



**THE ROLE OF SPECIAL ECONOMIC ZONE ON JOB
CREATION IN RWANDA
A CASE STUDY OF KIGALI SPECIAL ECONOMIC ZONE
(2014-2017)**

**A Dissertation Submitted to the University of Rwanda, College of Business
and Economics in Partial Fulfillment of the Requirements for the Award of a
Master Degree of Business Administration (Project Management Option)**

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DECLARATION

I, NDUWIMANA Emmanuel hereby declare that this thesis entitled the *“Role of Special Economic Zone on Job Creation in Rwanda, a case study of Kigali Special Economic Zone, in the period of the Study from 2014-2017”* is my work and it has not been submitted for any degree. All the sources I have used or quoted have been indicated and acknowledged by complete references.

Signature..... Date...../...../.....

NDUWIMANA Emmanuel

APPROVAL

This is to certify that this thesis entitled the ***“Role of Special Economic Zone on Job Creation in Rwanda, a case study of Kigali Special Economic Zone, in the period of the Study from 2014-2017”*** was conducted by NDUWIMANA Emmanuel under my supervision and guidance.

Signature..... Date.....

Supervisor:

DEDICATION

To

The almighty God,

My family members,

My lecturers from all levels,

My dissertation's supervisor, and

My friends as well as my colleagues.

ACKNOWLEDGEMENTS

My special gratitude goes to Almighty GOD for his enormous love, guidance, protection and blessing towards me while doing this study. My thanks are addressed to parents, brothers and sisters for their encouragement and moral support while I was conducting this study.

My deep appreciation goes to my Supervisor, for his vital professional guidance, sacrifice and careful Supervision which had made this research project feat. Dear sir Prof. Bideri Ishuheli NYAMULINDA, I appreciate and recognize your kind support for my work.

I would like to appreciate all those who contributed, immaterial or moral support that leads me to the accomplishment of this study. I would also like to recognize all the staff of UR-CBE especially all my lecturers and my classmates for their generous and bright encouragement given to me to overcome some hindrances throughout my studies

Lastly, I also wish to extend my sincere gratitude to my friends and classmates with whom I used to share materials and ideas and others. I also appreciate anyone who contributed to my academic success, for that thing, any contribution offered is valued.

NDUWIMANA Emmanuel

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LIST OF ABBREVIATIONS/ ACRONYMS

CEOs	: Chief Executive Officers
CIIP	: Competitive Industries and Innovation Program
EPZ	: Export Processing Zones
FDI	: Foreign Development Investment
FTZ	: Foreign Trade Zone
GDP	: Gross Domestic Product
GMS	:Greater Mekong Subregion
GoR	: Government of Rwanda
Km	: Kilometers
KSEZ	: Kigali Special Economic Zone
MINICOM	: Ministry of Trade and Industries
MPZ	: Multi-purpose zones
PEZ	: Prime Economic Zone
RDB	: Rwanda Development Board
SPSS	: Statistical Packages for Social Sciences
SSA	:Sub-Sahara Africa
UR-CBE	: University of Rwanda College of Business and Economics
USA	: United States of America

ABSTRACT

The study investigated the role of special economic zone on job creation in Rwanda. The objectives of this study were to find out categories of jobs created since KSEZ's inception; to find out which industries have created more job opportunities, to find out the duration of employment, and to seek companies' opinions on what should be done to create more jobs. The study acquired the qualitative and quantitative approaches; the study used all 69 companies that are operational in KSEZ Phase I&II. The respondents size of this study were 140 respondents included by sixty nine human resource managers and sixty nine CEOs from 69 operational companies in KSEZ, and two respondents from PEZ as operator of KSEZ. The Instruments of data collection were the open ended Questions, and documentary instruments. During the study, the results are presented in accordance with the research objectives. Where, there are more females (69.6 percent) in Human resource management department than males, whereas males occupied 65.2 percent of chief executive officers in KSEZ.

Thus the highest of number of human resource managers are found to be in 41-50 age bracket (40.6 percent), whereas 55.1 percent of CEOs are above 51 years of ages. Data obtained shows that companies that are in clothing and garment industry and companies involved in food processing generated more jobs respectively 38.5 percent of jobs created in KSEZ are tailors and 22.1 percent of job created in KSEZ are food processing personnel, that is to say that two highlighted jobs occupied majority that is 60.6 percent of total jobs in KSEZ.

Findings on the propositions given for creating more jobs in KSEZ are that Rwanda Government should continue to create other new industrial parks around the country which give more job opportunity to citizens, they should also continue to sustaining the security and infrastructure attracting foreign investors to invest in our country and reduce the rate of taxation to the industries that create more jobs citizens like these garment companies, food processing companies. As to conclude, the objectives of the study were achieved, the problem of the study was solved, and the questions answered by saying that there is significant relationship between SEZs and job creation in Rwanda based to information collect from KSEZ. Government of Rwanda is recommended to continue looking different strategies to be used in reducing unemployment rate in Rwanda.

KEY WORDS: SEZ, Job creation, and KSEZ

CHAPTER ONE

GENERAL INTRODUCTION

The first special economic zone started in 1937 in New York, the United States of America. The other name of SEZ is “Free Trade Zone”. In 1942 in USA invested in forming the SEZ in Puerto Rico, since then, other countries have also established SEZ but might be in different name. Iceland and Taiwan established SEZ in 1960. India established SEZ namely “Export Processing Zone” in 1980. One of the most well-known SEZ is Shenzhen special economic zone has been located in more than 135 countries around the world, the inventor of SEZ has 257 areas of Free Trade Zone and 545 area of FTZ subzone (Baeumler, Axel, et al., 2009).

1.1 Background of the Study

Many countries Worldwide have started to implement SEZs as the mechanism for their industrialization process specifically as a way of interesting foreign direct investments mostly in the manufacturing sector, creating job opportunity, generating exports and foreign exchanges, and so on (Asian Development Bank, 2007).

China is one of the most effective country in terms of leveraging SEZs to achieve far-reaching economic transformations which involves laws, regulations, taxation, land, labor, customs, immigration, and etc. then it was estimated that in recent years, SEZs at national level accounted for about 22% of national GDP, 46% of FDI, and 60% of exports and produced in excess of 30millions jobs (Zeng, 2010).

In the Sub-Sahara region, numerous countries launched zone agendas in the early 1970s (Liberia in 1970, Mauritius in 1971, and Senegal in 1974, but they did not operationalize agendas until the 1990s or 2000s. Also, these zones are largely different from the modern large scale multi-use zones that now being proposed (Farole, 2011). The lack of data makes it hard to have a comprehensive analysis of Africa’s performance in SEZs in terms of investments, exports, and employment in comparison to other regions (Lin et al,2011:UNECA, 2011).

IMF(2012), studying more African countries for over the long time period, shades a more optimistic representation of essential transformation of industry management by creating SEZs and productivity change in African countries. Special Economic Zones are capable to interest

investment that would otherwise not have been able to come, then they create further jobs. There is employment effect from SEZs where about 3,000 Zones in 135 countries, accounting for over 68 million direct jobs and \$500billion direct trade-related value added inside zones (FIAS, 2008).

Generally Special Economic Zones do not show a large role in employment in most African countries. Some 1 million SEZ jobs were found in 91 Special Economic Zones in 20 Sub-Saharan Africa are established in South Africa, but a important share of employment in EPZs is also found Mauritius, Lesotho, Kenya, Nigeria and Madagascar (ILO, 2007). In Ghana, employment in SEZs increased from 4,000 in 1998 to 27,798 in 2010. The share of SEZ employment as percent of Total formal employment is around 3% in Tanzania and Ghana and around 1.5% in Kenya (where the share of SEZs in manufacturing employment is 15%) (World Development Bank Report, 2013)

1.2 Kigali Special Economic Zone

The policy of special economic zone in Rwanda is intended to address domestic private sector limits such as availability of industrial and commercial land, readiness and the cost of energy, limited transport linkages, market access and reduced administration and availability of skills. Special Economic Zone program offers selected serviced land for small and large scale industrial development, as well as consistent, quality infrastructure, competitive fiscal and non-fiscal regulations and modernized administration procedures. The poor labor and working conditions from many zones permitting companies to fulfill with international and national principles (Gabriel, Omoh, 2015).

The government of Rwanda introduced Kigali Special Economic Zone and started the acquisition of KSEZ land in 2006 , KSEZ is owned, operated and developed by Prime Economic Zones (PEZ) of which the government is one of seven shareholders, alongside RSSB, SONARWA, BRD, MAGERWA, Crystal Ventures Ltd. and Prime Holdings. PEZ raised capital finance on the domestic market for development, then Prime Economic Zone started the development of infrastructure in KSEZ land in 2008, where 6.5 kilometers of asphalt concrete roads, industrial designed water and electricity networks, centralized sewage treatment plant, fiber optic network and firefighting system were developed. KSEZ phase II occupies a total area of 202 Hectares of which 178 hectares are industrial use and 24 are for green belt.

Development of infrastructure in KSEZ phase II started in 2013 where as KSEZ phase 2 with 6.7 Km of asphalt concrete roads, industrial designed water and electricity networks, sewage treatment plant, fiber optic network and firefighting system were developed. Some industries are already operational in KSEZ phase II and others are under construction (PEZ, May 2018).

This research examines the role of SEZs in promoting employment and precisely examines whether and how the creation of special economic zones (SEZs) can support to promote job creation that can be sustained over time and which can raise an economy's productivity and have linkage effects on the rest of economy, including through effects on export advancement technology and skills in Rwanda.

1.3 Problem Statement

Because of the inadequate conditions and absence of opportunities in rural Africa have stimulated youth to migrate from rural to urban centers. Despite that most countries have not yet started their transition to industrialization, urban centers cannot create a massive number of jobs. Hence, in the short term, only rural activities, farm and non-farm, can successfully create occupation for most job seekers. Given the challenges faced by youth in labor markets, success in pursuing employment for young people require long term, concerted actions, spanning a wide range of policies and programs. Indeed, success is not achieved and constant through split and isolated interventions (Bräutigam,D., and Tang, X., 2013).

For addressing the youth employment challenges is the need for integrated strategy for rural development, growth and job creation which covers the demand and the supply sides of the labor market, and takes into account the youth mobility from rural to urban areas. Combined with targeted interventions to help young people overcome disadvantages in entering and remaining in the labor market like SEZs implementation (Watson, P., 2012). By considering African special economic zone plans, it is important to consider that most African countries are relatively latecomers in executing modern special economic zone programs and many of these zones are still in the initial phases. The revolution and rebalancing of the global value chain and industrial organization can possibly provide a good opportunity for these special economic zones.

Considering the investment, exports and employment generation, the African special economic zones are falling behind the rest of the world. The major reason might be the weak business environment (Farole, 2011).

Accessibility of employment in Rwanda is one of the major challenges that face unemployed persons and workers wishing the improvement their working situation. As a fast growing economy, Rwanda has envisaged several reforms aiming at rapidly transforming socio-economic situation of the country where Special economic zone was initiated assuming also to be a way of creating more jobs.

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

Kigali Special Economic Zone has accommodated different types of industries included by Light and heavy manufacturing industries, large scale industrial plants, industries requiring excellent national and international communication network, logistics industries that requiring close links with other firms (those firms which produce component parts for the same product or those involved in separate stages of the same industrial process), commercial wholesalers, chemical and plastics and pharmacy, warehouses, service and tourism industry and ICT and telecommunications are solution in job creation opportunities to many Rwandan citizens especially these industries like garments manufacturing, fortified food processing, and biscuit manufacturing in the area, the estimated number of job to be created in SEZs is 3,575 off-farm, fulltime jobs and \$2.7m worth of exports annually. However, no study has been done to investigate the role of KSEZ in job creation, thus this study aims to fill this gap.

1.4 Objectives of the Study

The objective of this study is divided into two categories such as general objective and specific objectives

1.4.1 General objective

The general objective of this study is to investigate the role of special economic zone on job creation in Rwanda

1.4.2 Specific objectives

Specific objectives should be as follows:

- i. To find out categories of jobs created since KSEZ's inception.
- ii. To find out which industries have created more job opportunities
- iii. To find out the duration of employment
- iv. To seek companies' opinions on what should be done to create more jobs

1.5 Research Questions

The study seeks to answer the following research questions during this research

- i. What are categories of jobs created since KSEZ's inception?
- ii. Which industries have been created more job opportunities?
- iii. What is the duration of employment?
- iv. What are the companies' opinions on what should be done to create more jobs?

1.6 Significance of the Study

The findings of this study; would be used by development actors who include; the government, community, and scientific and academic.

However, the government would be able to identify and review current policies on project implementation in terms of access to better infrastructure(roads, water, electricity ,ICT and sewage treatment system) than available elsewhere; better trade facilitation, both in terms of expedited customs procedures and in terms of greater likelihood of entering into the duty remission scheme(offering import duty exemptions; and better aware of tax incentives, new laws and regulations, and can more easily push for policy change to address specific challenges in order to create employment opportunity to youth population in Rwanda.

The local community would profit from the study through enhanced knowledge and information of what should be their contribution, as they are the beneficiaries of the project execution like SEZ and the way to obtain the job opportunity. In terms of scientific and academic, the research findings will be used as reference document to the next generation of university of Rwanda; it completed the gap left by previous literature.

1.7 Scope and Delimitation

This research was limited in the space, time and domain.

In space, this assesses the information from KSEZ which has been set up by the government of Rwanda to address some key issues that may affect doing business by providing necessary infrastructure and effective incentives.

The development of Kigali Special Economic Zone so far was done in two phases. Phase I of KSEZ is on 98 hectares of land with all the plots (89 in total belonging to 61 investors) completely booked and phase has been also developed but not fully booked some plots are available for willing investors.

In time, the study covered the period of four years, from 2014-2017. This period is not haphazardly chosen because it was in 2013 that KSEZ phase II has been started to run the activities and from 2014 up to 2017 is where break-even of the project in creating employment opportunity to citizens. This research was specifically in the field of project management, where it assessed the role of special economic zone on job creation in Rwanda.

CHAPTER TWO

LITERATURE REVIEW

This chapter looks at what has been already published by some accredited scholars and researchers who wrote on related study. It illustrates the definition of key concepts, theoretical review, and empirical studies where gap analysis of this study found.

2.1 Definition of Key Concepts and Measurements

Special Economic Zone (SEZ)

A special economic zone is an area a country that is subject to unique economic regulations that differ from other areas in same country. The SEZ regulations tend to be conducive to foreign direct investment. Conducting business in an SEZ typically implies that company will receive tax incentives and the opportunity to pay lower tariffs (Watson, P., 2012).

Special economic zones (SEZs) are districts within a country in which businesses are exempt from various government policies that apply in the rest of the country. Their usual purpose is to stimulate foreign investment and trade and to attract technology transfers without having to alter policies throughout the country. Special policies within zones may include lower tax rates, exemption from foreign-exchange and price controls, suspension of labor standards or licensing requirements, and so on (Chee, Kian, L., 2007).

According to the world Bank, (2008) SEZ is to determine individually by each country where typically includes a geographically limited area, usually physically secured (fenced-in); single management/ administration; eligibility for benefits based upon physically location within the zone; separate customs area (duty-free benefits) and streamlined procedures. Special economic zone are those industrial zone that have been set up by government to attract foreign companies to invest in the country and creating job opportunity to people.

According to definitions given above, Special Economic zone (SEZ) is an administratively separated part of polish territory where investors may run their business activity based on specific preferential conditions

Job Creation

Job creation is the notion of jobs created in response to some sort of event or situation. Conceptually, it is a proactive opposite of unemployment. It is the mostly term used for political rhetoric. For example, a candidate might suggest that a particular taxation or subsidy program, or regulatory framework, create new jobs (Aggarwal,A.,2005).

Job creation presumably would occur if the government grew and hired more people to operate it. or if demand for goods and services grew substantially. For demand to grow there would need to be a significant base of buyers for those goods and services. Job creation fails if the principal consumers refuse to buy because they have insufficient money for them; further, if they feel economic pressure, they borrow less (Baeumler, A al., 2009).

2.2 Categories of jobs created in SEZ's inception

According to Zeng, (2010), they are two major types of profit from special economic zone , that in part describe the popularity of SEZ that is static economic profit like as employment generation, export growth, government revenues, and foreign exchange earnings; and more then dynamic economic profit like skills advancement, technology transfer and innovation, economic diversification and finally productivity improvement for local companies.

The categories of job created since SEZ's inception are accountant; admin& clerical; general labor; pharmaceutical; automotive; professional services; banking; purchasing; procurement; biotech; health care; quality control; broadcast and journalist; hotel and hospitality; real estate coordinators; business development; human resources; research construction; information technology; restaurant; food services; consultant; installation; maint; repair; retail officer, customer service; insurance; sales officers; designers; inventory and distribution managers; labor; engineers; management; supply chain manager; marketing officers; transportation and warehouse officers.

Direct job creation

Considering labour-intensive activities, companies in special economic zone institute,an important source of job opportunities.in developing countries we may found labour at low wages which attract investment into simple handling labour intensive industries. This increases the demand for unskilled labour within the zone. And it will lead to higher change value added

activities as Special economic zone increase, it will raise the demand for skilled labour , additionnaly it will generate employment for unskilled labour by creating demand for physical infrastructure within the Zone.

As a result of that local construction industry giving employment to unskilled labour. Special Economic Zone in Malaysian is facing labour scarcity the industry. There is demand for utilities such as water, electricity, communication, and administration rises. The significance increase in demand for various support services such as, hotels and restaurants,also in transportation, that is estimated to have a significant impact on job creation (Sivalingam, 1994).

Indirect job creation

Major operations of the Special economic zone are indirectly showing indirect effect on employment opportunities in the sectors of economy.which may comprise transport, communication, automobile, shipping, tourism, civil aviation,hospitality, packaging, banking, and insurance.The generation of employment opportunities for both unskilled and skilled labour. Additionnaly there are three other channels from side to side which special economic zone create impact on job crearion. The first one is that Special Economic Zones gives foreign exchange earnings that release the foreign exchange limitations of the rest of the economy regarding the import needs of the rest of the economy and speed up investment activities. Funds generated from special economic zones facilitate generation of economic activities and jobs. Secondary it generates economic activity outside the zone due to the change of investment funds into fixed assets and purchase of service and input from the recreation of the economy. Finally revenues generated,increase the demand for numerous goods and services such as housing, education, health and transport. That has a multiplier special effects on income and job opportunities (Madani, 1999).

2.3 Industries that have created more job opportunities.

The creation of new jobs is the cornerstone of economic growth and development. Over the past three decades, scholarly work on job creation has focused on understanding the contributions of different populations of firms new and existing, large and small to the overall creation of new employment (Birch, 1979; Neumark, Zhang, & Wall, 2006).

Despite the critical role of new firms in contributing to macro level of employment outcomes, there exists little theoretical and empirical research at the individual and organization levels that can help explain the specific factors that either enhance or constrain a new firm's ability to create jobs (Shane, 2003). Because of improved knowledge on the features influencing job creation in new companies would not only be of key significance for the structural in labor market, considering entrepreneurship literatures (Davidson, 2004; Ireland, Reutzler, & Webb, 2005), it would rather be a vital attention to policy makers as governments seek to implement policies and plans to ensure that citizens can find jobs (Osterman, Kochan, Locke, & Piore, 2002).

Jobs creation is noted in the following types light and heavy manufacturing industries, large scale users industries plants, industries requiring excellent national and international communication network, industries requiring close links with other firms, wholesalers, chemical, plastics and pharmacy, warehouses, service and tourism industry and telecommunications, other services as creating job opportunity to national and foreigners people (World Bank, 2008) companies create jobs and boosting businesses to take root in development countries has been a long and creating further.

2.4 Duration of Employment in SEZs

Special economic zones provides direct impact at the company level particularly impact on the domestic companies presents a challenge, since there is a lack of data, then in part due to the difficulty in finding suitable companies which can serve as controls with which to make valid comparisons. On the other hand indirect measures suggest impact of special economic zone on exports, employment, investment even on firms outside zones, however it is rare to find out those assessments, the major source of information on the special economic zones' overall impact as international labor organization's Export Processing Zone study (Boyenge, 2007).

According to Glick & Roubaud, (2006) argued that there are different duration of employment contract in SEZs where some employees signed the contract of less than 1 year of employment contract; between 2 to 4 years of contract; from 5 to 7 years of employment contract; between 8 to 9 years of employment opportunity in SEZs; and the 10 years and above of employment contract or undetermined employment contract signed with SEZs. In terms of unionization. Both

Glick&and Roubaud, (2006) find that there is more labour unions in Export Processing Zones than private sector outside in Madagascar.

According to Gabriel M., et al., (2010) reviews of employment literature; perspectives for research and development in Latin America on Temporary employment has become a key issue in the last decades: it has been considered as the major point in this changing world. The effect of temporary job for employees have not yet been established, due to many variables that affect the practical outcomes. The research contributed on updated overview of the main characteristics associated with temporary employment and the most recent empirical studies on outcomes associated with temporary employment is presented. Additionally attention is drawn to temporary employment research in Latin America, so that it can contribute to the development of the field and the viewpoints for future research.

Hillary T., Wandera, (2011) in his studies it has extent across industries from manufacturing to services and other occupations, such as construction workers, bankers, registered nurses, and ICT personnel. Findings was that there is an increase in usage of temporary employees since there is an increase international competition then there is a need of cost benefit analysis in undertaking businesses in order of remaining competitive. objective of the study was to determine the effects of contracting staff on short term contract basis within the organization. It has been found that Short-term employment contract affects productivity of staff in the companies since a lot of time and effort is being used in training new employees as their turnover is always high. Additionally the note on that was exact nature of temporary employment increases spirits of divided loyalty on the part of temporary workers. Which reduces their level of commitment and productivity at work.

In order to overcome challenges of short term employment, the following would be proposed gradually engaging temporary employees to permanent employment when suitable job opportunities are available, providing on job trainings to short-term employees to equip them with skills so that they could be more productive and often review their compensation and benefits terms for staff with short term contracts. Additional recommendations were to adapt short term employment contracts in times of economic crisis; and use the assimilation of temporary employees into the company once it offers induction and investment in skills by training in order to increase productivity and improve loyalty of staff to company and commitment to the job.

2.5 Theoretical Review

2.5.1 Human capital theory

According to human capital theory, individuals possessing greater knowledge and experience will be more successful than individuals possessing lower levels of such human capital (Becker, 1964; Mincer, 1974). The recruitment of employees adds more complex responsibility and presents challenges to the role of company's owner (Blanchflower, 2000), owners with higher human capital should address these challenges easily and create more jobs than owners with less human capital (Burke, FitzRoy, & Nolan, 2000), little is known about the kinds of human capital appropriate job creation in new companies since there are few studies on it, on whether higher human capital awards of company owners would top to more job creation.

Employees are considered to be the important asset of company, even few employers are able to couple the full prospective from their employees. Lado and Wilson (1994) define a human resource structure as a set of different but interconnected activities, functions, and processes that are concentrating at attracting, developing, and maintaining a company's staffs. Usually management of this structure has extended more attention from service companies than manufacturing companies. Still to enhance working performance, effectively managing this structural is equally significant in both categories of companies.

A sophisticated technologies and innovative manufacturing practices alone can do very little to enhance operational performance unless the required human resource management (HRM) practices are in place to form a consistent sociotechnical system (Ahmad & Schroeder, 2003).

The impact that HRM policies and practices have on the overall firm performance is very important, not only in terms of human resource management but also industrial relations, industrial and organizational psychology (Huselid, 1995). And the main goal of all companies is to regularly exploit and develop their bottom line. Some managers consider human resource management as an integral part of this, whereas others have questioned its rationality. Interest in this area has increased in recent years as academics have claimed that a company's employees can provide an organization with a typical form of competitive advantage that is hard for many competitors to

copy. Wright and McMahan,(1992) support this when they state that employees would provide a source of sustained competitive advantage as long as four criteria are available.

1. Employees are adding productivity in production process within the company, hereafter the levels of individual contribution matters.
2. Because human performance is normally distributed, the skills the firm seeks must be rare.
3. Other companies cannot easily emulate the human capital investments that a firm's employees represent.
4. It is important too notice that employees of the company are not substitute by use of technology or any other substitutes if the company is willing to provide company's sustainable competitive advantage.

According to Huselid (1995) Human resources practices should be in line with atleast two measurements of its performance. As long senior HRM practices increase contribution of the staff to the organization, and it has affect outcomes that employees have direct control over, like turnover and productivity. It would in turn increase the corporate financial performance which would come about as a result of lower turnover and improved productivity. Above rules are supported by several empirical works that have been carried out by various Human resources academics and specialists. Considering this theory supports us to examine some of the basic rules and any gaps that exist in this area. Additionnaly it studies the applicability of some of these common human resource theories in Rwandan contextbut also considering its relevance across industries.

2.5.2 Employment creation and structural transformation theory

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

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

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

2.6 Empirical Studies

Michael Osborne, (1986): China's special economic zones: the study aims to assess the effects of establishing of SEZs on china's national economy. The study provides a review of the policy context and reforms, traces foreign trade and foreign direct investment performances, and then evaluates the SEZs in China. Furthermore, it examines the future role SEZs in the light of China's experience. The study shows that SEZs were established as part of the new "open door policies" that took place in the 1970s. The main findings of the study was that there was an increase in foreign direct investment in SEZs and at the same time, there was an increase in the infrastructure cost.

Wong, K., (2000) attempted to provide a review of the latest development of China's SEZs, assessing their achievements in terms of the attraction of foreign capital, export growth and foreign exchange earnings and Technology transfer. Reforms and innovative measures initiated in the

zones that have implications for other parts of China are also discussed. Problems encountered in course of SEZ development are examined, nothing in particular the heavy capital expenditure on infrastructure provisions, the development of trade-based economy, the over-ambitious objectives which would be difficult to achieve in short period of time as well as other economic and social issues. It is observed that the development of the SEZs has been proceeding without careful and coordinated planning and that the designation of economic development zones in the open coastal cities stands to undercut the allures of SEZs and has made the latter much less “special” than they used to be.

Aradhna, A., (2007) studied the impact of special economic zones on employment, poverty and human development. This study aims at examining the impact of special economic zones (SEZs) on human development and poverty reduction in India. It identifies three channels through which SEZs address these issues: employment generation, skill formation (human capital development), technology and knowledge upgradation. It examines how the impact of SEZs is passed through each of these channels. The study finds that the modality differs significantly according to the characteristics of the SEZs, in particular, the level of their development as reflected in the composition of economic activities. Within this framework, the study examines the sectorial and economic composition of SEZ activities in India. It finds that labour intensive; skill intensive and technology intensive firms co-exist in India’s zones and, therefore argues that all the three effects described above are likely to be important in the Indian Context.

UNPD (2015) shows comparative study on special economic zones in Africa and China. Economic growth in Africa is progressing at an impressive rate, with projections for 2015 placing seven African countries among the world’s ten fastest growing economies and forecasting strong growth for most of the continent’s countries for years to come. Despite this strong economic growth, job creation and poverty reduction remain major challenges for governments across Africa. Many countries are looking to china, which has proven over the last three decades that industrialization can create jobs and allow unprecedented numbers of people to move out of poverty.

GMS, (2016) carried out the role of special economic zones in improving effectiveness of GMS economic corridors. Government in the Greater Mekong Subregion (GMS) are interested in building special economic zones (SEZs) as an impetus to stimulate economic activity along GMS

economic corridors and especially in the border areas. A proposal for a study on the role of SEZs is strengthening competitiveness of GMS economic corridors was endorsed at the February 2016 GMS senior officials meeting. The aim of that paper was to analyze factors behind the success or failure of SEZs within GMS corridors, as well as to provide indications of the potential role of SEZs in future GMS economic corridor development.

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

Ota T., (2003) analyzed the changing roles of SEZs in the context of China's economic development and some of emerging problems that SEZs were confronted with at the new stage of development. An attempt is laid here on study of policy and performance of the SEZs in comparison with those of Asian EPZs, which managed to shift their industrialization strategy from the import-substitution to the export-orientation at the critical stage of development. The SEZs were in a better position to elicit lessons from the experiences of Asian EPZs, despite various conditions and limitations of economic reform policy in 1979, China's economic development is quite impressive with her average annual rate of economic growth of over 10% between 1980 and 1995, increasing her GDP from 451.8 billion yuan to 5826 billion yuan. SEZs apparently triggered her economic growth.

2.7 Conceptual Framework

In order to solve the problem, the researcher establishes the relationship between independent variable in terms of effectiveness of SEZs and the dependent variable in terms of job creation. The conceptual framework is shown in figure 2.1 as follows:

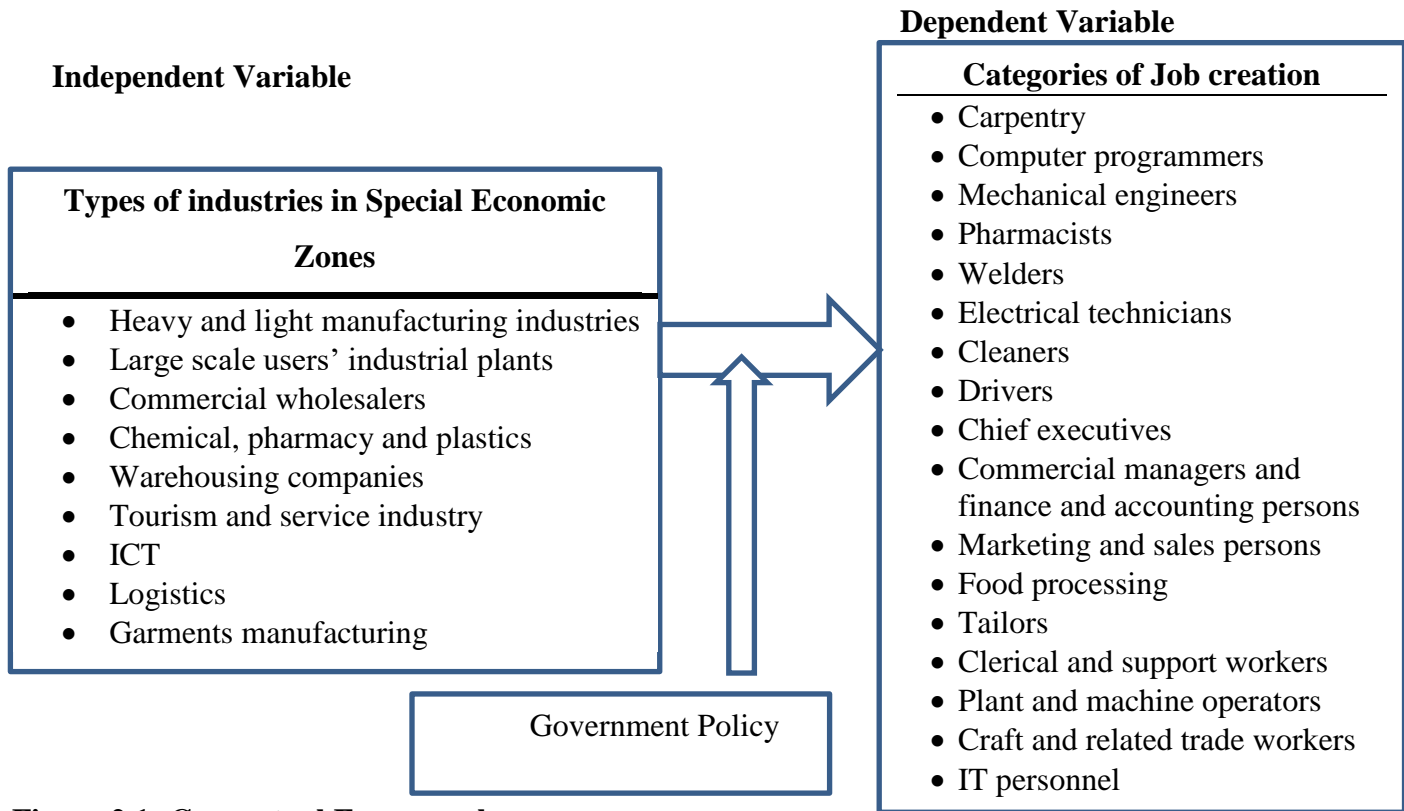


Figure 2.1: Conceptual Framework

The conceptual framework shows the concepts related to SEZs and job creation. In terms of SEZ, it is determined by heavy and light manufacturing industries; large scale users' industrial plants; commercial wholesalers; chemical, pharmacy and plastics; warehousing companies; tourism and service industry; ICT; logistics; and garments manufacturing in terms of independent variable while on the side of job creation was determined by carpentry, computer programmers, mechanical engineers, pharmacists, welders, electrical technicians, cleaners, drivers, chief executives, commercial managers and finance and accounting persons, marketing and sales persons, food processing, tailors, clerical and support workers, plant and machine operators, craft and related trade workers, and IT personnel, stated jobs have been created in mentioned types of industries because of favorable policy established by the government of Rwanda.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter presents the techniques of data collection and methods of data analysis. It shows also the research design, study population, sample size, and sampling techniques. The instruments used in data collection such as interview guide, observation, and documentary techniques. Source of data, data processing and analysis methods are illustrated in this section.

3.1 Research Design

In respect of this research at KSEZs, the researcher acquires the qualitative and quantitative approaches. The study used qualitative approach where it used open ended questions by asking management of the companies in SEZ about opinions on what should be done to create more jobs. The study used the quantitative approach by assessing secondary data on the categories of jobs created since KSEZ's inception; and industries that created more job opportunities; and the duration of employment contract.

3.2 Study Population

A population is a group of individuals or a body of people or any collection of items under consideration from which samples are taken for measurement (Jill, and Roger, 2003). In respect of this research, the researcher used all 69 companies that are operational in KSEZ Phase I&II. The specific people to to be asked questions are Human Resources manager and chief executives of operational companies in KSEZ with two directors from Prime Economic zones Ltd that will make the number of respondent to be 140.

3.3 Sample Size

The respondents size of this study included sixty nine human resource managers because they are the one with information on categories of job created since KSEZ's inception and duration of employment on the otherside sixty nine CEOs from 69 operational companies in KSEZ would be asked on opinions on what should be done to create more jobs, finally two respondents from PEZ as operator of KSEZ will be asked on industries that have created more job opportunities and give opinions of what should be done to create more jobs.. This means, total number of respondents is 140 respondents. However, respondents' size was determined using census sampling technique.

3.4 Data Collection

This part includes instrument development and the techniques of data collection used by the researcher for gathering information from respondents.

3.4.1 Instrument Development

Open ended Questions

During this research at KSEZ, the instruments of data collection included by open ended questions were addressed to HR and CEOs of operational companies respectively human resources managers were asked about what are categories of jobs created since KSEZ's inception? And what is the duration of employment? Then, CEOs of operational companies were asked on what are the opinions on what should be done to create more jobs? Additional, Prime Economic Zone directors were asked on which industries have been created more job opportunities. The data collected from respondents helps to determine role of special economic zone on job creation in Rwanda especially Kigali Special Economic Zone.

Documentation

Documentary technique is used by the researcher as materials which contain the information about a phenomenon that researcher wishes to study. In this study, the documents targeted are the available reports about categories of jobs created since KSEZ;and the duration of employment contract.

3.4.2 Data Collection Techniques

Information gathered come from a range of sources, and variety of techniques used when gathering both primary and secondary data, in this research for primary data, open ended questions in personal interview was used, and for secondary data; desk review which is an important part of assessment by collecting, organizing and synthesizing available data(documents,report,and company's website and publications) was used to collect secondary data in KSEZ operational companies, through that the researcher gains an understanding of the role of SEZ on job creation in Rwanda.

3.4.3 Data Analysis Methods

Data analysis used for data found at KSEZ has two prominent methods: qualitative research and quantitative research. With the help of Microsoft Excel 2016 and statistical package for social sciences (SPSS) to analyze collected data, quantitative method is used to describe frequency and percentages of respondents included by ages, gender, and marital status of respondents. It describes also the opinions of respondents about what to be done for creating more jobs in KSEZ.

CHAPTER FOUR

ANALYSIS, AND INTERPRETATION OF FINDINGS

This chapter presents the findings obtained from data collected in relation with the role of special economic zone on job creation in Rwanda specifically Kigali Special Economic Zone since 2014 to 2017. The results are presented and interpreted in accordance with the research objectives such as to find out categories of jobs created since KSEZ's inception; to find out which industries have created more job opportunities; to find out the duration of employment; and to seek companies' opinions on what should be done to create more jobs.

4.1 Systematic Presentation and Analysis of Data

The researcher went to the field of research (especially Kigali Special Economic Zone) to distribute the questionnaire to the 140 of respondents where they were given three days of responding the questions. After data collection, the findings indicated the participation rate was the 100.0% for answering the questions. This helps the researcher to continue with editing, coding, and tabulation in order to make statistical tables by using SPSS version 20.0.

4.1.1 Characteristics of Respondents

This section identifies the gender, age, and marital status of respondents who participated in this research in KSEZ.

Gender of Respondents

Gender is the range of characteristics pertaining to, and differentiating between masculinity and femininity. The gender influences job opportunities for people according to industry category. The information contents on table 4.1 show gender distribution of respondents during this study at KSEZ, PEZ.

Table 4.1: Gender Distribution of Respondents

Gender	HRM		CEOs	
	Frequency	Percent	Frequency	Percent
Male	21	30.4	45	65.2
Female	48	69.6	24	34.8
Total	69	100.0	69	100.0

Source: *Primary data, 2018*

According to Rwandan gender law expecting 30.0% of women in employment opportunities. KSEZ creates job opportunity to all sexes. During data collection, the researcher found males who were 30.4% of HRM, and 65.2% of CEOs in KSEZ. While female were 69.6% of HRM and 34.8% of CEOs in KSEZ.

Age of respondents

Age is the time during which a person or animal has lived, or time during which a thing has existed. It is found the average age of people in the workforce is getting higher, with increasing numbers of middle-aged and older workers employed in many different jobs. Thus, it is important to know whether job creation opportunity is higher or lower for older workers in comparison with younger workers. During this study at KSEZ, the table 4.2 presents the data as follows:

Table 4.2: Ages Distribution of Respondents

Ages	HRM		CEOs	
	Frequency	Percent	Frequency	Percent
Between 21 and 30 years	9	13.0	3	4.3
31 and 40 years	21	30.4	11	15.9
Between 41 and 50 years	28	40.6	17	24.6
51 years and above	11	15.9	38	55.1
Total	69	100.0	69	100.0

Source: *Primary data, 2018*

Table 4.3 presents the distribution of respondents by ages at KSEZ where 13.0% of HMR and 4.3% of CEOs aged between 21 and 30 years. 30.4% of HMR and 15.9% of CEOs were between 31 and 40 years. 40.6% of HMR and 24.6% of CEOs were between 41 and 50 years. 15.9% of HRM and 55.1% of CEOs had 51years and above in the companies operating at KSEZ are active and mature to get job opportunity at KSEZ. Thus this means the majority of 55.1% in CEOs were in 51 years and above while majority of 40.6% in HRM were aged from 41 and 50 years

Marital Status of Respondents

Marital status is any of several distinct options that describe a person's relationship with a significant other. Married, single, divorced, and widowed are examples of civil status. These have

any impact on the employment opportunities of some companies operating in KSEZ. In regard of marital status, the table 4.4 presents the findings as follows.

Table 4.3: Distribution of Respondents by Marital Status

Marital Status	HRM		CEOs	
	Frequency	Percent	Frequency	Percent
Single	16	23.2	18	26.1
Married	45	65.2	35	50.7
Widow (er)	5	7.2	11	15.9
Divorced/separated	3	4.3	5	7.2
Total	69	100.0	69	100.0

Source: *Primary data, 2018*

Table 4.4 presents the distribution of respondent by marital status in KSEZ. 23.2% of HRM and 26.1% of CEOs were single. 65.2% of HRM and 50.7% of CEOs were married. 7.2% of HRM and 15.9% of CEOs were widow (er), while 4.3% of HRM and 7.2% of CEOs were separated or (divorced) respondents from companies operational in KSEZ.

This means a big percentage of HRM and CEOs of companies in KSEZ are married respectively represented by 65.2 percent and 50.7 percent, since majority of HRM and CEOs in KSEZ are married that means employees there receive fair treatment.

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

In 2017, the Kigali Special Economic Zone attracted \$87.2m in investment generating \$36m export revenue and 5205 jobs. The Special Economic Zones Authority of Rwanda (SEZAR) reviewed designs and data provided by dwellers approving 6 construction & occupation permits and licensing 3 companies for EPZ* status. In conjunction with MINICOM, SEZAR reviewed the SEZ Policy, which has been adopted by Cabinet. Special Economic Zone performance is monitored with companies generating \$127.8m in turnover, \$87.2m in firm investment, \$36m export revenue, creating 5205 permanent jobs in 2017. Through marketing of the zone, 352 potential investors received information or visited the Kigali Special Economic Zone.

A steering committee of all governing parties of the KSEZ (SEZAR, PEZ, users) was established in order to effectively solve issues. During the study at KSEZ, the researcher would like to know the perceptions of respondents about the categories of jobs created since KSEZ implemented from different offices in KSEZ as follows.

Table 4.4: Categories of jobs created in KSEZ

Categories of jobs created in KSEZ	Frequency	Percent
Tailors	2005	38.5
Food processing	1150	22.1
Clerical and support workers	458	8.8
Marketing and sales persons	314	6.0
Cleaners	208	4.0
HRM and finance and accounting persons	207	4.0
Drivers	176	3.4
Engineers	157	3.0
IT personnel	145	2.9
Plant and machine operators	100	1.9
Chief executives	69	1.3
Electrical technicians	63	1.2
Welders	45	0.9
Carpentry	43	0.8
Craft and related trade workers	32	0.6
Computer programmers	20	0.4
Pharmacists	13	0.2
Total	5,205	100.0

Source: *Secondary, KSEZ (2017)*

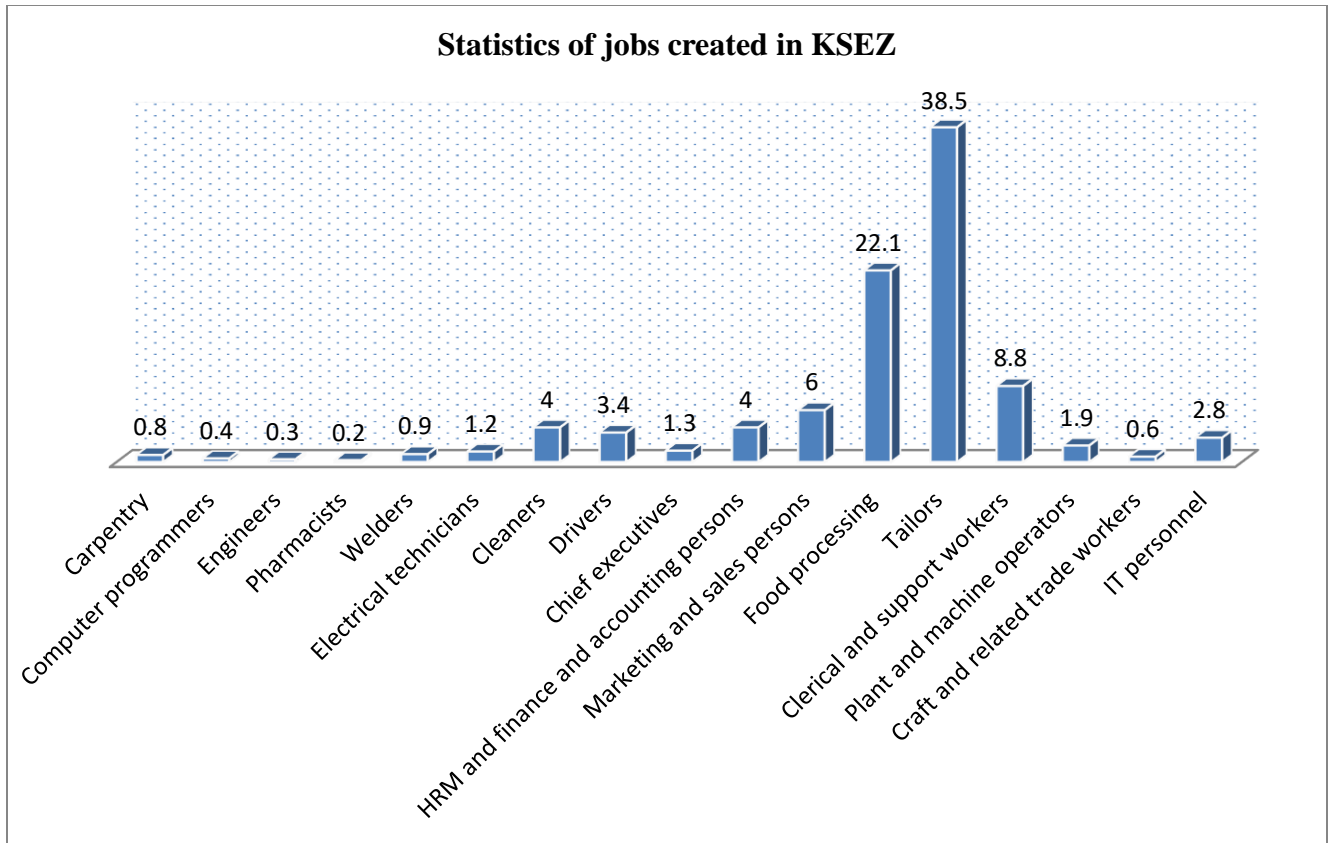


Figure 1: Statistics of jobs created in KSEZ

Table 4.5 and figure No 1 present the categories of jobs created in KSEZ since 2014-2017. The Tailors was 38.5%; Food processing was 22.1%; Clerical and support workers was 8.8%; Marketing and sales persons was 6.0%; Cleaners was 4.0%; HRM and finance and accounting persons was 4.0%; Drivers was 3.4%; Engineers was 3.0%; IT personnel was 2.9%; Plant and machine operators was 1.9%; Chief executives was 1.3%; Electrical technicians was 1.2%; Welders was 0.9%; Carpentry was 0.8%; Craft and related trade workers was 0.6%; Computer programmers was 0.4%; and Pharmacists was 0.2% in total jobs created in KSEZ.

Data obtained shows that companies that are in clothing and garment industry and companies involved in food pressing generated more jobs respectively 38.5 percent of jobs created in KSEZ are tailors and 22.1 percent of job created in KSEZ are food processing personnel, that is to say that two highlighted jobs occupied majority that is 60.6 percent of total jobs created in Kigali Special Economic Zone and others remaining jobs created occupied 39.4 percent.

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

The survey was also designed to measure different forms of work, in particular, own-use production work and other components of labour underutilization including time-related underemployment and potential labour force in line with the new international standards, adopted by the 19th International Conference of Labour Statisticians (ICLS) in 2013.

According to the new international standards, employment includes only persons working for pay or profit, excluding persons engaged wholly or mostly in subsistence foodstuff production. The effect of this is to lower the count of employment (according to the old definition) and to higher the count of unemployment because some of the subsistence foodstuff producers would be looking and available for work for pay or profit and thus be classified as unemployed. The comparison of some key indicators using old and new definition is presented in this section as well as in the tables at the end of the section. The scope of the survey covered all persons living in private households, excluding the institutional population permanently residing in places such as hostels, health resorts, correctional establishments etc., as well as persons living at their work-sites and in seasonal dwellings.

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

According to the survey results, among the 6,709,000 persons 16 years old and over living in private households, about 3,626,000 persons representing 54 percent were in the labour force, either employed (3,019,000) or unemployed (607,000). The remainder 3,084,000 persons were outside the labour force including some 1,766,000 persons engaged wholly or mostly in

subsistence foodstuff production, not classified as employment according to the new international standards on statistics of work, employment and labour underutilization.

The unemployment rate stood at 16.7 percent, indicating that roughly for six persons in the labour force there was one person unemployed. The unemployment rate was higher among women (17.5 percent) than among men (16.1 percent) and higher among young people (21.0) than among adults (13.3%). It was also higher in the urban areas (18.1 percent) than in the rural areas (16.2 percent). This situation is different from the one in August 2016, where the unemployment rate was higher in rural areas (19.8 percent) than in urban areas (16.4 percent). This confirms the fact that during the low season of agriculture a substantial number of people who are normally involved in subsistence agriculture in rural areas are looking for an alternative job as they are waiting for the next agricultural season. The median duration of seeking employment was only 4.2 months but about 32 percent of the unemployed were seeking employment for 12 months or more (long-term unemployment).

4.1.3 The companies that created more Job opportunities in KSEZ

Since KSEZ was implemented different activities were performed in various companies operating in this area and they need to hire employees to work for companies' performance. These industries operational in KSEZ offered different activities/jobs to many unemployed people where they provide the pastries production, mattress manufacturing, steel structures assembling, computer assembling, LED lights assembling, pharmaceutical, products warehouse, sale of computers, manufacturing of roofing sheets, paper bags manufacturing, plastic water tanks and pipes manufacturing, warehouses, yoghurt manufacturing, garments manufacturing, hygienic paper manufacturing, biscuit manufacturing, utensils manufacturing, paint manufacturing, production of construction materials, warehouse for the storage of paints, wheat flour processing, cartons manufacturing, doors and windows manufacturing, manufacturing of sacks, warehouse for the storage of various products, medical consumables manufacturing, Soft and liquors manufacturing, printing, warehouse for various products, warehouse for various products, manufacturing of pipes and floor tiles, manufacturing of plastic boots (bodaboda), manufacturing of lead ingots, manufacturing of household furniture, warehouse for the storage of medicines, manufacturing of doors and windows, manufacturing of pavers, Paper bags manufacturing, warehouse for the storage of fertilizers, manufacturing of roofing sheets, Fish food processing, coffee processing,

banking services, lubricant manufacturing, Fortified food processing, Paint manufacturing, motorcycle assembling, warehouse for the storage of paints, warehouse for the storage of coffee, HDPE pipes manufacturing, and manufacturing of prefabricated straw walls.

Kigali Special Economic Zone is managed as mixed use zone which has been designed to accommodate the following types of investments in heavy and light manufacturing industries; large scale users industrial plants; commercial wholesalers; chemical, pharmacy and plastics; and warehousing. During this study at KSEZ, the industries created more job opportunities in KSEZ are presented in the table 4.6 below.

Table 4.5: Types of industries that created more job opportunities in KSEZ

Industries have created more job opportunities	Frequency	Percent
Garments manufacturing	2021	38,8
Large scale users' industrial plants	1215	23,3
Heavy and light manufacturing industries	714	13,7
Tourism and service industry	391	7,5
Commercial wholesalers	361	6,9
Warehousing companies	184	3,5
ICT	175	3,4
Chemical, pharmacy and plastics	87	1,7
Logistics	57	1,1
Total	5205	100.0

Source: *Secondary, KSEZ (2017)*

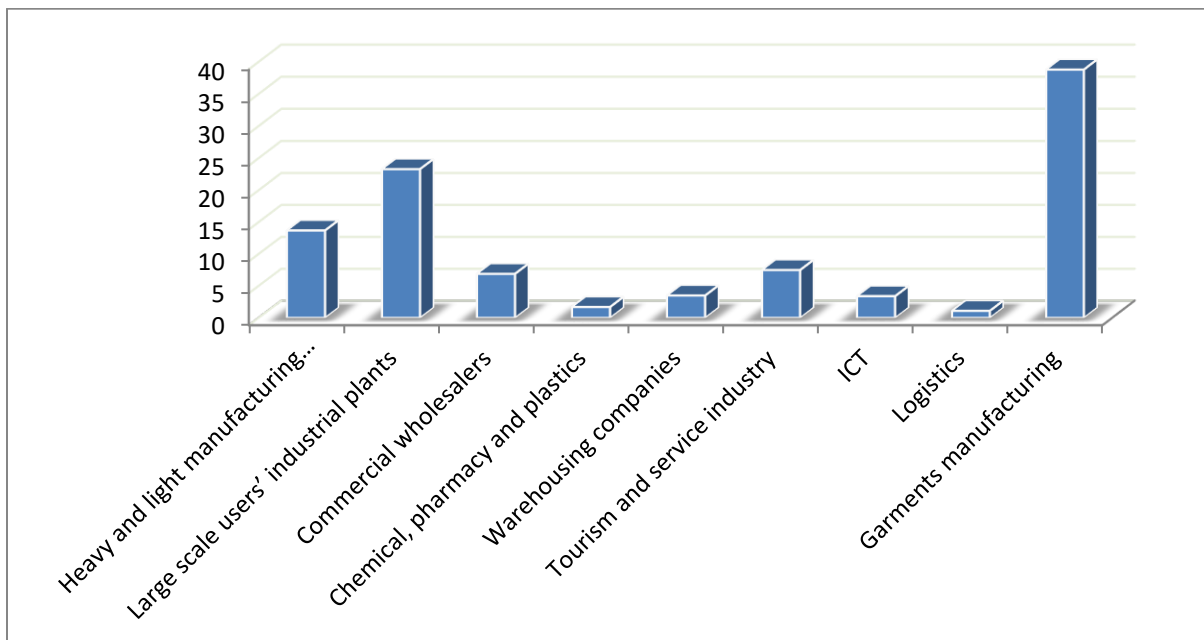


Figure 2: Comparison of industries that created more Job opportunities in KSEZ

Table 4.6 and figure 2 show the comparison of industries created more job opportunities in KSEZ where Garments manufacturing was 38,8%; Large scale users' industrial plants was 23,3%; Heavy and light manufacturing industries was 13,7; Tourism and service industry was 7,5%; Commercial wholesalers was 6,9%; Warehousing companies was 3,5%; ICT was 3,4%; Chemical, pharmacy and plastics was 1,7%; and Logistics were 1,1%. Data above on industries that have created more job opportunities are falling under Garments manufacturing cluster with 38.8 percent, followed by Large scale users' industrial plant with 23.3 percent and Heavy light manufacturing with 13.7 percent then others represent minor percentage in creation of job opportunities in KSEZ.

Table 4.6: Ten companies created more jobs in KSEZ

Company name	Activity	Number of employees
C&H Garments	Garments manufacturing	1870
Adma international	Biscuit manufacturing	450
AMEKI colour	Paint manufacturing	375
Africa improved foods	Fortified food processing	360
Bakhresa grain milling (AZAM)	Wheat flour processing	200
SPERANZA Group	Soft and Liqors manufacturing	90
VIVA Product	Mattress manufacturing	81
Strawtec	Manufacturing of prefabricated straw walls	80
Mikoani Traders (AZANIA)	Wheat flour processing	78
RwandaFoam	Mattress manufacturing	70

Source: *Secondary, KSEZ (2017)*

Table 4.7 illustrates the ranked first ten industries based on number of jobs created in KSEZ until 2017.

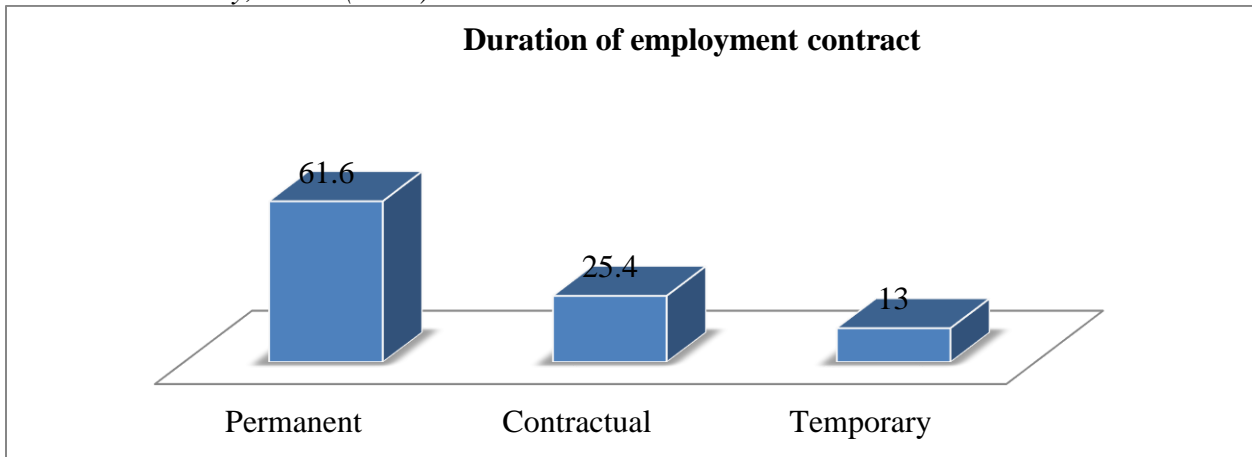
4.1.4 The duration of employment contract

An employment contract is a signed agreement between an employee and employer. It establishes both the rights and responsibilities of the two parties: the worker and the company. Employment contract can include Salary or wages: Contracts itemize the salary, wage, or commission that has been agreed upon. Schedule: In some cases, an employment contract includes the days and hours an employee is expected to work. Duration of an employment contract specifies the length of time the employee agrees to work for the company. During this study, the researcher would like to know the duration of employment contract in various companies operating in KSEZ.

Table 4.7: The duration of employment contract

Duration	Employees	Percent
Permanent	3205	61.6
Contractual	1321	25.4
Temporary	679	13
Total	5205	100.0

Source: *Secondary, KSEZ (2017)*



Secondary, KSEZ (2017)

Figure 3: Duration of employment contract

Table 4.7 and figure 4 show the findings show duration of employment contract in KSEZ, permanent was signed on rate 61.6%; the contractual was 25.4% of respondents while 13% of respondents were temporary employees in KSEZ. It was clear that in KSEZ gives the majority 3205 employees the permanent. Thus this gives the security to employees and helps the companies to achieve on their objectives and goals in KSEZ. Rousseau (1990) noticed that temporary employees seeking a long-term relationship with their organizations, even when maintaining a transactional psychological contract, showed a more “relational” interaction with their employers, resulting in more commitment to the organization.

4.15 Suggestions for creating more jobs in KSEZ

SEZs provide the opportunity to cluster anchor tenants with suppliers and other service providers, thereby creating jobs in skilled sectors and encouraging knowledge transfer thereby acceleration the country's economic activities in general. A world class Rwanda economic zone program operating through a network of diverse sites and activities to deliver benefits and opportunities to investors and Rwanda without any negative impacts.

Although KSEZ create more jobs to people in Rwanda, there are still numerous of unemployed youth and older people around the country. Thus during this study at KSEZ, the researcher sought information about suggestions that could support job creation given from staff of companies in operational and directors from PEZ as developer; operator and manager of KSEZ inline of what can be done to create more job opportunities.

In the discussion with both sides, confirmed that: "Rwandan Government should expand Kigali special economic zone since two developed phases are almost occupied by investors. Additionally the development of upcountry industrial parks would lead to the creation of more job opportunities to rural and urban population. Moreover security sustainability all over the country, infrastructure development such: as power access facilities, ICT infrastructure; water infrastructure , roads; firefighting system and sewage treatment plants, will be a key in attracting foreign investors since they found adequate infrastructures and incentives. Hence, created industries will give jobs to Rwandese and country will benefit twice that through employability of local population and collection of tax of that investment. The last will serve in the development of further developmental infrastructure. This will justify an attractive investment environment; on the other hand giving tax relief in newly created industrial parks will be a motivator to investors who want to enjoy that relief, once more industries and companies are created, more job will be generated and lead to reduction of unemployment rate in Rwanda particularly for youth and rural population."

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

This chapter summarizes the findings of the analyses of the data collected from Kigali Special Economic Zone (KSEZ). It also involves proposed possible suggestions with a conclusion pertaining to the whole study is drawn.

The study investigated the role of special economic zone on job creation in Rwanda. The objectives of this study were to find out categories of jobs created since KSEZ's inception; to find out which industries have created more job opportunities, to find out the duration of employment, and to seek companies' opinions on what should be done to create more jobs.

The study acquired the qualitative and quantitative approaches; the study used all 69 companies that are operational in KSEZ Phase I&II. The respondents size of this study were 140 respondents included by sixty nine human resource managers and sixty nine CEOs from 69 operational companies in KSEZ, and two respondents from PEZ as operator of KSEZ. The Instruments of data collection were the open ended Questions, and documentary instruments. After data collection, the findings indicated the participation rate of 100.0% of responding the questions.

5.1 Summary of Major Findings

During the study, the results are presented in accordance with the research objectives. Where, there are more females (69.6 percent) in Human resource management department than males, whereas males occupied 65.2 percent of chief executive officers in KSEZ.

Thus the highest of number of human resource managers are found to be in 41-50 age bracket (40.6 percent), whereas 55.1 percent of CEOs are above 51 years of ages.

5.1.1 Findings on the categories of jobs created in KSEZ implemented from different offices in KSEZ

The results were shown on Table 4.5 and figure No 1 present the categories of jobs created in KSEZ since 2014-2017. The Tailors was 38.5%; Food processing was 22.1%; Clerical and support workers was 8.8%; Marketing and sales persons was 6.0%; Cleaners was 4.0%; HRM and finance and accounting persons was 4.0%; Drivers was 3.4%; Engineers was 3.0%; IT personnel was 2.9%; Plant and machine operators was 1.9%; Chief executives was 1.3%; Electrical technicians was 1.2%; Welders was 0.9%; Carpentry was 0.8%; Craft and related trade workers

was 0.6%; Computer programmers was 0.4%; and Pharmacists was 0.2% in total jobs created in KSEZ.

5.1.2 Findings on the companies that created more Job opportunities in KSEZ

The findings were shown on Table 4.6 and figure 2 show the comparison of industries created more job opportunities in KSEZ where Garments manufacturing was 38,8%; Large scale users' industrial plants was 23,3%; Heavy and light manufacturing industries was 13,7; Tourism and service industry was 7,5%;Commercial wholesalers was 6,9%; Warehousing companies was 3,5%; ICT was 3,4%; Chemical, pharmacy and plastics was 1,7%; and Logistics were 1,1%.

5.1.3 Findings on the duration of employment contract

Duration of an employment contract specifies the length of time the employee agrees to work for the company. The findings shown on table 4.7 and figure 4 confirmed that permanent employees in KSEZ were on rate 61.6%; the contractual was 25.4%, while 13% were temporary employees in KSEZ.

5.1.4 Findings on suggestions for creating more jobs in KSEZ

The suggestions from directors confirmed that Rwandan Government should expand Kigali special economic zone since two developed phases developed are almost occupied by investors. Additionally the development of upcountry industrial parks would lead to the creation of more job opportunities to rural and urban population. Moreover security sustainability all over the country, infrastructure development such: as power access facilities, ICT infrastructure; water infrastructure , roads; firefighting system and sewage treatment plants, will be a key in attracting foreign investors. Hence, created industries will give jobs to Rwandese and country will benefit twice that through employability of local population and collection of tax of that investment. The last will serve in the development of further developmental infrastructure. This will justify an attractive investment environment; on the other hand giving tax relief in newly created industrial parks will be an motivator to investors who want to enjoy that relief, once more industries and companies are created, more job will be generated and lead to reduction of unemployment rate in Rwanda particularly for youth and rural population.

5.2 Conclusions

This study at KSEZ, the researcher found that the policy objectives of GoR is to ensure successful SEZs that contribute significant developmental goals of Rwanda. Whilst utilizing public resources in the most effective way like an increase foreign and domestic private sector investment; export growth and diversification, development of industry/ non agriculture sectors, and also creation of off farm employment and income. According to the numbers of jobs created by KSEZ as findings indicated above, we may confirm that the objectives of the study were achieved, the problem of the study was solved, and the questions answered by saying that there is significant relationship between SEZs and job creation in Rwanda based to information collect from KSEZ.

5.3 Recommendations

To Government of Rwanda

Government of Rwanda is recommended to continue looking for different strategies that can be used in reducing unemployment rate in Rwanda, especially to youths who are not employed and rural population that will contribute in reduction of rural migration rate.

It should create various opportunities like developing other new industrial parks so that rural population and youth can have access to employment opportunities.

Rwandan Government should also continue to sustain security and infrastructure for attracting foreign investors to invest in our country and this mean they should create an attractive investment environment.

To Investors

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

5.4 Suggestions for Further Studies

The study did not exhaust all independent elements that job creation thus the need for other researchers to conduct an exhaustive study on variables under listed.

- ✓ The role of Free Trade Zones on job creation in Rwanda
- ✓ The impact of Export Processing Zones job creation in Rwanda

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APPENDICES

Appendix I: Research Open question to management of the Companies in KSEZ

Re: Introductory Letter to Respondents

Dear Respondent,

My name is NDUWIMANA Emmanuel, a student at UR/Masters level. I am doing my research project by fulfilling academic requirement on the topic of “*the role of special economic zone on job creation in Rwanda, a case study of Kigali Special Economic Zone (2014-2017)*”. Therefore, I will be grateful if you answer these questions, the information will be obtained would only be used for academic purposes and shall be treated with confidence.

Thank you,

NDUWIMANA Emmanuel

- i. What is your Gender?.....
- ii. How old are you?.....
- iii. What is your Marital Status?.....
- iv. What are the categories of jobs created since KSEZ implemented from your office?
.....
.....
.....
- v. Which industries have created more job opportunities from your office?
.....
.....
.....
- vi. What is the duration of employment contract?
.....
.....
.....
- vii. What would you propose to create more jobs in your company?
.....
.....
.....

THANK YOU

September 11th, 2018

TO WHOM IT MAY CONCERN

This is to certify that Mr Nduwimana Emmanuel bearing Reg No 217299059 is a student in Master of Business Administration program (MBA-Project Management), at the University of Rwanda-College of Business and Economics. He is currently in the process of gathering data for research work entitled "The role of Special Economic Zone on Job Creation in Rwanda".

He will be approaching you with the aim of collecting relevant information to complete his study. We request you to kindly extend the necessary cooperation in providing the needed data.

Do not hesitate to contact the Directorate of Research and Innovation should you need further information.

Sincerely




Prof. Bideri Ishuhari Nyamullinda
Ag Director of Research and Innovation
University of Rwanda-College of Business and Economics
Mob Tel 0738407631 or 0788716140

Nduwimana Emmanuel

Tel:0788306572

E-mail:nduwimana05@gmail.com

MBA-Project Management at UR-CBE

Date: September 13, 2018

To: The Managing Director of PEZ Ltd

Re: Letter of Request

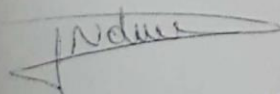
Dear Madam,

In partial fulfilment of the requirements of MBA-Project Management, as a student at the University of Rwanda College of Business and Economics, I am conducting a research entitled; "***The Role of Special Economic Zones on Job Creation in Rwanda, the Case study of Kigali Special Economic Zone 2014-2017***"

I am in the process of gathering data through survey that will be used in my study. Regarding this issue, I would like to request you the permission to conduct a research in KSEZ operation companies there and get data from your Prime Economic Zone Ltd office, which will help me to obtain needed information in relation to my topic.

I would greatly appreciate your consent at my request

Respectfully yours,



Emmanuel NDUWIMANA



Handwritten initials and date: 13/09/18