

More Rwandans go digital as rate of poverty drops

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The number of Rwandans owning a mobile phone has increased from 6.2 per cent of the country's total population in 2000 to 63.6 per cent in 2014 as poverty dropped to 39 per cent, the fourth Integrated Household Living Survey, launched yesterday in Kigali, says.

At 63 per cent, it means, nationally, at least six out of every 10 Rwandans have a phone. The ratio is higher in Kigali where at least 90 per cent of the city dwellers were connected as of 2014 compared to 79.6 per cent in 2011 and 33.2 per cent in 2000.

The survey tracks the level and pattern of poverty and living conditions among Rwandans living in the country at the time. Previously done after every five years, the 4th edition comes three years after the last one.

President Paul Kagame, who launched the report, said more frequent reporting will help the government to formulate more evidence-based development policies and planning.



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According to the report, Rwanda's poverty levels have significantly dropped to 39 per cent as of 2014, down from 44 per cent three years ago. Rwandans living in extreme poverty have also dwindled in the last three years to 16.3 per cent, from 24.1 per cent recorded in 2011.

The findings are an endorsement of the government's second Economic Development and Poverty Reduction Strategy (EDPRS II) under which it aims to reduce poverty levels to below 30 per cent and extreme poverty to at least below 10 per cent.

Phone-poverty correlation

There is a strong correlation between the reduced poverty levels in the country to the mobile phone ownership trends, something that President Kagame picked on as a major development indicator.

Kagame noted that a decade ago, almost none of the poorest 20 per cent of Rwandans owned a mobile phone. "Today, one-third of them do," he said. With an estimated population of 12 million people, at 63.6 per cent, it means more than 7.6 million Rwandans own at least a phone.

There are three telecommunication companies operating in the country at the moment and the industry has been growing on account of the surging numbers of Rwandans owning a mobile phone.

As more Rwandans own mobile phones, the trend has helped boost access to financial services through mobile phone backed services such as mobile money and Internet banking platforms and payment of bills.

Mobile phone-backed transactions within the country have increased significantly in recent years as high subscription numbers inspire more innovations from service providers.

Recently, MTN-Rwanda, the industry leading player, introduced cross-border mobile money transactions to facilitate Rwandans in regional trade and payments.

Urban areas dominate Rwanda's mobile phone map with the report indicating that 87.9 per cent of all urban dwellers have a mobile phone compared to 58.6 per cent in the rural areas.

Kigali leads the country with a 90 per cent ownership rate, followed by the Eastern Province where 67 per cent of the population owns a phone. It's 60.8 per cent in the North, 58.2 per cent in the West and 54 per cent in the South.

Experts believe the increasing number of Rwandans owning mobile phones is an opportunity for both the government and private sector to tap into opportunities that come with it, such as facilitating market linkages as well as information dissemination.

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