

ANKER REFERENCE VALUE UPDATE 2023¹

RURAL RWANDA

LIVING WAGE
RWF 215,096 (USD 188)

This report updates the Anker Living Wage Reference Value for rural Rwanda to June 2023. The living wage reference value was originally estimated at RWF 147,111 (USD 160) in 2020². The updated value takes into account the inflation accumulated in the country from June 2020 to June 2023 (48%)³. The value updated to 2023 is RWF 215,096 (USD 188), and comprises a net living wage of RWF 165,469 (USD 144) and social security and income tax payments for RWF 49,627 (USD 43).⁴ Without accounting for inflation, the living wage estimated in 2020 would not be sufficient for workers and their families to have a basic but decent standard of living in 2023, because the purchasing power of the living income would have decreased.

Table 1. Anker Living Wage Reference Value for Rural Rwanda, 2020, 2022 and 2023 (RWF and USD)

	2020		2022		June 2023	
	RWF	USD ^c	RWF	USD ^c	RWF	USD
Anker Net Living Wage Reference Value (1)	111,813	121	132,252	129	165,469	144
Social Security Contributions (2)	4,855	5	5,751	6	7,098	6
Income Tax (3)	30,443	33	36,287	35	42,529	37
Anker Gross Living Wage Reference Value (4) (4) = (1) + (2) + (3)	147,111	160	174,290	170	215,096	188
Exchange Rate	920.5 ^a		1,024 ^b		1,147 ^c	
Inflation from mid-2020 to mid-2023			18.3%		48.0%	

Notes: Exchange rates for 2023 are from National Bank of Rwanda: <https://www.bnr.rw/currency/exchange-rate>

^a Exchange rate taken from the original report.

^b Average exchange rate from May 2022 to July 2022.

^c Average exchange rate from June 2023.

¹ Anker Research Institute engages in and disseminates high-quality research, analysis, and training related to living wage and living income (based on the Anker methodology) to inform and influence companies, empower working people, and shape public policy, thereby helping to enhance quality of life and sustainable livelihoods for working people and their families everywhere. Social Accountability International (SAI) is the institutional host. Report prepared by Marcelo Delajara and Rocío Espinosa Montiel.

² Smith, Prates, Anker and Anker (2020). Anker Living Wage Reference Value – Rural Rwanda, 2020.

<https://www.globallivingwage.org/wp-content/uploads/2020/07/Rwanda-LW-Reference-Value-FINAL-1.pdf>

³ National Institute of Statistics of Rwanda: <https://www.statistics.gov.rw/publication/2065>; ; the CPI for rural areas was used in the calculation of the inflation rate.

⁴ There is a mandatory payroll deduction of 3.3% for social security and an income tax of 20% on monthly earnings between RWF 60,001-100,000 and 30% on income above RWF 100,001.