

International
Institute of
Social Studies



Rwanda's voluntary Pension scheme and young self-employed people experience: A case of Gasabo district, Rwanda

A Research Paper presented by:

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(Rwanda)

in partial fulfilment of the requirements for obtaining the degree of
MASTER OF ARTS IN DEVELOPMENT STUDIES

Major:

Social Policy for Development
(SPD)

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The Hague, The Netherlands
November 2024

Disclaimer:

This document represents part of the author's study programme while at the International Institute of Social Studies. The views stated therein are those of the author and not necessarily those of the Institute.

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List of Acronyms

ILO	International Labour Organization
MINECOFIN	Ministry of Finance and Economic Planning
NBR	National Bank of Rwanda
NISR	National Institute of Statistics of Rwanda
RSSB	Rwanda Social Security Board
UNDP	United Nations Development Program

Abstract

Ejo Heza (Brighter Future) is meant to assist the informal sector workforce in Rwanda in benefiting from universal social security. However, access to this scheme presents challenges and opportunities for young self-employed individuals. To gain insight into these issues and ensure appropriate recommendations, the recent study engaged with the theme of exploring young self-employed people's experience on subscribing with the Ejo Heza voluntary pension scheme, especially in Gasabo district. The study focuses on two sub-questions to understand the motivation behind subscribing to the Ejo Heza voluntary pension scheme in Rwanda, namely (1) How Ejo Heza Voluntary pension scheme is perceived by young self-employed people? and (2) The limitations or barriers they face in while subscribing to it. Youth were chosen for this study because they represent the majority of Rwanda's population and are central to driving the nation's development, including achieving Rwanda's 2035 goal of becoming an upper middle-income country. Findings from the study reveal that young self-employed with suitable information on the scheme are more likely to enroll, as they recognize the role of pension in their lives and understand the benefits and financial security Ejo Heza can provide. However, challenges persist such as, unstable income, limited awareness and technical obstacles to enrollment. Moreover, integration of young self-employed individuals through Ejo Heza offers significant benefits impact integrating into traditional economic structures providing them with access to social welfare. By joining, they gain a sense of financial security and connection to the broader economy, strengthening ties to the national income. However some young self-employed individuals struggle to grasp the importance of social security, while others face practical challenges in enrolling and maintaining regular contribution. The study suggests that Ejo Heza has the strong potential to enhance the financial stability of Rwanda's young self-employed population. For the scheme to succeed, however, it must address barriers like fluctuating income, limited awareness, and concerns over pre-retirement obligations.

Relevance to Development Studies

Voluntary retirement schemes and young self-employed membership play a critical role in improving financial stability and enhancing economic sustainability. Marcinkiewicz (2019), voluntary pension plans can fill gaps in compulsory arrangements, possibly delivering more sufficiency and adaptability for contributors. Furthermore, Brügger et al. (2019) highlight the significance of being involved in pension planning, stating that interplay in retirement instruments can improve participation, especially for young self-employed people. By promoting voluntary membership and financial self-efficacy, these arrangements contribute to the whole economic development and permit people to save their beacon, affiliating with Development studies' purposes of enhancing a balanced and sustained development.

Keywords

Pension, Ejo Heza, social security, young self-employed, formalization, Rwanda

Chapter 1: Introduction

1.1. Contextual background

Aging is a common trend in both developing and developed countries regardless of modern implication of the situation in both sides (Bloom et. al, 2011, p. 2). Since it was founded in 1919, ILO has been advocating for social security right and social protection in accordance with international labour guidelines (ILO, 1919). Globally, social protection is recognized in the programs of various transnational organizations as since 2016 it is aligned with the movement to achieve Sustainable Development Goals through the global partnership for Universal Social Protection to achieve Sustainable Development Goals (USP2030). One of the areas of intervention for USP2030 focuses on internal resource mobilization with various alternatives from fiscal policy, the formalization of business companies and their workers through social security subscription and enhanced expenditure efficiency (ILO, 2021; Kiaga & Leung, 2020, p. 3).

Social protection is an essential element to social policy along with its analysis and the allocation of resources to ensure the provision of societal needs (Bochel et al., 2009, p. 7). For the retired person, pension schemes are the most important source of social protection. Moreover, social protection is fundamentally correlated with welfare regimes as it portrays a critical policy instrument through which governments tackle social hazards and uphold welfare. Ferragina & Seeleib-Kaiser (2011) states that welfare regimes are categorized in accordance with how they formalize social protection and the level of decentralization they afford to the populations. Muntaner et al. (2011, p. 950) also contends that welfare regimes and politics considerably influence social protection programs, hereby shape health disparities and citizen health related impact. In their appraisal of welfare regimes, Ebbinghaus (2012, p. 3) underlines the significance of typologies in distinct approaches in which governments structure safety programs and community protection. Reentering Wood & Gough's (2006) welfare regimes concept in the emerging economies, their context underscores insecurity regimes with the existence of both formal and informal apparatuses, spotlighting the function of social protection in extenuating hazards encountered by marginalized populaces. This corresponds to Norton et al.'s (2002) understanding that social protection programs should tackle not merely financial security but also exposure to threats, especially in emerging economies. Hence, social protection programs should not be merely a crucial element of welfare regimes but also a replication of the socioeconomic and political frameworks wherein these arrangements function.

Social welfare policy plays a crucial role in the improvement and stability of welfare regimes, especially in Black Africa, a place with persisting socio-economic encounters. Whilst Fowowe (2013) argues that economic liberalization in Black Africa has involved changes, however social assistance remains important to lessen the vulnerabilities intensified by such free competition. Steinert et al. (2017, p. 17) spotlights that enhancing saving involvements can be integrated into social protection approaches that fight against poverty, accentuating that such interventions influence directly impoverished individuals by supporting long run financial steadiness. For instance, Manyama (2017, p. 61) claims that Tanzania interest of both economic and social improvement cannot be achieved without government welfare provision and observed that applicable social protection structures are essential for improving populations' wellbeing. In addition, Kabote & Mangi (2018) underscores the significance of stable development guidelines in positioning social protection with economic resilience targets, claiming that sustainable development should embrace social protections that preserve the

most marginalized inhabitants. Ultimately, Akpomera (2022) draws attention to evolving changes of safety for migrant labours, signalling that equivalent safety are critical for sustaining welfare schemes in regions with the labour flows concerns.

In Rwanda, after 1994 Genocide against the Tutsi, small and big social initiatives and organizations came together depending on their social purpose and brought applicable solutions to explicit societal needs in different sectors (Rwamigabo, 2019). This re-affirms clearly the fruit of the collaboration between state and non-states actors to find solution to societal problems through public private partnership, that can even help to increase the number of pension beneficiaries with the focus on informal sectors more especially on the young generation to start saving for their retirement at an early age.

Pension is not commonly discussed in Africa comparing to social security which is in an extent debated. Initiating social protection methods in Africa it is not only about supporting elders dealing with poverty mitigation and specific household support but also about reforming existing pension scheme to meet current needs including education and health (Stewart & Yermo, 2009, p. 2). Access to reasonable and appropriate health care is important to ensure that young people are not left behind. Various developing countries including Rwanda are promoting combined health care approaches to expand coverage (ILO, 2017b). According to Barr, (2010, p. 49), pension have various purposes including consumption smoothing, poverty relief, protection against the future loss, and rearrangement.

Rwanda restates the social protection fundamental role in poverty eradication and living standards improvement for the citizens as geared towards National Social Security Policy initiated in 2009 as well as the National Social Protection structure that consists of non-contributory and contributory schemes. Rwanda's positionality to pension scheme reveals both encounters of existing schemes and the implication of inventive plans in improving internal savings (World Bank, 2024, p. 16). Rwanda Social Security Board (RSSB) manages various existing defined benefit plans that operates to limited extent as a pay on demand pension plans deemed to be compulsory for wages earners and voluntary for paid employees. The formal pension was initiated in 1962 as an internal part of the social security approaches. Conversely, below 10 % of the working population is covered by this compulsory scheme as the labour force is primarily dominated by informal labour sector. This pension is not able to reach everyone in all sectors.

The pension schemes in Africa specifically the sub-Sahara region is experiencing limited coverage and membership proportions, which don't promise primary income to the old people (Nyango'oro & Njenga, 2022). The liable landscape of utmost independent pension plans is likewise not promising due to a big number of people in informal sector, minimal earnings and limited financial knowledge which hinder contributions. The pension systems in South Sahara is mostly undersized, with limited coverage and contributions. Unfortunately, Rwanda cannot be compared to its bordering countries on coverage ratios funded through public fundings. This change, however, requires to be determined and restrained to avoid financial burdens. Limited countries in Africa like Nigeria, Ghana and Kenya established macro contributory retirements schemes also cover informal sector which may contribute to the pension coverage (Assefuah, Moleko & Abor, 2022).

With limited growth in personal pension reach, Rwanda remains in a favourable position to foster pension funds. Merely 13 % of Rwandans are covered by private retirement plan in 2020 (FinScope data, 2020). The World Bank suggests the Rwandan government (1) to foster defined benefit schemes and enhance fiscal knowledge by expending Ejo Heza coverage to both unemployed individuals and those in informal economy, (2) Pack together retirement pension contributions with other services such as lifetime assurance coverage, allocating matching contributions to expand involvement in the scheme as well as tax implication to

improve the scheme contributions and possessions (3) involving creativity in digital knowledge to expand retirement funds.(4) Evaluating governing structures of the pension scheme to reach all people. In addition, rationalizing pension management and decreasing managerial costs, notably for personal pensions (World Bank 2024, p.17).

Social protection is essential in improving welfare regimes by enhancing savings for pension, which influences the government led development plan in Rwanda and poverty alleviation efforts. Cassimon et al (2016, p. 24) spotlights how Rwanda Socia Security Boards (RSSB) offers a state supported instrument that backs savings, safeguarding long run financial protection for pensioners. Moreover, the overall funds managed by RSSB augmented by 12 percent to more than 1 trillion Rwandan francs in 2019-2020 in the course of last year (RSSB, 2020). The rise in the RSSB entire managed funds displays the government's strategic emphasis on optimizing social welfare contributions to drive domestic development. The RSSB's plan of action 2019/2020 highlights a diversified portfolio into segments such as real estate, infrastructure, and healthcare seeks to encourage balanced development (RSSB, 2019). This corresponds to government 2050 vision based development plan, at which aligns retirement funds similar to Ejo Heza play a critical role by encouraging long run savings among the citizens, thereby improving internal savings and funding capabilities (Guyen & Jain, 2023). The effectiveness of retirement policies in enhancing social protection reach, especially with Ejo Heza, pointing labour force in informal sector to encourage contributions and retirement stability (Ayandev, 2022). The aforementioned endeavours decrease the dependence on foreign assistances, encouraging internal funds mobilization (De Mahieu et al., 2022). The growing investment plans of RSSB indicate the wider targets of the state's integrated funding Framework, improving economic stability by incorporating social protection into the wider financial reform (MINECOFIN, 2022). With rational management of retirements funds and domestic investments, the government is enhancing both its social protection targets and development. Ultimately, Bower & Buckly (2020, p. 14) underline that savings support domestic development plan by encouraging inclusive finance and durability.

Only less than 10% of the general population are covered by RSSB contributory pension scheme, a privilege for formal workers. However, 91.3% of total employment in Rwanda own informal employment. As presented in the table1 55.2% are in agriculture oriented market, 11.5% in construction, retail trade and whole sale, repair of motorcycles and motor vehicles, 6.3% in storage and transport, and 5.3% in manufacturing (NISR, 2022).

Table 1:Informal employment distribution in Rwanda

No	Category	%
1	Agriculture oriented market	55.2
2	Construction, whole sale and retail trade, repair of motorcycles and motor vehicles	11.5
3	Storage and transport	6.3
4	Manufacturing	5.3

Source: National Institute of Statistics of Rwanda(NISR), Rwanda Labor Force Survey, 2022

From the time it has launched, Ejo Heza scheme has proven remarkable growth in increasing financial participation and enhancing a culture of saving among Rwandans. In addition, 42 million US Dollars was the Funds under management as voluntary savings with 2,9 million of savers including 2.4 actively contributing. Informal sector savers represent 87 % of all the total number of contributors (Guyen & Jain, 2023). Ejo Heza focuses particularly on

individuals with informal employment, providing voluntary based savings to ensure inclusive involvement. It has improved lifelong financial stability, particularly for limited income workers, by incentivizing contributions through matching funds from the state. In addition, the scheme upholds Rwanda's domestic development by minimizing reliance on government funded elderly welfare, ensuring stability (Ayandev, 2022 and ILO, 2023).

1.2. Statement of the research problem

Globally as the population grow older and the working population decline will have an impact on countries' income growth in the near future. These shift in the population arrangements will affect financially governments due to the need of pension assistance schemes to support in needy retired vulnerable people, (Jasmin & Abdur, 2021, p. 1). Shifts in population composition as people become old can affect economic growth (Bloom, Canning & Gunther, 2010, p. 15).

As the world population ageing speed up sustaining elder people's health and societal contribution remains a challenge (United Nation, 2021, Bloom et al., 2015, p. 80), and in youth, ageing perceptions and prejudices are acquired from early childhood (Bétrisey et al., 2024). However, in time policies are very narrow and exclude several employees notably youth and unskilled labour individuals, companies claim not easy to alter the structure of their workforces (World Bank, 2019, p. 116).

Social protection remains a challenge in achieving Sustainable Development Goals (SDGs) due to a high number of workers in informal sector (World Bank, 2019). In addition, Social protection gap is higher in youth, women and migrants workers including refugees due to informal workforce, joblessness, etc. (ILO, 2021, p. 47).

People above 60 years old in Rwanda are projected to increase by 7% in upcoming 15 years due to increase in life expectancy and reduction in fertility rates (NISR, 2012). In Rwanda, 27.1% of the general population are youth (Persons between 16 to 30 years old) according to the recent census, (NISR, 2022). This age group still faces barriers that hinder their engagement in community development. Most recent research shows that 31.3% struggle with financial inclusion. On the other hand, 27.8 % experience the lack of competent skills to run their business sustainably (ILO, 2021).

Only less than 10% of the entire population are covered by RSSB contributory pension scheme who are considered as formal workers comparing to 90% who are excluded from social security provisioning and pension (RSSB, 2022). As people move from one place to another to find employment and face economic crisis, it will not be easy for the children and the entire family to take care of elders as usual according to Rwandan tradition. Due to social welfare gap and pension, many Rwandans are expected to work hard to rely on their savings to secure their retirement. Alternatively, as life expectancy increases, people need to start saving for their future from an early age. It requires people in informal sector mostly excluded from formal pension scheme and social welfare to make savings in accordance with modern finance.

In Kenya, a study assessed the perceptions of informal sector workforces regarding saving for the retirement but didn't includes young self-employed people point of view (Onyango, 2014). In Zambia, the study assessed teachers' challenges in accessing pension but didn't include young self-employed people (Milazi, 2014). In Rwanda a study examined the influence of EjoHeza pension scheme to deal with Rwandans retirements but failed to explore

young self-employed people as a specific group (Manirakiza, 2023). Some countries initiated social protection coverage to include on voluntary basis informal workers and small entrepreneurs, however, success remains a challenge (ILO, 2021, p. 52). Youth workers under 25 years old are encouraged by the Rwandan government through financial motivations and a well-organized domestic retirement mobilization (Ayandev, 2022, p. 9).

Despite the significance of extending pension to Rwandan people in informal sector to foster inclusion as a sustainable solution to the extensive pension coverage gap, there are still handful of studies especially when it comes to young people involvement. Young people remains sadly concerned as life expectancy increase as well as the implication of labour mobility influence to existing family support. The study seeks to explore the coping strategies used by young self-employed people to subscribe to the Ejo Heza voluntary pension scheme as a long term saving approach. The findings will help the state and non-states actors to develop effective intervention to increase the number of young people that join voluntary pension scheme in Rwanda to save for the future.

1.3. Research objective and questions

The main objective of this research is to explore young self-employed people's experience on subscribing with Ejo Heza voluntary pension scheme. The research is guided by the following question: "How Rwandan young self-employed perceive Ejo heza?" It is surprising that young self-employed people appear interested in voluntary pension schemes. For them, pension is far away. So only immediate costs with no immediate benefits. And they need the resources to make payments. The study will explore their perceptions on this issue. The study will explore their perceptions on this issue. It will also look at the formalization of informal sector workers to have access to social security benefits. These will contribute to how young self-employed understand voluntary pension scheme. This study draws on field study of Rwandan young self-employed people with my experience on youth and development alongside with informal conversation with various persons.

In order to achieve the research purpose, the following main question has been developed:

- What motivate young self-employed people to subscribe to Ejo Heza voluntary pension scheme in Rwanda?

The following sub questions has been developed to achieve the main objective of this study:

- How Ejo Heza Voluntary pension scheme is perceived with young self-employed people?
- What are the limitations/barriers of self-employed young adults to subscribe to Ejo Heza?

1.4. Justification of the research topic.

According to the World Bank the provision of pension scheme intersects individual needs for those who are not in formal sector pension schemes. In Rwanda, Ejo Heza (Brighter Future) as a policy preference was initiated with a mandate to leave no one behind including informal sector workers (Guvén & Jain, 2023). Both formal and informal workforce should enjoy similar social assistance. However, a big number of informal economy workers remain uncovered. According to the recent survey reveals that 82.5 % equivalent to 3,264, 809 of the working population are employed in informal sector in Rwanda. A job that is owned by

a worker is counted as informal, when it does not incur social security support from the employer, and is not permitting a paid medical leave and annual paid leave NISR (2023, p. 15). Moreover, a big number of both young people and adults work in informal employment sector. In addition, the number of subscribers still need to be increased to enhance their social protection welfare (ILO, 2023). Having a clear understanding on advantages and disadvantages of Ejo Heza Scheme is very important for enhancing a desired future in accordance with retirements assistance especially when it comes to young self-employed experience. By understanding what motivates young self-employed people to subscribe to Ejo Heza Pension Scheme this will help policymakers to improve pension benefits and enhance the participation of the future generation's resilience and commitment to taking action in social security welfare.

Much have been written on voluntary pension schemes on various countries with limited literatures on voluntary pension schemes in global south especially in Rwanda. My research for Rwanda's voluntary pension schemes and young self-employed people's experience will contribute to fill information gap especially on youth engagement in preserving their future.

1.5. Structure of the paper

Apart from the introduction chapter that discussed the contextual background, the problem, research objective and questions as well as the justification of the study topic, this research has 5 more chapters. The Chapter two (2) discusses the contextualization of the Ejo Heza in terms of the government's broader state-led developmental plan, it discusses the pension reform and extension in Rwanda, informality and formalization, youth employment and entrepreneurship. In addition, it discusses key concepts relevant to the topic under research, and finally discusses the significance of pension systems in Rwanda. Chapter three (3) discusses a methodological process of data collection, sampling and data analysis process. The Chapter four (4) discusses the findings and discussion in accordance with the research questions and the last chapter which is the fifth focuses on reviewing personal reflection and recommendations.

Chapter 2: Literature review

2.1. Contextualizing Ejo Heza in terms of the government's broader state-led developmental agenda

The current evolution in African retirement effort has initiated prospects to finance long run stock of basic facilities and capital equipment needed for the performance of a country as well as other relevant sectors that are part of the priority (Barka et al., 2018, p. 3). In East Africa, regime legislators are delving into leading capital not merely for federal bonds, but also for new investment purposes like infrastructures developments, retirement funds, etc. Policy adjustments has been strengthened to reinforce entrepreneurship as a way of encouraging economic expansion and employment creation. However, countries in the region fail establish a conducive environment that supports private corporations to set up pension assets or support existing plans. Rwanda initiated the retirement and long run saving laws aimed to enhance coverage through introducing private retirement plans. The compulsory plan also instituted a voluntary saving scheme designed specifically to attract informal sector workforce, (World Bank, 2019, p. 48). Rwanda dedicates to improve financial inclusion as a core element of its comprehensive country driven developmental plan. According to (FinScope, 2020) 93% of adults in Rwanda are financially inclusive, underscoring the substantial improvements in incorporating diverse parts of the society into the financial system. The country intends to maintain this track by putting in place a stable and rational financial ecosystem proficient at resources mobilization to boost economic development demands (Republic of Rwanda, 2021).

Thirty years ago after the 1994 atrocious genocide against the Tutsi, Rwanda undertook a life changing move towards upturns and growth. Along the process, Rwanda has significantly transformed. A number of people all around the world visit Rwanda not only for genocide memorial sites visit but also to learn from the current developmental achievement under the guidance of the vision steering policy including vision 2050, assimilates this goal, establishing onwards a tactical roadmap to drive Rwanda into middle income level by 2035 and high earnings by 2050, rising incomes to more than 4000 US dollars by 2035 and 12,000 US Dollars by 2050. Moreover, life expectance doubled up to 69 years since 1994 (World bank, 2020, p. 10). In addition, The Rwanda GDP has been constant many years ago and in 2023 it accounted 8.2 % of annual growth, (NISR, 2024). This prediction was intended to advance economic stability, social justice, and lasting development with emphasis on innovation, infrastructure and health protection. Hower equitable growth remains a challenge (World bank, 2023; Mann & Berry, 2015).

The income determination goal of vision 2050 necessitate significant boost in investment and savings. In 2019, the World bank rated Rwanda the 29th globally for business friendly markets, the only one in developing countries in top 30 (World bank, 2019). Rwanda's investment friendly transformations includes simplified registration procedures and enhanced legal structures that are supported by strong social security approaches. This collaboration advances economic expansion and collective stability, promoting investment and lasting development (World Bank, 2021; UNDP, 2020). However, regardless of the remarkable fast growth in twenty years before the rise of COVID19 outbreak, Rwanda continues relatively to be part of low-income countries with labour force dominated by informal economy (ILO,

2023, p. 4). Ejo Heza as a long-term saving plan instituted by the law¹ is a noteworthy component of the Rwanda's extensive government led development plan. Introduced in 2018, to assist in improving financial protection for both informal sectors labour force and low paid individuals, thereby supporting Rwanda's target to become a middle-income nation by 2035. This sets Ejo heza within the framework of country's developmental ambitions, proving its contribution in economic upturn, development of infrastructure, stable political situation and social inclusion.

Ejo Heza is integral within the country's strategic plan intended to achieve economic steadiness. Rwanda's vision 2050 is aimed at altering the country from least income and agricultural economy to a knowledge based and high income-based economy. To make this happen, the country ensures that demoted groups such as youth and women have access to universal financial benefits, through promoting the culture of saving and enabling the advent of pension finances and other durable savings mechanisms that are essential for viable economic boom. (MINECOFIN, 2020). These plans require a stable internal financial domain qualified of financing determined industrial and infrastructure projects. Ejo Heza can contribute to this vision by encouraging a saving culture among those excluded from traditional financial bodies, thereby establishing a domestic capital reservoir.

The scheme aligns with the country's efforts to develop significant infrastructure and transform economy. By promoting freewill savings, the scheme contributes to supporting a domestic savings pool that can serve for extensive development plans. This method lessens the dependence to international aid and funding, ensuring more viable and autonomous financial support for the development of infrastructure as the country is currently investing in housing improvements (Graham, 2016, p. 8). Both Private and public pension sector in Rwanda risen by 16.2 %, due to the increase in returns on investment and contribution (NBR, 2023). According to the World Bank retirement funds possessions embody 9.3 % of GDP (World Bank, 2019). These contribute to promoting human abilities lines up with boosting internal savings and investment ratio. Advancing the saving culture is perceived as essential factor for attaining the country's economic ambitions. Increased levels of internal savings are essential for durable development, as proved by thriving economic countries in Asia like Singapore and South Korea, where the total internal savings extensively improved, (Bayar, 2014). Ejo Heza is pivotal to country's economic growth, assisting national investment stocks to enhance the economy and lower reliance on agriculture. By backing the informal workers, particularly those with unstable income improves both political and social balance. As savings increase, Ejo Heza can scale up public assistance, promoting economic empowerment and collective bond.

2.1.1. Social citizenship contextualization

Marshall contended that social citizenship assists as a steadiness element in contemporary world, extenuating negative implications of capitalism by safeguarding the least point of egalitarianism. It underlines three important elements of citizenship that include social, political, and civic rights. Social rights comprise of social assistance that uphold social and economic safety. Political rights allow participation in inclusive governance. Ultimately, Civic rights enable people with required freedoms for personal autonomy. Social citizenship in the perspective implies the citizen rights to primary principles of living, ensured by the government, which incorporates access to healthcare, social security, and education (Marshall, 1950).

¹ Law No 29/2017 of 29/06/2017 establishing the long-term saving scheme and determining its organization.

However, the underlying forces of social citizenship keep changing. Latest study finds how formalization practices, such as the formal economy formalization, reflect spots of negotiation for state-citizen interactions (Gaillien & Boogaard, 2021, p. 506). The negotiation highlights the citizenship flexible nature in contemporary social welfare systems, where social programs are frequently connected with political attachment and economic formalization. Such kind of progression can be correlated with modern debate on formalization. Gallian and Boogaard argue that "Formalization might be applied as an umbrella to relate to a wider range of approaches that display a reformation of the affiliation between recognized state, informal economies and economic frameworks. This view underlines the adaptive bargaining of the state-citizen interactions. Additionally, youth empowerment, as argued by Wallace (2018) exhibits equivalent models, where social citizenship occurs as a guiding principle to improve youth participation and enablement within wider community structures.

For social citizenship context, the scheme contributes to enhancement of a beyond wide ranging and stable society. By empowering people to save for their retirement, Ejo Heza embrace an advantage of social accountability and autonomy. It associates with the country's vision of advancing social citizenship, and everyone is inspired to contribute to both their own wellbeing and the welfare of their societies. This method assists in building of a more robust and participative community, which is critical for enduring stability and the development of the country, Anderson & Gibson, (2020, p. 2).

2.2. Understanding pension system and social security in Rwanda

Rwanda is a country with high density worldwide with more than 14 million with growth rate of 2.3% of inhabitants per year. 45% of the general population are under 18 years which make Rwanda a young country (NISR, 2023). Since two decades ago, Rwanda recognized an extensive economic growth accompanied by the population welfare improvement. It is among the countries that accomplished all Millenium Development Goals in relation to health objective (World bank, 2023, p. 4). This happen not only due to political stability after the end of 1994 Genocide atrocity against the Tutsi but also the implications of good governance, both administrative, financial decentralization and fighting against corruption (Amutabi, 2023, p. 16; Baez-Camargo & Gatwa, 2018, p. 16), however balanced economic growth remains an issue.

Despite the domestic and international challenges, Rwanda economy remains sturdy (World bank, 2024). To keep sustainable growth, the country should rely on a progressive strategic projection and adjustment as a key approach to sustain economic resilience and development. Making the country economy rely on state investment can cause a significant budget shortage, which can affect the economy. Even if the private sector is expected to play a crucial role in the economic growth, it faces key challenges such as inadequate domestic savings, lack of qualified professionals and a higher standard of poverty (World Bank 2019:9; WFP, 2023, p. 3). It is expected that between 2022 and 2024 poverty will be reduced by 2%, which means that it will decrees from 47.4 to 45.3 % to make a percentage of poor stable as the population increases (World bank, 2023). Since 2017, the country is struggling to share with the population the economic growth benefits sothat it can contribute to poverty eradication (Hitimana et al., 2024).

The Rwanda's social security structure was defined after 1962 independence whereby influenced by Belgium social security system. Until 2010, Rwanda Social Security Fund has been

under the control of the ministry of Public service and Labor, and later it was brought under the management of the Ministry of Finance and Economic Planning covering professional hazards. On the other hand, three (3) different institutions were in charge of administering different types of healthcare insurances. Each one among them had a diverse professional statute; such as formal, military or private sector employee. In 2009, those 3 diverse institutions had to be merged to form an institution that become “Rwanda Social Security Board-RSSB with a mission to administer and promote Social Security in Rwanda. RSSB is in charge of Community health-based assurance known locally as “Mutuelle de Sante”, and 4 mandatory schemes of social security, such as pension, occupational hazards, maternal leave, and medical scheme. Since 2018, RSSB became the administrator of a voluntary long-term saving scheme known as ‘Ejo Heza’ that means ‘Brighter Future’, with 3.5 millions of registered savers in 2024.

The contributory schemes are assisted with social assistance programs. The well-known social protection program in Rwanda is entitled ‘VUP-Vision2020 Umurenge Program, which is a social assistance program that provides non-contributory support. Launched in 2008, with the aim of supporting underprivileged household to get different assistance from regular cash transfer to those who are not able to work, to public works to those who are able to work, or small loans with low interest rates for individuals or groups. The households that are not able to work have free access to healthcare due to government subsidies, which also cover the exemption of the copay (Lu et al.,2012, p. 3). VIUP works hand in hand with other social assistance programs designed for a specific group of people such as people with disability, genocide survivors, street children, etc. All these programs work in accordance with what is needed to a targeted group for instance cows’ distribution, children education assistance, healthcare assistance, among others.

Introducing Ejo Heza, came as a solution for the government of Rwanda to put in place an essential social security plan for all as stipulated in the 22nd article of the universal declaration of Human Right ². The scheme was initiated especially for informal sector workforces.

2.2.1. The rise of a voluntary scheme.

Ejo Heza was launched in 2018 as a lifelong plan, ensuring that no one left behind specifically for informal sector workforces. As a voluntary scheme, it provides freedom for savers to decide which contribution should they provide and how to meet their target.

2.2.1.1. Coverage

“Ejo Heza” an initiated voluntary retirement plan revealed astonishing progress and possibilities for advancing internal savings. Only in 4 years, the scheme covered more than 2,9 million of the working population with 2.4 million active savers which includes 87% from informal sector (World Bank, 2023). Moreover, Ejo Heza contributed to women’s inclusive finance where 49 % of the savers are female comparing to 32 % of female membership in the formal retirement scheme. This milestone, underlined by the strong and active involvement of 78% of its contributors from informal sector in 2021, sets Ejo Heza as essential strategy to improving national savings and assuring additional comprehensive pension plan in Rwanda (World Bank, 2024, p. 16). In addition, as illustrated in the table 2 below, Ejo Heza assets continues to increase up to 54.3 billion Rwandan Francs (36,100,982 Euros)as of December 2023, due to improved return on investment. The overall return on investment

² The Universal Declaration of Human Rights (UDHR), Art. 22)

intensified by 37% to 3.4 Billion as of December 2023 from 2.5 billion Rwandan Francs as of December 2022 (National Bank of Rwanda, 2024, p. 57).

Table 2: Significant Financial Features of Ejo Heza

Description (In Million FRW)	Dec-2022	Dec-2023	% change
Assets	39.7	54.3	36.6%
Investment income	2.5	3.4	37%
Expenses	0.5	0.45	-11%

Source: National Bank of Rwanda, Monetary Policy And Financial Stability Statement, March 2024

Even if Ejo Heza Contribution are still inadequate and the scheme is still too young, savers have already started benefiting from their contributed savings. In the fiscal year 2023-2023, around 4,000 members had benefited their savings with an equivalent of 193 million Rwandan Francs (131,056.51 Euros). Only 15% of members who have sufficient contribution are eligible for life insurance, (Hitimana et al., 2024, p. 280).

2.2.1.2. The scheme pattern

The Ejo Heza scheme was developed under the Ministry of Finance and Economic Planning before its official launch in 2018. The scheme is aimed at encouraging people to save for their retirement.

It is an individual saving account that allow voluntary contribution depending on users 'preferences and financial contribution capacity. The interests on savings are added on the users' account annually. For enhancing the saving culture, subsidies have been put in place depending on the 4 ubudehe categories. Ubudehe is a policy designed to put together relevant socio-economic and demographic data for all Rwandan to determine for example who is eligible for government subsidies in different categories, and it is connected with the National Identity (ID) system to prove the status of beneficiaries (WHO, 2022, p. 13). According to Ubudehe category of EjoHeza savers, the government support is determined when the annual savings exceed a certain minimum sum of money. Accomplish that saving target allow the saver the right to funeral expenses and life insurance.

Savers start benefiting their savings at 55 years. This decision has been made intentionally under the official retirement age(65 years), that considered to be a lot for informal sector. Savings include; contributions, government subsidies and interests. The contributor can decide to get all the saved money at once or choose to get them in different installments. The minimum saving amount that allow monthly payment after 20 years is currently fixed on 4 million Rwandan Francs (2,941.32 US Dollars). Ejo Heza savers can benefit from their contributions before retirement for owning a shelter, education, etc., but such practice is covered up to 40 percent of contributed funds to conserve pension coverage and are subject to certain conditions as described in the below table3 (Guyen and Jain, 2023). Conversely, the percentage of contributors early benefiting remains uncertain due to the lack of accessible data.

Table 3: How the state co-contributes following Ubudehe Categorization

Categories	Category 1&2	Category 3	Category 4
Minimum contribution per category to get subsidies	15,000 Rwanda Francs	18,000 Rwandan Francs	72,000 Rwandan Francs
Subsidies	The Government will deposit a 100% matching amount into the subscriber's Ejo Heza account subject to a maximum of RwF 18,000 per year.	The Government will deposit a 50% matching amount into the subscriber's Ejo Heza account subject to a maximum of RwF18,000 per year.	Contributions of RwF 72,000 per year by Ubudehe category 4 subscribers will be exempt from income tax.
	Funding non-retirement expenses		
When the savings are more than 4 million...	The withdrawal up to 40 % for the savings exceeding to 4 million Rwandan Francs to cover housing or education investment.		

Applicable Government co-contributions is transferred into Ejo Heza saver's account on a quarterly basis

The aforementioned saving strategy initiated to leave no one behind in Rwanda, but it is specifically targets workforce in informal economy. Its discretionary approach makes it open to everyone especially young self-employed, where the large number of them belong to informal sector. Among the primary traits of the scheme is the government co-contribution for limited income savers. The government provides the matching contribution equal to intended bound, offering incentives for contribution and proving its obligation to encouraging the saving culture.

In a nutshell, the scheme like Ejo Heza associated with vision 2050 of Rwanda, aspire to formalize workforce in informal economy by providing to them government support and accessibility to long run savings. Even though it has the capacity to assist in formalization of informal labor, it is just not only suitable as an instrument for inclusive finance but also for formalizing them to have access to social security. Its adaptability in permitting savings to be utilized for education and other non-pension costs allow it an appealing alternative for young self-employed, despite challenges persist in compelling more to contribute.

2.3. Theorising youth policy's allegations and business hardships in Rwanda

The youth concept as outlined by several scholarly viewpoints, highlights the vibrant and the context special character of youthful undertakings, especially in relation to social & economic shifts. Ansell (2016, pp. 23-25) emphasizes the youth fluidity as a phase of life, modelled by cultural and economic situations, which in Africa, requires steering restrained entry to regular work and education. Gough & Langevang (2016, pp. 55-47) underpin this, converging on young people's entrepreneurial achievements in black Africa, where informal sector business presents an option to traditional employment, currently predominant in Rwanda.

Riisgaard et al. (2021, pp. 56-58) delve into the young informal workforce's vulnerability, highlighting the lack of social protection programs adapted to their demands. This resounds with The Nation youth Policy in Rwanda (2015, pp. 10-11), which look for mitigating unemployment in youth through professional education and promotion of entrepreneurship. Hofäcker & Kuitto (2023, pp. 102-105) further assert that job insecurity among youth results in long run low pension, a hardship for emerging market countries.

In the framework of social security platforms, Gruber and Wise (2010) presume that there are important interaction between job for young people and social policy measures, creating Rwanda's endeavors necessary in delivering these operational hurdles for its young people.

Rwanda National Youth Policy (2015) Youth as life cycle in Rwanda describes as people in their 16 to 30 years of age, adjusted from 14 to 35. Regional and transnational descriptions diverge slightly for instance the Commonwealth refer to 15 to 29; while African Charter persists on 15 to 35; and the UN 15 to 24. Even if there are policy interventions, unemployment, inclusive finance and entrepreneurial competencies remain a challenge. ILO (2021) states that despite the revision of the younger age group to meet development targets, this group still struggle to meet the persisting youth encounters such as the shortage in business knowledge (28.7 percent) and financial inclusion (31.1 percent). Moreover, Hakizimana et al. (2023) urges that financial aid access and networking are imperative to back youth in their entrepreneurial accomplishments.

2.4. Conceptualizing young self-employed experience on Ejo Heza

2.4.1. Bridging the gap: From Informality to formality

Informal enterprises and workforces' formalization is fundamental for increasing retirement income coverage among Rwanda's young self-employed. Hinz (2013, p. 8) highpoints that matching funds can boost contribution in pension plans, mitigating informality predominance. Rofman et al. (2014, p. 12) highlight the importance of adjustable policies that assist varied work forms for social protection enhancement. Additionally, the World Bank (2021)

comments that departing to traditional employment promotes employment guarantee and enhance access to social assistance, including retirement funds. This supports the ILO (2020, p. 22), which emphasizes that all-encompassing policies must pursue the sole encounters faced by young people in informal economies.

Workers in informal economies are normally excluded from traditional pension plan, however voluntary retirement alternatives uphold their financial participation and safety. Gallien and Boogaard, (2023) reveal that formalization serve as a bridge to linking informal markets with the formal structures. They look at formalization influence in development, particularly in post COVID19 perspective, exploring its impacts, changes and encounters, especially in emerging economies. Ejo Heza as a voluntary plan permit anyone, especially workers in informal economies to save for their future (Guyen & Jain, 2023).

Incorporating informal sector into social welfare schemes is significant to improve financial stability and savings. Barca and Alfes (2021, p. 9) underline that proper involvement needs “Adaptable and inclusive policies” adapted to informal workforce necessities. Guven and Jain (2021) highlight digital approaches that rationalize access and governance, fundamental for informal employees in less developed regions. Moreover, OECD (2024, p. 135) emphasizes adapting policies to adjust informal workers underlying forces, thereby encouraging protection. Cooke (2011) claims that flexible regulatory structures decrease informal occupation, reflecting on China’s job market adaptations. In addition, Ejo Heza in Rwanda demonstrates a comprehensive and innovative voluntary pension pattern advocating for informal employment involvement (Guyen & Jain, 2023, p. 6).

Theoretically, subscribing with Ejo Heza facilitate young self-employed integration toward traditional economic actions by incorporating them into a traditional financial structure. However, formalization within this scheme unfold beyond a goal than a direct end result. For a several young self-employed individuals, becoming a beneficiary for the scheme might not result in conventional forms of economic frameworks like business registration or taxes payment, but it facilitates access to a government structured financial state, therefore stand for inclusive finance. Informal companies do not commonly contribute for their workers, or on behalf of self-employed themselves, taking away both the coverage of social security. This aperture in social protection affects not only enjoying social security as a human right for employees, self-employed individuals and their folks but also deter the attainment of Sustainable Development Goals, especially the target 1.3 that recommends social protection for all. The deficit in social security inputs has numerous effects: small and startup companies cannot be able to register within a social security structure due to their position, although they are formalized, they can keep on facing social security compliance issues due to inadequate administrative and economic abilities and limited access to both awareness and information on the current arrangements, (ILO, 2023, p. 8). The lasting vision of Ejo Heza is to build a conducive environment where workforce in informal sector join structured economy, and enjoy the access to retirement advantages and social security in general.

2.4.2. Human Capital theory

The cultural description as human capital is suitable to cultural features that have immediate effect on economic boom. A latest literature implies to such reasonably constructive attributes as social emotional abilities. These define to what extent individuals can spotlight on lifelong duties, behave in social relationship, and apply willpower, (Saez-Marti & Zilibotti, 2008, p. 88).

Rational choice matches Human capital theory by enhancing that people make determined decisions on the basis of the calculation of the anticipated cost and advantages of their activities (Becker, 1964, p. 17). Ambitions play a major role in lifetime process, which relies on practical expectations of perceived pension returns, necessities and logical behavior coming from those expectations, involving income smoothing (Turner et al., 2019, p. 60). This shows how a person decide based on benefit cost analysis, puts efforts into maximizing individual benefit. In this case, various young self-employed, refer to the scheme enrollment advantages despite unstable income and other related issues. Those who really understand the significance of lifelong advantages like pension investments and safety net funds access more than immediate benefits are more reasonably to subscribe with the scheme.

Subscribing with Ejo Heza, afterwards, turns a rational choice for young self-employed who comprehend the prospective advantages of financial security, medical insurance and retirement plan. However, this belief is probed by unstable earnings, direct economic tensions, and inadequate financial literacy, which may deter the understanding of Ejo Heza as a useful investment. MacLeod (2016) states that the rate of human capital is a straightforward step of the significance of limited rationality for individual appraisal.

Becker (1964) claims that Human Capital as a theory shaped on rational choice, as funding education or saving in a scheme like Ejo Heza is a choice made based on probability of prospective financial benefits. However, encounters like unemployment in youth (NISR, 2024) and the gap in financial accessibility hinder this prioritization process. To boost the success of this aforementioned scheme, should tackle these obstacles improving youth financial knowledge and allocating motivations reserved for young self-employed with unstable earnings.

2.4.3. Planned behaviour theory

Berlant's theory of "Cruel optimism" is significant, just as it review how such programs ensured safety while forgetting recurrent obstacles such as economic uncertainties and systemic injustice (Dolan & Rajak, 2018, p. 250). Those who are not members of the program can also be also a logical decision, as one the research respondents prefer direct requirements such as investing in their education or their business growth rather than prioritizing saving for long time. This affiliates with life course models underlining youth ambitions, where younger generation habitually decide to spend in human capital through knowledge acquisition rather than retirement schemes (Huijsmans et al., 2021, p. 7).

The provision for retirement has been a key issue for a long time and is turning a more important issue for a number of individuals these days. The pension readiness is identified as an individual's conduct concerning their pension arrangement. Hence, beliefs regarding pension could result in initiating saving idea to achieve the retirement provisions, (Rameli & Marimuthu, 2018). The planned behavior theory is shaped by individual norms, beliefs and personal perceptions control. Young self-employed with positive beliefs on the scheme, they

prioritize it in their daily routine. Some of them have decided subscribe through the influence of their family members and friends, who took their time to explain to them the significance of the scheme and how it will contribute during their old age. On the other hand, other decide to enroll due to the way they see some old people keep on struggling to get living and they have no other option rather than keep on working until they become completely weak. Societal testimonies and mentorship guide some of these young self-employed to take decision to enroll with the scheme.

For Ajzen (1991), who introduced the Planned Behavior theory-TPB, underlines the significance of a sense of mastery over behavior. On the side of young self-employed in Rwanda, improving financial literacy and incentivizing irregular contributors can boost their self-efficacy, making Ejo Heza more reachable and engaging.

Social protection and inclusive finance remain the pillar for Rwanda's development plan as stipulated in vision 2050, to enhance saving culture and financial stability (Gatete, 2016). Ejo heza supports these ambitions by inspiring young generation to secure their financial prospects. Yet, for young self-employed, unstable earnings issues and inadequate financial knowledge deter participation, worsening revenue inequality and lowering the success of such plans. However, current encounters include inadequate access to retail banking provisions and high unemployment rate (NISR, 2022), which deter lasting saving among young people, notwithstanding the country's efforts.

2.5. Hindrances to pension membership: a social policy constraint

The constraints encountered by young self-employed in Rwanda regarding registering in retirements schemes such as Ejo Heza manifest wider social policy limitations predominant on African continent. Chukwuma (2022, p. 10), underlines that "reducing the reach of social policy" frequently restrains access to essential welfare plans, especially for disadvantaged groups in informal economies. Additionally, Sengupta and Jha (2020, p. 156) contend that structural constraints amplified by economic crisis like COVID19, worsen the deficiencies of informal employees, making them doubtful to benefit social protection.

The study by Miti et al. (2021, p. 25) reveals that informal employees in low and middle income nations frequently demonstrate unwillingness to invest in retirement plans due to financial challenges and mistrust in governmental schemes. This bring into line with the study outcomes from Ghorpade et. al. (2024, p. 10), who emphasize that unsatisfactory awareness and outreach campaigns deter registration in social protection programs for workers in informal economies. Moreover, Oehme & Torm (2024) support that informal sectors formalization is vital for successful social protection attainment, yet it is still a constant issue in Rwanda. Furthermore, irrespective of this, there are possibilities for collective innovation, which could tackle the deficit in coverage, especially for at risk groups such as young people (Dafuleya, 2024, p. 135). These researches jointly demonstrate the complex nature of social and economic apparatus that constraint young self-employed individuals to entirely contributing to the schemes such as Ejo Heza.

Chapter 3: Research methodology

3.1. Study location and positionality

The study with such a specific goal, to my understanding has not been endeavoured in Rwanda, and whilst it could have been more suitable for prospective research. I actually applied primary data delivered from qualitative interviews. My research is basically qualitative and a narrative comprising of prior studies, and interviews on voluntary pension schemes and young self-employed individuals. I wish to support the struggle that several young Rwandans have and/or ongoing to enjoy retirement benefit and financial stability particularly for young self-employed. This research is basically grounded on interviewees personal experience by the use of the qualitative interviewing related interview guide and my singular interpretation.

The Kigali of city accommodates 13.15 % of the general total population of Rwanda, and it has three district namely Gasabo, Kicukiro and Nyarugenge. Gasabo is the most inhabited district with 50.4 % of the residents of the city of Kigali. About 54.2 % of Gasabo district are less than 25 years old comparing to 3.18% of old people from 60 and above. Employment ration in Gasabo district is higher in urban than rural area with 57 % and 44.7% respectively. It is the district that holds Kigali Economic Zone that host more than 150 companies and Industries. In Gasabo, 32.2% of the general district population are youth and Kacyiru sector with the higher youth population of 41.4%. Employment ratio in youth with 48.5% in Gasabo district, and it is higher among males comparing to females. It was observed that in the district of Gasabo, the employment to population ratio among youth stands at 48.5%, it is higher in among males (56.3%) than females (41.2%), (NISR, 2023).

Gasabo district being one of three districts that make Kigali capital city, a place where I have been lived and worked for 7 years. Choosing it as my case study during my research was imperative. In addition, working with youth in that district, pushed me to make it the focus of my research scope. I definitely limited my research on young self-employed individuals in Gasabo district, due to my experience with the targeted area and the availability of prior research on urban youth. Moreover, the district is a home for a great portion of commercial enterprises, industries and informal sector employment. It therefore, look like tailored to become my case study.

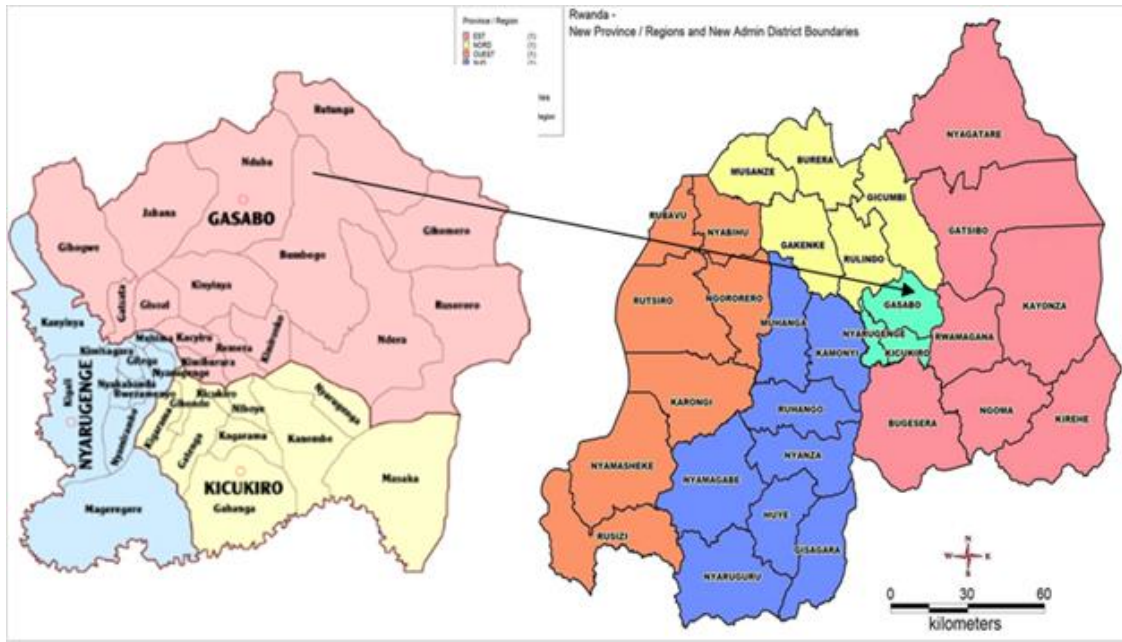


Figure 1: Locating Gasabo district with reference to the map of Rwanda

Figure 1: Locating Gasabo district with reference to the map of Rwanda

Source: <https://sl.bing.net/bLNSVK9bo0O>

Snowball sampling approach has been used, to get targeted respondents. Even if I used to live and work with youth in Gasabo district but young self-employed people are based in their villages as some don't have stable addresses and others work as freelancers. Being not born in Gasabo district, my direct connections with the targeted group is restricted. Moreover, my experience with young self-employed in the topic under discussion was also narrowed to few colleagues. In addition, being not able to be in Rwanda to select interviewees myself, I worked with a research assistance who facilitated the process to get in touch with relevant interviewees for a one on one online interview. The online interviews were conducted by the researcher himself.

3.2. The selection of research respondents

The objective of this study was to explore young self-employed people's experience on subscribing with Ejo Heza voluntary pension scheme in Rwanda. To conduct this research, the qualitative interviewing method was used. Research design as an approach to determine the general study objectives and methodology to answering the research questions. Marshall and Rossman (201, p. 57) describe the research design as "the visualization of the research procedure dictating where the research can be conducted, the target population, the way data can be collected, data analysis and reporting strategies." To answer the question about How young self-employed people are motivated to contribute to voluntary Pension scheme in Rwanda? A semi-structured interview with respondents were conducted for data gathering as an appropriate methodology to collect qualitative information (Kings et al, 2019, p. 94).

Gender, age and employment experience in sampling are critical as they influence perspectives on pension and economic development (Diaz et al.,2021). For instance, age influences career contentment and time to retire, considering distinct events (Qu, 2022, p. 1150). Similarly, professional experience shapes membership in retirement plans (Kaniki & Ntuli,

2011, p. 55). These factors assist in ensuring inclusive sampling. The sample size involves 16 participants that selected using a snowball sampling for obtaining suitable data. “In accordance with the research purpose, the researcher first identified potential participants who met the set conditions that are able to offer appropriate insights and evidence related with the study subject in order to gather resourceful information contributed to quality of the interview results, (Roulston & Kathryn, 2010, p. 98).” semi-structured interview was facilitated to get data from participants. 16 young self-employed female and male aged between 18 to 30 years old in Gasabo district, Rwanda was interviewed.

I stated first of by contacting my research assistance (Patty) through WhatsApp, who is also part of the respondent and then extended my exploration through the snowballing method. The interview was conducted through google meet and WhatsApp call in August 2024, with the purpose to understand the motivation behind enrolling with a voluntary pension scheme as young self-employed individuals. Connecting with this specific group of people in informal economies involves a set of connections as Vicent and Thomson (2021, p. 401) describe that snowball sampling is applicable for reaching unknown populations. Likewise, Bailey (n.d, p. 76) explains it as a way to probe and access corporate affiliations. Retrospectively, while I was drafting such sampling plan used, the main challenge with utilizing that approach was that there would be unfair representation or the sample would be uniform. Favourably, my primary network of colleagues have helped me in ensuring that my study respondents and conversations would exhibit various social and ethic groupings in Gasabo district.

Considering the utilization of snowball sampling, I was well informed of the risks of generating identical responses and to differentiate my answers, I had to make sure to involve respondents from various domains as illustrated in Table 4 below in accordance with targeted characteristics. Through my research assistant (Patty/Sanitation), who was also part of the respondents, I managed to get responses to seven individuals; Emmy (Transport), Ema(Storage), Alan(Agribusiness), Vicent (Electrician), Desire(Agribusiness), Dette (Manufacturing), Vava (Manufacturing) and Jojo (retailer). Emmy assisted me with a list of four respondents; Fabu (Motor vehicle repair), Jesca who is a wholesale, Lily(Clothes retailer) and Solange (Cleaner). In addition, Jesca connected me with three of her friends including Naila (Shoes retailer) ,Yvette (Shoes retailer) and Tania who is a Sales agent. 14 respondents were kind enough to respond to the interview questions, while 2 (Desire and Dette) didn't finish the interview due to network interruption.

Table 4: Research respondents characteristics

No	Pseudo Names	Sex	Age	Status	Profession
1	Emmy	Male	27	Enrolled	Transport
2	Ema	Male	25	Enrolled	Storage
3	Dette	Female	30	Enrolled	Manufacturing
4	Alan	Male	30	Enrolled	Agribusiness
5	Vava	Female	30	Enrolled	Manufacturing
6	Jojo	Female	27	Enrolled	Retailer
7	Vicent	Male	25	Enrolled	Electrician
8	Desire	Male	19	Enrolled	Agribusiness
9	Fabu	Male	24	Enrolled	Moto vehicle repair
10	Jesca	Female	30	No	Wholesaler
11	Lily	Female	28	No	Clothes retailer

12	Tania	Female	22	No	Sales agent
13	Solange	Female	29	No	Cleaner
14	Yvette	Female	30	No	Shoes retailer
15	Patty	Male	29	Enrolled	Sanitation agent
16	Naila	Female	26	No	Shoes retailer

All these respondents work within informal sectors, 10 (Emmy, Patty, Vava, Jojo, Dette, Fabu, Alan, Ema, Desire, and Vicent) are currently members for of Ejo Heza voluntary retirement scheme for whom six (Emmy, Patty, Fabu, Alan, Ema, and Vicent) are actively saving and three (Vava, Jojo and Dette)have stopped saving due to various technical and unstable income. While other six (Naila, Jesca, Tania, Solange, Yvette and Lily) are not member of the scheme. As in collaboration with my research assistant the list of respondents has been cleared, including their contacts and identifications. The interviews were carried out through WhatsApp call and google meet.

3.3. Analytical method for collection of data

Qualitative data analysis was basically used to analyse data in this research paper. I developed an interview guide, as I was not able to go home for fieldwork, my only just preference was to schedule online interviews through google meet and/or WhatsApp calls. This study explored young self-employed experience to enrolling with Ejo Heza Voluntary pensions scheme through formalization that might ensue. Generally, this seems to happen among not only young self-employed but also young generation in general. It was especially significant to draft this research paper as a narrative due to its implication for the next generation to save for their future.

During the data correction phase, the researcher collaborated with a research assistant to support him through selecting relevant respondents for virtual interview considering the topic guide and the researcher conducted online interview himself and also cover nonverbals data to help contextualize and understand more the situation (Edouard & Holland, 2013, p. 54). In addition, secondary data was collected through books, journals, governmental and NGOs reports etc. Furthermore, informal technique, such as talking with peers, friends, etc. to explore more understanding on the topic was used.

3.4. Ethical considerations

During my research process, ethical implications were paramount, especially regarding respondents privacy. Even though all respondents allowed me to use one of their names in data analysis, I made up my mind for privacy protection to keep their identity anonymized and confidential. Such approach affiliates with the research ethics standards that promotes respondents' safety and data accuracy. Anonymization addresses potential threats affiliates with exposure, ensuring that respondents remain free from danger while sharing critical information. In addition, it underpins the reliability of the study by adopting an atmosphere of confidence, which is significant for collecting genuine and useful information. This method underlines my responsibility to research ethics procedures during the analysis of data. The name used in this research are not proper respondents' names, they are anonymous.

Chapter 4: Research Findings and Data Analysis

4.1. Introduction

This chapter discusses the findings from the fieldwork in accordance with the research questions. The study focuses on two sub-questions to understand the motivation behind young self-employed people to subscribe to Ejo Heza voluntary pension scheme in Rwanda, namely (1) How EjoHeza Voluntary pension scheme is perceived with young self-employed people? And (2) What are the limitations/barriers of self-employed young adults to subscribe to Ejo Heza?

This chapter is divided into two main sections in accordance with the main and sub-research questions to enhance the clarity of the research findings. The first sections discusses young self-employed perceptions on pension schemes like Ejo Heza, timing and preferences and how it influences their decision making. The second section focuses on understanding barriers and limitations of young self-employed to joining Ejo Heza as wells as Ejo Heza as an integral part to make young self-employed covered by social security services.

4.2. Perceptions of Young self-employed individuals on Pension

The tendency concerning early pension has been among the significant of the world of labor growth in the previous a half century (Dorn & Sousa-Poza, 2010, p. 427). While workers are supported by their organizations by sharing accordingly their contributions, the self-employed employees cover the full retirement inputs on their own (Choi, 2009, p. 4). However, Social welfare in developing countries prefers to focus only on workers in formal sector and disregard informal employees (Tull, 2019, p. 11).

The findings of this research reveal how important young self-employed recognize the importance of pension in life. For example, when asked ‘if they think it is necessary for them as self-employed youths in general to think about pension? At which age or time do they think is better to join these schemes?’

Among sixteen (16) interviewed people, all reveal a positive attitude towards the necessity to think about pension as young self-employed and they consider in general to join these schemes on early age for those whose parents or guardians can afford it and others can join not later than 18 years old once they start working.

“Even if I don’t have enough information on pension but I think about it, because pension contributions can help me in the time I will not be able to work, I mean when I become older. Joining pension scheme can depend on the availability of savings, but on the other side some youth can be assisted by their parents if they can afford it” Solange, 2024, personal interview).

In addition, Desire and Ema state that:

“When you are a visionary person who don’t rely on direct returns, thinking about pension is really important. Some of young generation think of enjoying life without taking into consideration their future prospects, which is wrong. As young people, we should think about pension before it is too late like when

you are 18 years old, and start slowly by slowly making our savings growing with time and parent should be there for their children as usual Desire and Ema, 2024, personal interview).”

Both two statement indicate that even if young self-employed individuals think about pensions ‘significance in later life and pretend to join the related schemes on early age. This can be understood as they perceive well what Dziechciaz and Philip (2014, p. 838) highlighted that getting old implies mental, biological and social degradation, affecting memory mounting sicknesses, isolation and cognitive disfunction. In addition, Drever et al. (2015, p. 20) state that early life assistance setting sight on operational responsibilities and fundamental financial knowledge create life time financial safety.

However, few decided to prioritize business over pension and to make their business more promising as Jesca, a young female wholesaler highlights that:

“Yeah, it is significant to think about life during the time we will not be able to work due to old age and start making relevant decision for joining pension schemes on early age. For me, I decided to invest in Education and keep on my eyes on business growth. After graduating, I will think about how I can start saving for my future even if the information we get as young self-employed are limited that should be improved to reach many of us and understand it well. We get this little information on radio adverts and do not give all details (Jesca 2024, personal interview).”

This show how enrolling with Ejo Heza is not obviously depend on age but more reliant on personal life steps. A number of them are committed on strengthening their businesses with focusing on instant financial requirements Like Jesca mentioned. Due to this reason, contributing to pension likely not seen as a priority due to various aspirations including investing in education or/and business growth. This reflects on Bovenberg et al., (2007, p. 410) who discuss that maximum savings and financing throughout lifetimes, underlining human capital’s task in customized retirement schemes and the significance of incorporating financial and job market analysis.

However, there is a concern for those who comprehend that contributing for retirement on early age in more helpful in the long run, as regular contribution can increase substantially in the course of time. On the other hand, those who are not able to save on early age, dawning at 18 years old is even an excellent choice. You still have a chance to save for pension, and still with modest resources, initiating frequent payments can increase in due course. Harmonizing financial concerns is challenging, specifically when earnings is unstable, but saving for pension is critical for assuring long run financial balance. In Rwanda, where several individuals do not have access to traditional retirement plan, self-employed individual are in need to save for their future.

It is the responsibility of parents to support the young individual with financial modeling through improving youngsters’ financial learning and abilities, coaching them to become economically independent grown-ups (Van Campenhout, 2015, p. 2015; Serido & Deenanath, 2016). According to the findings parents could possibly lead to assisting their children to plan for their future by saving for them from childhood. By putting aside systematically a constant amount of finances, people can create a strong base for their children’s financial safely.

4.2.1. How perceptions influence decision making

The findings discuss how young self-employed understanding on Ejo Heza influence their decision making. For instance, where asked how do they perceive Ejo Heza and its benefits and how these perceptions influence their choices to subscribe or not.

It is likely that self-employed youths' perceptions about Ejo Heza scheme deliberates a complex correlation of perceived advantages and difficulties. The government of Rwanda provides to savers from impoverished families with a matching³ contribution up to 18,000 Rwandan francs (13,24 US Dollars) yearly per contributor depending social stratification category for the first three years (Guvén & Jain, 2023). One noteworthy advantage is the state's matching funds provision, which adjusts corresponding to a socio-economic categorization procedure in Rwanda known as 'Ubudehe'. This motivation is specifically addressed to people in lower income category, as it improves their contributions and prospective pension savings. Yet, the validity of this motivation is strongly fastened to the personal understanding consciousness and knowledge of 'Ubudehe' approach and the matching advantages. Self-employed youths who are aware/interested of these advantages are more potentially to observe Ejo Heza Positively and ponder subscribing to the scheme as a way to secure their future financial prospects.

“Only to my twelve years old, I was aware of what saving is, then started saving when I was 18. Therefore, igicere saving (a penny saving) scheme assisted with our parent in my village contributed a lot to empower us with saving power on early age. Joining Ejo Heza to me was a simple game as it aim is well defined to me. I decided to prioritize it for the sake of my family and myself. I have already stated benefiting from the scheme not only about the matching contribution but also annual interest on my savings, etc. (Patty 2024, personal interview).”

Similarly, Alan emphasizes the importance of the scheme like Ejo Heza and the reason behind his commitment to join it.

“I have taken time to learn about Ejo Heza and the reason why I should enroll with it. In Addition, being party of Youth volunteers in Community Policing where I come from, it helped me a lot to get more information about the scheme and my educational background related to Finance, all this contributed a lot to enrich my understanding to join the scheme. I have been contributing consistently since I started, and will not stop, because it is part of my priorities. Joining this scheme has so many advantages including owning a House, burial costs, life insurance, etc. (Alan 2024, personal interview) ”

Contrary JoJo's experience is not promising, to her; she is not convinced if the mentioned scheme benefits are really and she is not currently active due to unstable income.

“Even if I have started contributing to Ejo Heza after my high school graduation, but I am not sure if the mentioned incentives are really, if they are really they should make information available (In case someone gain it) sothat they can motivate others. On the other hand like on my side my income decreased and I stopped contributing (Jojo 2024, personal interview).”

It is worth bearing in mind that thinking on the significance of financial obligations are absorbed at a young age. It underscores the village centered saving scheme, such as 'Penny saving scheme, which is a village initiative initiated long ago to promote the saving culture. In this case every concerned member was supposed to save at least 100 Rwandan currency

³ Refer to Table 3: How the state co-contributes following Ubudehe Categorization

coin equivalent to \$ 0,78 cents⁴. It infused a well-organized saving culture on early age, initiated early but executed subsequently which is an emulation of long-lasting financial practice. This highlights the power of the family and the community in general to contribute to the success of the recently implemented policy on both side of Ema and Patty. Even if this Igiceri saving scheme is not an official government program it is commonly used especially for people with low income who wish to embrace the saving culture especially for short term needs, while Ejo Heza is for long term.

Ejo Heza as a State supported retirement plan in Rwanda, underlines a wider tendency toward government driven self-sufficiency in the exchange economy. The government matches personal contributions, highlighting the perception that the population are responsible for saving for their future in unstable economy. This methodology point toward neoliberal principles, inspiring individual obligation even for non-formal economy employees without a minimum earnings, (Taylor-Gooby & Leruth, 2018).

However, various encounters may discourage membership. For many self-employed young people unstable income flows make it challenging to frequently contribute to the retirement plan. The program's obligation for continuing payments can seem troublesome, particularly when finances are limited to keep regular contributions as Jojo previously mentioned. Moreover, while the earnings ratios on contributions are a prospective profit, they may be seen as inadequate comparing to other potential investments. These encounters can influence the insight that Ejo Heza may not provide potential returns, motivating some to abandon the scheme. However as the scheme is voluntary, it keep the flexibility to adjust the contribution and feel the gap any time.

“First of all, Ejo heza is a voluntary and mobile based scheme. A prospective subscriber is responsible to get all required relevant information to start saving. For me I did all my best to empower myself on the scheme, as I become a member, I control all movements on my account, such as saving anytime I want to meet my target, checking gained interests, etc. It is the responsibility of everyone to understand the process and how it work. If you don't have information you toll free on 5006 or address the issue to the local authorities near you. On the other hand youth are not on the same level to understand the practical significance of the scheme to their future (Emmy 2024, personal interview).”

It seem as while various young self-employed prioritize investing their time to get relevant information on the scheme, others seems still struggling to get it or neglect it due to different reasons. This disruption underlines the necessity for strategic and improved outreach campaigns. Establishing a clear, available resources and guidance scheme may enable all young people to entirely participate and flourish with the scheme, even if it is still a long way to go like the case Liliane, who think it is still far away to start saving for the future.

“I know that pension is necessary during old age, but for me at this moment I am not interested with it, because I consider it to be for old people. If you want, I can put in contact with my mom so that she can give you all the explanations you need (Lily 2024, personal interview).”

Lily understands the of the importance retirement scheme, then ignore it. She think it is for older people, neglects the reality about: tomorrow does not exist, and you secure tomorrow today. Her understandings on the concept really underlines a general misconception. As she recognizes it value, but not interested in focusing on it, possibly due to the certainty that it doesn't matter on her recent age. This indicates a comprehensive issue where a number of

⁴<https://www.aa.com.tr/en/africa/small-savings-initiative-helps-empower-rwandan-women/2407156> retrieved on 30 October 2024

people stall saving for retirement, not recognizing that prior planning is important for ensuring financial stability. However, even if Solange, Tania, Jesca and Yvette are still waiting for the conducive time due to different reasons including but not limited to unstable earning, limited information on the scheme and prioritizing direct earnings rather than long term financial security, they are willing to be engaged as soon as they can in order to enjoy the scheme benefits. This seems to indicate that to get ready for a maturing demographics, youthful individuals should be empowered on aging learning in educational programs and leverage technology to overpass international differences. (Tohit & Huque, 2024, p. 10). On the other hand it seems in current research as if women see less need for joining Pension scheme than men and they can still be expected to be taken financial care of by their husbands once they get married. However, the current research reveals that Ejo Heza improved the women's inclusive finance where 49 % of the savers are female comparing to 32 % of female membership in the formal pension scheme. In addition, Rwandan women are active contributors to Ejo Heza respectively to men but with consistent saving with 83 percent to 78 percent around some provinces, however determination remain lower in Kigali city for both women and men (Guyen & Jain, 2023, p. 14).

Eventually, these experiences extensively affect the decision to join Ejo Heza Scheme or not. People who are knowledgeable about the long-run advantages and the state's matching funds provision are able to join the scheme accordingly. However, those who discern the difficulties, similar to unstable income, direct benefit and doubtful returns, more than balancing advantages are less persuaded to join the scheme. Therefore, the conclusion to join is influenced by balancing the perceived benefits, the state's motivations and the pragmatic difficulties of contributing regularly in a self-employed context.

4.2.2. Balancing financial priorities and lifelong savings

The integral misconception that retirement plan are really pricey is embedded in the concept that people are not willing to compensate the charges. Then permissive community and the willingness to contribute for extending the duration of life with improved and extended pension with increased costs is a political economy issue, but also a generalized one, (Ghilarducci & Manickam, 2022, p. 31). Young generation in Rwanda is a demographic group that requires more attention when it comes to saving for the future as the labor mobility and life expectancy improve.

The findings discuss how young self-employed deal with direct financial routine and sustained financial stability. When asked "What is your experience on balancing your financial priorities and a lifelong financial estimate shape your perceptions on the adequacy and relevance of Ejo Heza for your long-term protection? The research reveals varied perspectives amongst self-employed youths concerning the significance and capability of Ejo Heza scheme for their long run security. A substantial part of these research respondents integrate Ejo Heza pension plan into their financial routines, acknowledging its significance as a mean for long-run security. Prioritizing this scheme implies a convincing adjustment concerning pressing financial concerns and the necessity for future prospects. Like Alan, a young self-employed discusses his experience.

"I decided Ejo Heza contributions to be part of my everyday financial priorities, before deciding to join the scheme and find it more promising to my future, any time I get some money, I make sure that I make savings with the scheme. As young people we spend much money for nothing, for me I decided to use that amount to secure my future (Alan 2024, personal interview)."

On the other hand, there is a number of respondents that seem to have no interest in Ejo Heza, reflecting a possible disconnection concerning their existing financial routines and their long term safety requirements. As Vava, a young self-employed noted.

“I have been doing my savings with Ejo Heza, unfortunately these days I stopped due to financial instability. I don’t believe to benefit from my savings before retirement because it is hard to understand it (Vava 2024, personal interview).”

This detachment may be derived from numerous factors involving inadequate financial knowledge, pressing financial difficulties, or an inclination for additional financial tools that they realize as super important to their current conditions. Their detachment underline the challenges in advancing lasting financial arrangements among self-employed youths.

Moreover, another portion of respondents spotlights on other financial arrangements but convey a commitment to enroll to the scheme afterwards, recognizing its significance. This cluster understand how important the scheme is, but may be provisionally concentrating on other financial targets as clarified by Jesca previously and Similarly to Solange, who is using bank platform for her savings at the moment .

“For me at the moment I don’t have enough information about the scheme, but the little information I have, it sound really interesting and I wish I would join in the nearly future. Meanwhile I am only saving through my bank account and to enhance my business growth (Solange 2024, personal interview).”

Similar Tania who also suggest that:

“At this stage I don’t have enough information, but the time I will be equipped with all required information, why not making sure that I contribute to the scheme Tania 2024, personal interview.”

Additionally, there is a portion that stays unfamiliar with the scheme, proposing a necessity for heightening awareness and education for the purpose of ensuring that not only all self-employed youth but also the general public can get relevant information on the scheme to influence their decision making about their future prospects.

4.2.3. Benefiting from Ejo Heza before retirement

Ejo Heza presents various benefits that can be useful for savers before the approved retirement time, like using savings as a security pledged for the repayment of a loan, funding education and buying a house. These advantages offer significant financial resilience, especially for those succeeded to accumulate required savings as soon as possible. However, the competence to benefit from the savings before 55 years is basically determined by the quantity of money contributed, with a significant threshold mandatory for these alternatives to become practical.

“I have started saving since 2021, meanwhile I am oriented to consistently saving for my future. I believe I can benefit the pre-pension before 55 years old like owning a house, etc. (Emmy 2024, personal interview).”

In addition, for Alan benefiting his contribution before retirement consider it as an added value.

“For me I only save to enjoy my retirement benefits not for any other reason, but it can be an additional benefit if I can fulfil all the requirements to enjoy pre-retirement advantages (Alan 2024, personal interview).”

It is difficult to explain these results, but it might be related to the way informal sector is not promising when it comes to earning accordingly, which let some subscribers mostly focus on retirements advantages, considering the scheme as a way to ensure financial safety during retreat. It may be also due to the reasonable challenges in saving substantial sums of money, like the 4 million Rwandan Francs required to hold pre-pension advantages. Thus, in the time Ejo Heza does not provide early benefits, these are frequently depend on the aim of joining a retirement scheme, particularly for people with limited income.

Regardless of these encounters, the possibility to benefit the contributed funds before the planned retirement time which is 55 years is perceived to some as an added benefit of the scheme. It offers an encouragement for regular saving, with the understanding that fundings can assist meaningful life time aspirations beyond pension. However, it is also underlines the prominence of financial arrangements and the necessity for people to review their potency to contribute an adequate amount to absolutely benefit from these early advantages.

4.2.4. Ejo Heza represents a citizen centred vision

This scheme proves a decisive government dedication to economic stability, especially for self-employed youths with unstable income. By guaranteeing friendly savings preferences, the state fosters a culture of saving and retains its obligation to protect citizen's wellbeing, particularly in the informal economy. For Yvette, Ejo heza is like a life Jacket.

“I believe in my country's vision, the scheme like Ejo Heza to me means 'Rwandan first'. With this scheme the country intends to support us to save for our future. For me and some of my colleague we enfold the scheme as a line of destiny, reasserting our trust in the country's shared prosperity (Yvette 2024, personal interview).”

The scheme argues against traditional retirement plan's young self-employed exclusion, determining the government's obligation to universality within employment categories. By taking into account informal employment experiences, Ejo Heza implies state commitment to universal plan, enhancing trust among Rwanda's self-employed youths' responsibility to their financial stability and sustained resilience.

“To me the scheme represents a citizen centered scheme, symbolizing government's dedication to empowering the population. Throughout Ejo heza, we are creating a potential of financial wellbeing, asserting our beliefs in the government's vision to support and defend the citizens. It is not only a financial benefit but also a way to state robustness Patty 2024, personal interview.”

Thereafter the 1994 genocide atrocity against the Tutsi, Rwanda was required to overhaul its societal structures, heading to a successions of development targets captured in 2020 vision and then 2050 vision. Through a saving mobilization for both short and long term, apart from enhancing the government debt market, Ejo Heza was introduced to encourage the saving culture among citizens for long term. Despite the current remarkable efforts made, the financial arena still have rooms for improvement to allow this sector to back implicitly the country's inclusive economic performance ⁵, (MINECOFIN, 2017, p. 6). The scheme like Ejo Heza contribute to achieving the set target by enhancing lifelong savings, decreasing dependance on informal

⁵ MINECOFIN, (2017). Financial Sector Development Strategic Plan 2018-2024

support systems, and stimulating financial stability. Young self-employed in Rwanda who work agriculture, small retailers, and services are critical to this goal. Acquiring a saving culture through Ejo Heza, the country aims to encourage the saving culture and financial structuring, which contributes to wider domestic goals of financial stability and lessened reliance on external assistance. The Ejo Heza is connected to the country's policy for sustainable growth, especially in lowering economic disparities, self-reliance and assuring social security for all.

In addition, the creation and improvement of Ejo Heza imply that the country of Rwanda prioritizes the population's financial welfare. By promoting involvement in this plan, the state is not merely assisting people safeguard their forthcoming but also advancing the wider culture of financial accountability. For young self-employed, this stands for a cooperation with the government, where the state offers instruments and structure required for financial arrangements, and people become accountable of their own prospects within a supporting framework. This joint method improves community ties between the state and its population, encouraging the significance of collective responsibility and mutual reliance, (Seabright, 2021; Atria, 2015).

The pressures between market driven self-sufficiency and the uncertainty of informal occupation in Rwanda present critical issues about the social citizenship restrictions in the modern era. Whereas Ejo Heza encourage inclusive finance, it also inflicts a charge of ensuring future safety on people in unstable market.

4.3. Barriers/limitations

4.3.2. Financial obligation

Though the fundamental goal of retirement schemes are poverty eradication and income leveling have endured unbothered, both of their limelight have widened or rearranged. Additionally, the transitional intention of retirement plans have turned into greater emphasis and accuracy in terms of for instance competence, coverage, affordable cost, stability, healthy, and rearrangement are currently more openly addressed. Moreover, opportunity cost spotlighted the targeted dimension and the assessment of the fulfilment of the introduced retirement system restructuring initiated (Holzmann, 2013, p. 4). However, personal voluntary retirement plan are dubious to retain satisfactory coverage and therefore it is crucial to revise the responsibility of employers (Rudolph, 2016, p. 2).

With respect to the second research question, on exploring challenges under enrolling with Ejo Heza, various major barriers occur. One substantial concern is the fulfillment of financial obligation, which can be discouraging, especially for young self-employed individuals. This clusters that can face unstable earnings, making it challenging to regularly save to a retirement plan as revealed by the current research. However, the flexible nature of the scheme allow the fulfillment of the targets due even after the planned time.

“For us dealing with financial obligations needs determination, prioritization and provision. We decided to make the scheme to be part of my daily financial routine. It can happened to miss a monthly contribution depending on financial instability on our account but we make sure that we feel the gap as soon as we get opportunities to get money. In this case the voluntary nature and the flexibility of the scheme help us a lot to achieve our targets (Emmy, Alan & Patty 2024, personal interview).”

Unstable income habitually led by economic uncertainty and self-employed problems impacts heavily small businesses, interrupting economic projection and development (Ragoubi and El

Harbi, 2018; Arshad and Azzam, 2023). In addition, there is an evident gap in knowledge dissemination, with some possible savers to Ejo Heza, willing to join but missing apparent information on the significance of the scheme in general and the way to join.

4.3.2. Information accessibility

“Sometimes because of the nature of my job, I hear about Ejo Heza on Radio and radio does not give all description about the scheme. In addition, it is not even easy to attend community meetings in my village, which are frequently seem to be optimized for elderly people. This sometimes can isolate some of us due to the way they are designed. This disparity give rise to hindrances, deterring young generation from having access to information related to the scheme as everything is communicated there. I advise the scheme administrator to find strategic way to engage with young generation especially young self-employed like me and my colleagues (Jesca 2024, personal interview).”

Jesca like other 14 among 16 interviewed underlines the significance of making a personalized communication approaches to increase youth participation in the scheme. Furthermore, access to information issues make the process more complex. For several young youths especially self-employed individuals, appearing in community gatherings arranged in customary community locations can be problematic. These gatherings are frequently customized to aged adults, which discourage young people from participating. The approach and communication applied in these gatherings might not inspire young people, directing to a detachment between the plans’ assistance and requirements. The scheme like this could more effectively connect with them, promoting significant engagement and lifelong arrangement.

“For me Ejo Heza can be a good fit for people like myself if we can get relevant information on time. As I combine both my studies and my business, it can be good if the scheme administrator adapt the outreach strategies to the young generation in the environment convenient for them, such as in Universities, business hubs, etc. Aligning outreach to youth specific necessities and favored means of communication might extensively enhance participation, narrowing the gap between accessibility and awareness. This practice may possibly facilitate enrollment (Naila 2024, personal interview).”

To tackle such issues, it is vital for the scheme administrators to adapt their awareness activities more competently. Focusing on learning institutions and entertainment such in schools and universities, commercial locations where some of these group dedicate their time might boost their participation. By connecting with young generation in approaches that work with this group and meeting them where they feel comfortable, Ejo heza can lessen the gap in knowledge dissemination and access to information, which can make it simple for an extensive portion of the people to join the scheme.

4.3.3. Digitalization impact on Ejo Heza

Rwanda’s digital transformation has facilitated the integration of Ejo Heza. It notably influenced how individuals save for their pension, particularly for those working in informal sector. Ejo Heza permits Rwanda citizens and foreigners living in Rwanda, including workers in informal sector to voluntary save for the pension. The majority of workers in Rwanda are based in informal economy, where some of them have no regular and stable incomes which may deter immediate contribution to retirement plan, even if some are contributing to the scheme.

“Since 2020, I have been saving for my pension and I have started gaining interests on my contribution and the government incentives. I can track my account movement every time without any challenge. Giving

us an option to link automatically our digital platforms including bank and mobile money accounts can make saving process easy (Fabu 2024, personal interview)."

The issue Fabu mentioned is typically emphasizing that the scheme should reserve an option for savers to make individual contributions consistently. The initial stage is to make the operations as smooth as suitable, such as automated subtraction from the account (Churchill et al., 2023, p. 24). Available digital channels might be linked with automated saving alternatives, reassuring that even irregular earnings contribute to their retirement plan.

"Making my saving with Ejo Heza is simple, because I can save every time I want, because these days you save what you have. If the scheme can provide an option to automatically link the scheme saving account and our banks or mobile money accounts (Ema 2024, personal interview)."

This spotlights how digital utilities like mobile payments options or bank accounts, regularly used by young self-employed individuals assist electronic savings process. Ejo Heza also provides other saving approaches like money deposit through banks, however, the incorporation of portable phones made it a turning point. Savers can simultaneously monitor their account movement through their mobile phones, reviewing the interests gained and how much they saved. In addition, they can also check the government incentives gained depending on how much they contributed.

Digital conversion has rationalized the saving practice, permitting participants to contribute anytime and everywhere they are. Through the use of banks and mobile phones, made saving more attainable for both informal and formal workforces.

"It was not easy for me to make savings, but after the government introduced Ejo Heza, with my mobile phone I can save for my pension, something that I have never expecting before as a startup entrepreneur (Vicent 2024, personal interview)."

The availability of electronic platforms lessens the obstacles to saving and promotes steady contributions, which assists secure financial safely for the forthcoming.

One of the competitive advantages of Ejo Heza is the way it is linked to the National Identity card-ID. Every single saver's account is associated with the National ID., which guarantees that their contributions can be traced safely. Rwandans and foreigners legally living in Rwanda can certainly sign up with the scheme by the use of their ID. The registration is simplified, and many employees especially those in informal sector can subscribe through digital networks.

*"It was brief and simple to enroll with only my mobile phone and ID, by pressing *506# and follow the guidelines. And I get notified on my mobile phone each time something happens related to my contributions (Patty 2024, personal interview)."*

This structure ensures that people can trace the movement of their account from the serenity of their mobile phones. However, there is a need for enhancement for those who still experience technological challenges and the loss of identity cards or mobile phones. Digital conversion is a process that requires working hand in hand with all concerned individuals to make sure that no one left behind. However, this transition from analog to digital, all savers are not enjoying it equally due to the lack of information and or digital literacy.

One of the participants underscores the challenges of utilizing telephones to monitor the movement of their accounts, precisely after the loss of their identity cards or mobile phones.

“My phone was lost, which made me to replace it and change also my phone number. I opened a new Ejo Heza account so that I can keep on saving. There is no option to merge my first and second account even if my identity card is still the same (Ema 2024, personal interview).”

Similarly Jojo lost her identity card and after she got a new one, she stopped saving because she still don't know what to do.

“I lost my ID card eight months ago and I got a new one with a different Number. Because my ID number is basically seems as my account and it has already changed, I still don't know what to do (Jojo 2024, personal interview).”

This underlines the system capacity gap between an individual identity card and their savings instead of the mobile phone number they utilize. On the other hand, an additional challenge occurs, where savers do not get relevant information on time from the local government administrators.

“I informed my problem to the local government administrators in my place where I live, to help me solve my account's problem but from both cell and sector level, I didn't get a needed support. They told me that they will ask on district level for my raised issue. At the moment, I stopped saving. This seems to me that they care only about achieving their target and don't think about making follow up about what challenges people are facing (Jojo & Vava 2024, personal interview).”

In spite of digitalization advantages, these situation reveal that gaps stay behind making sure all subscribers are enjoying equal and full advantages of the scheme system. On the side of those who are not technically knowledgeable; it remains a challenge to monitor individually their accounts, particularly when they keep on facing technical barriers. Extra practical assistance is locally required, and the system must be adjustable to deal with the loss of ID replacement and mobile phone losses. One powerful recommendation is to link effectively the mobile phone systems and the National Identity cards by establishing a unique identity number that never change to keep savings secured in case of phone replacement or the identity card loss. Although digital conversion has shortened various saving portions, it likewise spotlights the necessity for more comprehensive standards to assist those facing bureaucracy and technological challenges. This is for instance aligned with Guven et al. (2023, p. 38) who argue that the Call center undergone a 15 percent rise in call ups, regardless of six times increase in savers between 2018 and 2021. Productivity increased, with declined calls proportions reducing up to 12 percent from 31 percent, however, human resources remained an issue to meet savers needs. While enhanced efficiency proposes effective service provisioning, the gap between savers growth and human resources size signals operational hurdles in social policy. This shortage underlines the necessity of investment in human resources and infrastructures to align access to services with the increasing demand, safeguarding fair information accessibility to all.

4.3.4. Integrating informal sector workers to enjoy social security Benefits

Self-employed youth integration into the universal social security system through Ejo Heza scheme, presents the marginalization of informal labours from formal pension schemes. By implying planned access to social assistance, the scheme allows young people's involvement in financial management. However, encounters saving consistently disclose both advantages and limitations of such inclusion.

“Enrolling with Ejo Heza supported me to think about my future. Observing an aged man in Nyabugogo (A commercial area in Kigali city) struggling to convey overweight baggage for financial

gain. This showed me the significance of saving for retirement. Integrating us as self-employed to enjoy Ejo Heza benefits reflect a bridge from informality to formality and can reinforce stability during old age, however the process disregards our unstable earnings. Aligning savings with market dynamics would support this scheme to be more feasible for young individuals in informal economy (Ema 2024, personal interview)."

This displays the way, the scheme is not merely offers financial protection but also nurtures a conception of integration to the domestic's overall economic policy. In a particular situation, Naila recognizes the significance of the scheme like this.

Ejo Heza pretends we will contribute consistently, however informal economy experiences intend unreliable incomes. It is difficulty for some of us like me to focus on savings when confronted with unstable income. Even if I am still in the process to join the scheme, I have been wondering how I would survive if I could be unable to work, but recently, with this voluntary scheme I find a safe haven. Earning a stable income as a startup here is not easy, but I am willing to do all my best to contribute regularly to the scheme to establish a supporting system even if I still have to get more information on how the scheme works (Naila 2024, personal interview)."

Regardless of this, she underlined the challenges some of her friends still face to enroll with the scheme such as the fear of irregular earnings and the lack of convincing information.

"I consider the scheme as a logical sequence of steps, but without government intervention for young individuals with limited income, accomplishing the social safety targets of formalization will remain a challenge. I have been doubting to join the scheme, because I was not aware of the importance of social security related services until I met someone in my neighborhood and explained to me everything about it. I got convinced and he assisted me to enroll with Ejo Heza and I am happy that I am saving for my future and willing every young person should do the same as I do. However, some of them don't get relevant guidance as me which deter them to join the scheme. I currently understand well how it is an important investing for my future to enjoy retirement advantages, even if sometimes it not easy to contribute consistently (Ema 2024, personal interview)."

The views expressed underline key encounters the formalization process of informal labor, highlighting irregular income and the necessity for adaptative, comprehensive policies for the purpose of ensuring realistic and friendly social protection for underprivileged young individuals. Several informal labor are traditionally disqualified from contributory social safety schemes due to restriction measures on self-employed workers or obligations that are challenging to fulfill, underlining the necessity for supportive legislative reforms (Barca & Alfes (2021, p. 12). Taking into consideration the households attributes in informal sector is essential in the classification of appropriate social safety support, incorporating productivity improvement measures and related welfare state assistance (Given et al., 2021). These perspectives indicate encounters detected in widening social security contributions to informal employment, getting along with critical viewpoints from African and Latin American social welfare improvements (OECD, 2024; Sojo, 2015). The Ejo Heza suggests an extensive universal welfare styles concerning market driven pension structures, highlighting self-sufficiency amongst limited government support (Chukwuma, 2022, p. 6). However, encounters persist for young self-employed individuals in this arrangement, as the structure's stability is hampered by socio-economic determinants common in low income states, similar to challenges in Asia pension structures (Kudrna, O'Keefe and Piggott, 2023; Nutsubidze and Khatuna, 2024).

4.3.5. Expectations of young self-employed: The way forwards

To be more responsive to the needs of existing and potential participants in Ejo Heza, the government should acknowledge the preferences and challenges of young self-employed individuals in the country. The first suggestion is about applying outreach provisions that are reasonable to this specific age cluster.

“It can be helpful if Ejo Heza administration can organize awareness raising sessions in community hubs surrounding our workplaces, so that we can be able to participate accordingly, this can be followed with a one to one session to more understand the scheme (From a summary of All 14 respondents 2025, personal interview).”

This reveals the significance of decentralizing and disseminating information in friendly exchanges to improve membership. Furthermore, a number of young self-employed suggested a challenge on benefiting pension advantages before the age of 55 years and its limitations. They perceive that taking into account their unstable earnings to reach the saving balance of 4 million Rwandan Franc, equivalent to 2,716 Euros that permit savers to benefit from the contribution before retirement should be revised to meet the current situation to make Ejo Heza attractive and welcoming.

“It is not for everyone to save a great amount of money depending on the situation. On our age we expect immediate interest to keep our earnings grow like young self-employed. For some of us, allowing us to benefit on our contributions to grow our business can be more helpful, and can improve our commitment to enduring saving (From a summary of All 14 respondents 2025, personal interview).”

By amending the advantages arrangement, Ejo Heza can welcome more young self-employed individuals who could be disqualified due to financial restrictions.

Chapter 5. Summary and recommendations

5.1. Summary reflections

Ejo heza represents both advantages and challenges for young self-employed individuals. They understand the significance of pension in their life even if they really need a supporting hand to feel it and make it a reality for some. One of the advantages identified by them is the state's matching subsidies, which is allocated in line with 'Ubudehe' social and economic stratification. This motivation is especially allotted to lower income households where some of these youth belongs, as it improves their savings capabilities and ensures their financial prospects. For certain households who are included in the targeted categories are automatically covered since they decide to comply with the Ejo Heza regulations, as it is perceived as a crucial financial instrument for pension provision.

On the other hand, a substantial objection remains unstable earnings, which causes consistent contributions a challenge for many young self-employed people. A number of them perceive continuing financial obligations as tough, particularly when earnings are unstable. Moreover, the change to benefit on savings before the retirement age for instance utilizing their contribution as a collateral to access a loan, owning a house or investing in education remain a challenge based on income fluctuates and the minimum amount required by the scheme of 4 million Rwandan Francs. The mingled insights, influenced by both advantages and encounters perform an important role in encouraging the choice to join Ejo Heza. Individual with enhanced insights on sustained safety and the matching advantages are more reasonably to sign up, whereas others are hindered by the identified financial problems or the deficiency of direct benefits.

There are various major barriers that restrain young self-employed signing up with Ejo Heza. Irregular earnings is the foremost obstacle that young self-employed individuals are facing, which causes inconsistency in their contributions. On the other hand, others rank first direct financial provisions, which can deter the success of Ejo Heza and its applicability as a long run saving plan. Moreover, the level of awareness and information accessibility about the scheme is still limited to this targeted group of people. A number of young self-employed individuals are willing to enroll with the scheme but they don't have really information on where to start. In addition, customary outreach approaches, such as local citizen assemblies, are frequently adapted to elderly people and young people do not feel comfortable to attend them.

To tackle such issues, there is a necessity for initiating youth specialized awareness campaigns to meet their need both in their related business hubs where they spend a lot of time and in the events that are family with the enhancement of their understanding. Moreover, utilizing online platforms and portable technology might improve participation, as there are more probable to influence young self-employed individuals, wherever there are. In addition, as mobile banking and digital programs increase, there is a need to link Ejo Heza system and the mobile banking related services to make automatic payment of contributions and make savings practice simple and friendly.

Integrating young self-employed individuals via Ejo Heza represents a beneficial impact on incorporating them into traditional economic arrangements. Joining this scheme offer them the right to social welfare, promoting the conception of protection and affiliation with entire

economy. Formalization fosters lasting financial arrangements and assists contributors become more tied to the gross national income. Conversely, a number of young self-employed people find it hard to comprehend the significance of social security, and on the other hand other face practical objections in enrolling or finding steady contribution. Nutsunidze and Khatuna (2024) argue that enhancing saving ratio needs policies improving financial safety and knowledge through customized education for marginalized workforces on retirement income (Nutsunidze and Khatuna, 2024:7).

Financial skills remain a challenge to some uncertain to enroll as a result of worries about irregular earnings and identified contribution costs. Notwithstanding these encounters, the country's continuous efforts to enhance Ejo Heza and empower the young generation about its advantages may Highlights the willingness to integrate young self-employed individuals into the structured economy.

5.2. Recommendations

The government should:

- a) Embrace personalized communication strategies to implant consistent saving culture among young self-employed, highlighting outreach in youth friendly centers and institutions.
- b) Programmed savings through banks/mobile money integration with the scheme can streamlines access, enhancing digitalization and steady financial commitment through constant accessible solutions.
- c) Assigning a staff on sector level in charge of boosting local saving commitment and assist savers in need to fill information gap.
- d) Ensuring sustainable solutions to effectively access Ejo Heza accounts when Identity card or phone number are lost.
- e) Decreasing the major contribution limit for pre-retirement advantages might yield the scheme friendly and engaging to self-employed youths.
- f) Offering continuous learning and assistance is crucial to fully incorporating young self-employed into the scheme. Enhancing financial knowledge, rationalize the significance of social welfare, and underscores the long-run advantages of contributing to the scheme.

The scheme has the prospective to improve financial balance among self-employed young in Rwanda, yet its fulfilment relies on tackling hindrances such as unstable income, limited awareness, and high pre-pension costs requirements. Personalized outreach, digital adaptation, and financial learning experience are vital for enhancing a sustainable culture of saving and ensuring integrated economic development.

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Appendices

Consent Form

Researcher:.....

Working title: Rwanda's voluntary Pension scheme and young self-employed people experience: A case of Gasabo district, Rwanda

Hello, thank you for joining our interview today. The main objective of this research is to explore young self-employed people's experience on subscribing with Ejo Heza voluntary pension scheme. The research is directed by the following question: "How Rwandan young self-employed perceive Ejo heza?" It is surprising that young self-employed people appear interested in voluntary pension schemes. For them, pension is far away. So only immediate costs with no immediate benefits. And they need the resources to make payments. The study will explore their perceptions on this issue. It will also look at the formalization of informal sector workers to have access to social security benefits. These will contribute to how young self-employed understand voluntary pension scheme.

What is involved?

You will be interviewed by myself in a well-informed manner which is like having a discussion. The discussion will be audio recorded and the information will be used in this research. The information will be entirely anonymous (Your name will not be described in the research unless you give the permission to use one of your name). All data will be kept secured and recordings will be expunged after the accomplishment of this degree research. The interview will take 25 to 45 minutes. You will be able to withdraw from this interview at any time before it is complete, and you are allowed to ask me any question related to this research.

Before we begin our discussion, we wanted to ask for your concern about recording this conversation and taking notes throughout our discussion. Is it something you are okay with? If so, please say yes (participants must say it so there is evidence in the record). Importantly, the final report will anonymize the participant's family name and identities.

We would also like to inform you that your participation in this discussion is voluntary and you have the right to withdraw from the conversation at any time during our 45 minutes conversation.

Consent

I have plainly understood the objective of the research and willingly accepted to contribute to the research.

Signature.....Date **(Participant)**

I have without ambiguity explained the objective of this research to the respondent and he/she has understood and agreed to contribute.

Signature.....Date **(Researcher)**

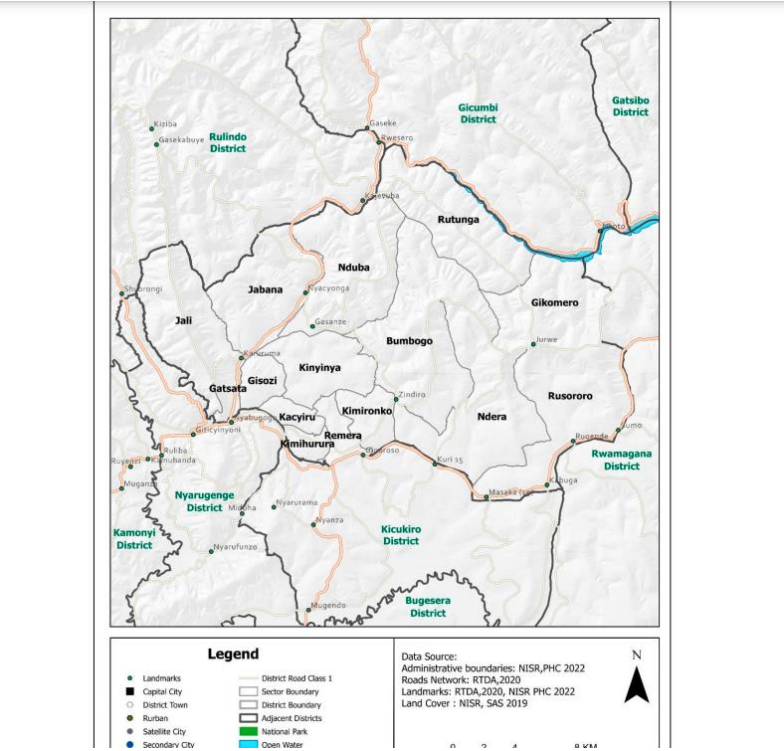
Research guide

Research sub-Questions	Related Questionnaire
1) How Ejo Heza Voluntary pension scheme is perceived with young self-employed people?	<ul style="list-style-type: none"> • Do you think is necessary for you and self-employed youths in general to think about pension? At which age or time do you think is better to join these scheme? • In your position, how do you perceive Ejo Heza and its benefits and how your perceptions determined your decision to join or not? • What is your experience on balancing your financial priorities and a lifelong financial estimate shape your perceptions on the adequacy and relevance of Ejo Heza for your long-term protection? • Do you feel it will be possible to benefit from Ejo Heza before your retirement (e.g. in paying for education, for purchasing a home etc.). • What do schemes like Ejo Heza represent or mean to you about the role of the government in supporting people?
2) What are the limitations/barriers of self-employed young adults to subscribe to Ejo Heza?	<ul style="list-style-type: none"> • In your opinion, what are the key challenges you have confronted when taking into account or trying to enroll with Ejo Heza, especially in terms of financial obligation, information accessibility, or awareness? and What do you think the government can do to address these challenges? • What is your opinion about digital transformation implication in relation to Ejo Heza in Rwanda? • In which way do you think ejo Heza can shape your integration to formal economic systems especially the accessibility to social security? • Do you have any additional benefits or aspect would be included to make Ejo Heza responding to the needs of clients for sustainable financial security in Rwanda?

1. Closing

Thank you for sharing your insights on the what motivate young self-employed people to subscribe to Ejo Heza voluntary pension scheme in Rwanda. It's been great to discuss this issue. Your thoughts and experiences have given us a better understanding of the challenges and what to undertake next for this issue. Your contribution is appreciated.

Gasabo district Administrative map



Source: Fifth Rwanda Population and Housing Census, 2022 (NISR)