employment solutions needs to be competitive against this, potentially designing it as a low-premium service that targets economies of scale.

## 5.3 Scale

Current challenges exist in scaling the service to non-Akazi Kanoze youth. Given the youth have gone through specific training via the programmes facilities, that competitive edge means that they can receive additional validation of skills via accreditation. This makes it challenging to scale the JobMatch service to those who may not have received the training and therefore to create an even playing field, looking at ways to scale the Akazi Kanoze training would be beneficial.

5. Data from RURA (The Rwanda Utility and Regulatory Agency)

# Stakeholder Collaboration Opportunities

Scaling opportunities exist, however success will depend on the roles and responsibilities that various stakeholders are willing to undertake.

TABLE 2  
POTENTIAL STAKEHOLDER ROLES AND RESPONSIBILITIES<sup>6</sup>

STAKEHOLDER	ROLE	POTENTIAL ACCOUNTABILITIES	OUTCOMES/IMPACT
GOVERNMENT	Government takes a lead role, subsidises the platform for different training institutes (B2B) and making it virtually free for the end users. (B2C) or  Government takes a lead role, integrates it with its existing programs and collaborates with operators on strategies to launch the solution commercially.  Or government, local educational bodies, NGOs and donor organisations work together with operators. They jointly deploy and market the solution for widespread adoption	Build consensus and infrastructure  Define roles and responsibilities  Project management  Transitioning of ownership after initial deployment  End-to-end implementation	Create a labour market for youth  Foster economic inclusion of youth  Address unemployment and underemployment  Promote mobile and information technology amongst youth
OPERATOR	Operators can incorporate mobile employment services as part of their VAS offerings  Operators can host the service themselves, market it and scale it suiting their network and subscriber base.	Maintain and build relationships with content providers  Gain knowledge of the sector and dedicate necessary resources	Engage with Youth  Encourage integration  Boost Loyalty  Create strong social impact  Reduce Churn
NGO	Funding may be essential during the initial phase, however the aim should be explore models that are self-sustainable once the funding ends	Ensuring cooperation amongst different players	Possibility to scale the service  Possibility to make the service self-sustainable
SOFTWARE PROVIDER/ CONTENT PROVIDER	Host the solution, manage and market the solution to end-users and employers	The service provider must know the market well, to ensure successful roll-out and uptake.  Negotiations with the employers as well as operators on pricing will be a key to success	Increase their product visibility across markets  Offer universal platform on which exciting services can be launched  Increase the scope and reach of content  Offer exciting new products and services around mobile enabled employment service value chain

6. Source: GSMA



# Conclusions and Recommendations

**T**he mobile enabled employment approach in Rwanda can serve as a model which other MNOs and stakeholders may wish to adopt--highlighting the power of collaboration that can lead to innovation, sustainability and scale.

## 7.1.1 Operators

Operators should play a major role in the nationwide commercial launch of mobile enabled employment services. Key actions could include:

- For wider impact and scale, collaboration with multiple operators should be explored.
- Explore ways to monetise the core job-find platform by 'bundling' complementary career building services such as skills training alerts, internship notifications, business skills development and mentoring. This strategy would facilitate subscription pricing.
- Create trust between users and employees by demonstrating clear privacy and security measures which protect user data.
- Link mobile employment services to user identity and authentication, thereby helping bring informal workers into more formal labour market structures.
- Increase the revenue generating potential of the service further by 'bundling' employment information services with mobile wage payments to create efficiencies for informal sector workers.
- Develop a strong brand identity for the service, which resonates with youth and ensures strong uptake.

## 7.1.2 Government

Consider the benefits of mobile as a low-cost alternative for current methods of communication with citizens: Mobile can allow labour-market statistics to be gathered more effectively, in order to design and evaluate policies and programmes that help formal/informal sector workers improve their social and economic status. Key actions:

- Develop programmes that train youth and act as feeder to mobile employment services.
- Develop demand-side policies and programs that support youth employment through mobile technology.
- Drive collaboration across mobile network operators to promote access, outreach, and scale for mobile employment offerings.
- Monitor quality of the mobile training programs to ensure that quality standards are upheld.

## 7.1.3 SMEs and Informal Job Agencies

Consider mobile as an effective, low-cost recruitment tool. Key actions:

- Work with content partners to ensure jobs are listed in real time, creating accurate demand-side resource for job-seekers.
- Actively use service as primary search tool for potential employees.

## 7.1.4 Content Providers

Content is key to the success of any mobile job service, and a large and current variety of jobs across the informal and formal sectors must be available in order to ensure strong service use and local impact. Key actions:

- Engage with the employers and other key stakeholders (MNOs, governments) in the early stages of service design to integrate user needs.
- Develop efficient methods of content management to ensure that content is accurate and updated.
- Make content available in local dialects, to boost access and uptake.
- Augment core services with complementary offerings like skill tips, quizzes and interview questions.
- Develop a strong understanding of hiring practices in all focus sectors, to tailor content to these needs.
- Offer training on service use (via tutorials, mobile manuals, or otherwise).

## 7.1.5 Platform Provider

Dynamic software platforms with regularly-updated features and functionalities are crucial to ensuring long-term usage and impact. Key actions:

- Understand user requirements and barriers to use for all service components.
- Develop a simple user interface design that youth are able to access easily
- Design for the masses: The service should be accessible on basic handsets, feature phones and smartphones.
- Consider a web based solution to complement mobile offerings.
- Set up sustainable revenue models with operators (freemium/low premium).

## 7.1.6 Implementing NGOs

Ensure that a sustainability model is developed early on, so that the service can continue to grow in the absence of funding. This will require the following key actions:

- Engage with operators, government and local business community to develop a holistic approach to scalability.
- Develop effective monitoring and evaluation framework to track—and demonstrate—impact.

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