

The possible impact of the African Continental Free Trade Agreement (AfCFTA) on career choice and mobility in Rwanda.

This article is written to stimulate thinking about the effects that the African Continental Free Trade Agreement will have on the career choices that people make as they look towards their future. Career guidance practitioners should spend time considering these issues because by doing so they will improve the quality of the service that they offer.

The African Continental Free Trade Agreement (AfCFTA) was entered into force on 30 May 2019¹. It has been indicated that trading under the AfCFTA agreement will begin on 1 July 2020. The agreement opens up business opportunities in 55 countries on the continent with a population of 1.2 billion people and a GDP of more than \$3 Trillion. Mr Leonard Rugwabiza, the Economic Advisor at the Rwanda Ministry of Finance and Economic Planning, says that we need to ensure more jobs for our youth and that AfCFTA and the African single market will offer Rwanda an opportunity to do so².

It seems at face value that many job opportunities will be created but is this necessarily true? And if it is so, then which jobs will be in demand?

Perhaps we can get some guidance from other international trade agreements and how these impacted the job market. Harley Shaiken from Berkley University wrote a research paper titled 'the NAFTA Paradox'. NAFTA stands for North American Free Trade Agreement and refers to the free trade agreement signed between Mexico the United States and Canada. America expected great wins from the agreement. They expected that manufacturing and the support industries would boom and many job opportunities would be created. But this did not happen. American manufacturers were attracted by the cheap wages offered in Mexico and flocked there to set up manufacturing plants. The net result was that Mexican manufacturing rose by 76% between 1994 and 2011³, whilst manufacturing jobs in the US were lost. Whilst the US was expecting to grow their exports and create a million jobs, what in fact happened was a trade deficit (loss) of \$100 billion; in other words the US imported more than they exported.

Despite however the unexpected negative impact for the US; Mexico on the other hand showed tremendous economic and job growth as a result of the Free Trade agreement.

What then were the jobs that were created?

It seems a clear certainty that jobs in the manufacturing sector were created. Already companies such as Volkswagen and Toyota, are planning to scale up their investments in Africa's automobile sector⁴. We want them here in Rwanda but will they come?

¹ African Continental Free Trade Area (AfCFTA) Legal Texts and Policy Documents. <https://www.tralac.org/resources/by-region/cfta.html>

²5th EPRN Rwanda Annual Research Conference: The AfCFTA – Challenges and Opportunities: <https://www.tralac.org/news/article/13954-5th-eprn-rwanda-annual-research-conference-the-afcfta-challenges-and-opportunities.html>

³ The impact of international free-trade agreements on job growth and prosperity. <https://journalistsresource.org/studies/economics/business/international-free-trade-agreements-job-growth-prosperity-impacts/>

⁴ AfCFTA comes into force – so what next? <https://www.newtimes.co.rw/news/afcfta-comes-force>

It will be important that as a country we learn from the experiences of others. As a country we need to make sure that we keep our labour and production costs reasonable because if they become too high it may encourage foreign investors in manufacture to set up plants in other African countries where production costs are cheaper as was the case in the US example. This scenario speaks to the title of this article which refers to career choice and mobility.

The free trade agreement will allow people to work without too much red tape in other African countries and so if one considers the larger picture then people with manufacturing skills such as trades, digital skills, project management, and engineering will be in high demand, if not locally then certainly elsewhere on the continent.

But manufacturing is only part of the demand that is likely to be created. The continent has a great shortage of people who can architect, code, and maintain the IT structures that free trade environments require and so it can be expected that the need for people with strong IT skills will increase.

Naturally, as international trade picks up, there will be an increased need for people in the administrative, accounting and legal fields. The need for people who can manage logistics and import and export processes, as well as legal people versed in international trade and commercial law will increase as will the need for people schooled in tax management.

Free trade environments will require people who are culturally fluid and possess broad communication skills. Those with an ear for languages would do well to learn a range of languages such as Swahili, French, English, Mandarin and Arabic because many opportunities will arise in trade negotiations, multinational advertising campaigns, and so on.

The job opportunities however will be still broader. If one refers to the article written by PACE Career Centre⁵ on "*Why 4IR will be Africa's saviour*" one will find therein that when a country or continent is under-industrialised the potential for growth in the manufacturing sector is very high and in addition to manufacturing jobs the upstream and downstream job opportunities are massive.

Rwanda is well placed to take advantage of the opportunities resulting from AfCFTA. Our policy of "Rwanda is open for business"⁶ together with strong economic growth policies makes Rwanda very attractive to foreign investors. This view is supported by Ms Soraya Hakuziyaremye the Minister of Trade and Industry who stated that both the AfCFTA as well as the recent Tripartite Free Trade Area (TFTA) ratification will create better opportunities for export which in turn will lead to new job opportunities⁷.

However, one major area that we need to focus on is strengthening our postsecondary education institutions. In order for us to meet the demand for these new job opportunities, we will require qualified and capable people. We need to invest in our postsecondary education systems to help them to better prepare our citizens for these new job opportunities. This is especially so for our youth.

To maximise the potential benefits of AfCFTA we need to act swiftly and with purpose.

⁵ PACE Career Centre: <https://www.gostudy.net/rwanda/articles>

⁶ Rwanda: Open for Business. <http://www.ipsnews.net/2019/07/rwanda-open-business/>

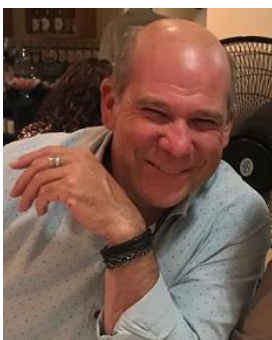
⁷ Rwanda ratifies TFTA treaty. <https://www.theeastafrican.co.ke/business/Rwanda-ratifies-tfta-treaty/2560-5194436-14jlx7bz/index.html>

Maximising our gain from AfCFTA will depend heavily on our capacity to meet the human resource demands thereof. Career guidance has a pivotal role to play in providing the country with the correct mix of skills. Our teachers who are responsible for career guidance should be given the knowledge and insight to identify emerging opportunities and guide our children accordingly, and our postsecondary education institutions should be ready to receive them.

Sources:

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3. Report: EU trade agreements deliver on growth and jobs, support sustainable development:
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Avron Herr
PACE Career Centre
www.paceinstitute.africa
www.gostudy.net
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*Avron Herr is the founder of PACE Career Centre Rwanda and the convener of the PACE Research Institute. He is the Founding member of the South African Career Development Association (SACDA) as well as the East Africa Career Development Association (EACDA) which he still currently chairs. He is the co-author of the Competency Framework for Career Development Practitioners. He has written career guidance curriculum for schools and has designed several national and international career guidance systems. He is widely recognised for his contribution to career guidance delivery in Africa. Over the past 28 years his career guidance work has impacted the lives of more than 17 000 000 people on the continent.