

UNIVERSITY OF GHANA, LEGON
LEGON CENTRE FOR INTERNATIONAL AFFAIRS AND DIPLOMACY (LECIAD)



**ASSESSING RWANDA'S ECONOMIC REFORM PROGRAMME TOWARDS
DEVELOPMENT**

BY

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**THIS DISSERTATION IS SUBMITTED TO THE UNIVERSITY OF GHANA, LEGON,
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF
MA IN INTERNATIONAL AFFAIRS DEGREE**

LEGON

DECEMBER 2022

DECLARATION

I, **Sandra Aba Quaison**, hereby declare that this dissertation is the result of an original research conducted by me under the supervision of Dr. Afua Boatemaa Yakohene. Aside other works that are duly acknowledged, this work has not been submitted in part or in its entirety to any institution for an award of a degree.



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DEDICATION

This work is dedicated to God almighty for the strength and wisdom throughout the process.

I also dedicate it to my uncle Mr. Ebo Quaison, my family, and my dear husband.

God bless you all for your immense support and prayers throughout this journey.



ACKNOWLEDGEMENT

This work would not have manifested without the help of God almighty, who bestowed me with wisdom and knowledge throughout the process.

My sincere gratitude goes to Dr. Afua Boatemaa Yakohene for her immense diligence, commentary, and guidance.



LIST OF ABBREVIATIONS

ATI	–	African Trade Insurance Agency
AU	–	African Union
CEPEX	–	Central Projects and External Finance Bureau
EAC	–	East African Community
ERP	–	Economic Reform Programme
EDPRS	–	Economic Development and Poverty Reduction Strategy
GDP	–	Gross Domestic Product
GND	–	Gross National Product
ICT	–	Information Communication Technology
IMF	–	International Monetary Fund
HIPC	–	Heavily Indebted Poor Countries
HRD	–	Human Resource Development
OLPC	–	One Laptop Per Child
PRSP	–	Poverty Reduction Strategy Paper
PRSERR	–	Project of National Reconciliation and Socio-Economic Rehabilitation and Recovery
PPP	–	Public Private Partnerships
RGB	–	Rwandan Governance Board

RTDA	–	Rwanda Transport Development Agency
RURA	–	Rwanda Utility Regulatory Authority
SAP	–	Structural Adjustment Programme
UN	–	United Nations
UNDP	–	United Nations Development Project
UNESCO	–	United Nations Educational, Scientific and Cultural Organisation
VAT	–	Value-Added Tax
WTO	–	World Trade Organisation
WVI	–	World Vision International



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Abstract

Economic reform programmes have been major drivers of economic growth and development in both developed and developing countries. The notion of economic growth and development is very crucial to developing countries. Rwanda, a country that has encountered numerous economic downturns. The study identified that despite the various economic reform programmes adopted by Rwanda, it is still challenged with underemployment issues and poverty. The study analyses the extent to which the six pillars of the “Vision 2020”, an economic reform programme which was adopted the government of Rwanda in 2000 have curbed these issues and, fostered economic growth and development in the country. The study employs qualitative research method in analyzing the data obtained. A multivariate analysis was adopted to access the relation between the pillars of the “Vision 2020” and economic development. Further, the study also outlined certain limitations that hampered the implementation of the “Vision 2020”. It identified that certain laws such as the ban on street vending and the lack of access to a port affected the implementation of the “Vision 2020”. The study recommended that the government of Rwanda should invest in developing the welfare of its citizens and construct more railways to facilitate trade relations. The study concluded that long-term economic reform programmes are ideal for developing economies due to the level of development associated with it.



CHAPTER ONE

INTRODUCTION

1.0 BACKGROUND OF THE STUDY

According to Ribeiro (2005), development is defined as “a state, process, well-being, progress, economic and human growth or ecological balance”. This depicts development as a channel that facilitates economic growth in a nation. Most economists attest that economic development is influenced by four factors namely; “human resources, physical capital, natural resources and technology” (Woodruff, 2019). Countries that channel most of their resource to facilitate and enhance these factors are more likely to achieve economic growth and development.

Economic growth is the wheel that facilitates nations to a higher level of development. It is the most important instrument for reducing poverty and improving the quality of life in developing countries (DFID, 2005). Economic growth enhances the overall development of a country by improving the quality of life and standard of living of its citizens. Amartya Sen postulated that “economic growth is a crucial means for expanding the substantive freedoms that people value”. According to Acemoglu (2012), growth in a nation’s economy can affect the well-being and living standards of its citizens in one or two generations. Thus, reducing the level of poverty in a nation. This was evident in China’s rapid economic growth between 1985 and 2001, which lifted 450 million people out of poverty. Amartya Sen in his book “Development as Freedom”, defined development as “a process of expanding the real freedom that people enjoy” hence, there is a need for the removal of major sources of oppression, such as;

“Poverty as well as tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or over activity of repressive state”.

Rising incomes and related increases in consumption, savings, and investment are indicators of a country's economic development. It also generates job opportunities and thus, a greater demand for labour. This in turn reduces infant mortality in a country (Pritchett & Summers, 1995). This was evident in India when, a 10 per cent increase in its Gross Domestic Product (GDP) was coupled with a reduction in infant mortality of between 5 and 7 per cent (Bhalotra, 2006).

Economic growth is mostly measured in terms of Gross Domestic Product (GDP) or Gross National Product (GNP). Economic development is multifaceted in the sense that it entails a fundamental transformation of an economy, ranging from its sectoral structure to its demographic and geographic makeup, and, more importantly, its entire social and institutional fabric (Kuznets, 1971).

Many developing countries strive to achieve economic development by implementing various policies intended to yield an increase in the various sectors of the economy. After the independence era, economic reform programmes (ERPs) became an anchor for development in Africa. Governments implemented various policies, programmes and strategies to achieve development.

After experiencing a bloody genocide in 1994 which greatly affected its economy, Rwanda has been able to implement certain ERPs which have boosted its overall performance in the international system. This study will focus on the “Vision 2020”, which is an ERP adopted under president Paul Kagame’s regime in 2000. It will also look at certain salient economic recovery policies the Rwandan government implemented to enhance its economy post-genocide to date.

1.1 Statement of the Research Problem

The quest for rapid development necessitated the implementation of the various ERPs after the genocide. Post genocide Rwanda witnessed a series of economic reform policies to revitalize the economy. The government also sought to promote the security, welfare and dignity of citizens, harmonizing these values with modern principles of pluralistic democracy, human rights and equality as enshrined in the country's constitution (Ndagijimana, 2019). The government made certain structural changes to reduce the level of poverty, increase employment opportunities, better health conditions to increase life expectancy and improve the quality of education, and ensure sustainable development.

Despite these changes, reports indicate that there are lingering issues in Rwanda's economy. Underemployment is very high in Rwanda, 48% of persons aged between 15 and 64 were seeking additional or new jobs in 2005 (ESTA & RWFO, 2014). According to a 2015 report by Laterite Limited, underemployment is a pressing issue amongst Rwandan youth with two-thirds of them working less than 35 hours per week. Due to limited access to output and financial markets, the agriculture sector faces challenges such as poor water management and limited commercialization (World Bank, 2013). There is a weak processing capacity of food crops due to a lack of appropriate technologies, expertise, financing incentives and rural infrastructure.

A USAID report in 2004 indicates that 38% of children in Rwanda suffer from chronic malnutrition and 9% of children are underweight and 38% are also anemic. This depicts that the various reforms adopted by the Rwandan government have not been able to resolve these issues. Hence, it is necessary for the government adopt other long-term policies that will curb these issues.

Thus, these pertinent issues need to be resolved to avoid further deterioration. This echoes the need for this research to find out whether the pillars of “Vision 2020” have curbed and resolved these issues.

1.2 Research Questions

1. What is the economic condition of post-genocide Rwanda?
2. How have the pillars of the “Vision 2020” increased development?
3. What are some of the challenges encountered with the implementation of the “Vision 2020”?

1.3 Research Objectives

1. To access the economic conditions of Rwanda after the genocide to date.
2. To identify the extent to which the pillars of the “Vision 2020” have increased development.
3. To access some of the challenges faced during the implementation of the “Vision 2020”.

1.4 Scope of the Study

The study will review some of the ERPs implemented by the Rwandan government after the genocide. Specific attention will be given to the “Vision 2020”. The study will analyze some of the achievements scored from the “Vision 2020” from 2000 to 2022. It will identify some of the limitations encountered during/-* the implementation of the pillars of the “Vision 2020”. This will enable the researcher to access the country’s level of economic development after the genocide. Rwanda was selected for this study because; it has achieved a sudden development even though it was plagued with genocide.

1.5 Significance of the study

This study hopes to add to the existing literature on the subject area. It aims to highlight the various achievements from “Vision 2020” since its inception. It will also provide policy recommendations for other developing economies and developed economies alike. It will outline certain limitations policymakers will need to consider when implementing developmental policies and long-term economic reform programmes.

1.6 Thesis Statement

The pillars of “Vision 2020” have increased the level of development in Rwanda.

1.7 Theoretical Framework

This study will employ the theory of “Structural Change” of development. This theory was championed by William Arthur Lewis and Hollis Burnley Chenery. It is referred to as “the centre of modern economic growth” (Syrquin, 1988). Structural change theory basically focuses on the mechanism by which underdeveloped economies transform their domestic economic structures from a heavy emphasis on traditional subsistence agriculture to a more modern, urbanized and industrially diverse manufacturing and service economy (Syrquin, 1988). Industrialization is the primary process for structural change (Syrquin, 1988). According to Ogoko (2016), the factors driving the development process under this model are;

“Nomenclature of government policies, availability of external capital and technology, availability of human and natural resources, and the nature of the global trade environment”.

This will aid in the diversification of agriculture to manufacturing to advance economic growth. Structural Change, therefore, sees economic development as a set of interrelated structural changes. This is primarily related to the transition from a developing to a developed country,

which requires a set of structural changes to maintain a steady increase in income and social welfare” (Chenery, 1982). The structural change focuses on a change in economic activities that will foster industrialization that will create employment and urbanization.

William Arthur Lewis’ (1954) contribution was based on the growth of developing economies from the labour transition between two sectors. He described the transitional growth process through which societies shift from agrarian colonialism to modern economic growth. He posited that developing economies should transform their structure by shifting from agriculture which is coupled with low productivity and underemployment of labour to industrialisation, which is highly urbanized and yields a high level of productivity. Lewis (1954) predicts that more jobs will be created in the urbanized sectors that will accommodate the excess labour coming from the rural subsistence sectors and also increase the profit share in income and thus raise the saving rate.

Chenery (1979) posits that structural change is “a set of interconnected changes in an economy's structure that are required for its continued growth”. His model requires a change within the existing structures of the economy to make way for the new and industrialized structures. Chenery (1960) stated that, for a country to achieve economic growth it had to shift its production from agricultural to industrial production and exportation. In essence, structural change denotes a qualitative transformation and evolution of economic systems, often accompanied by technological progress and organisational changes (Schilirò, 2012).

Therefore, the proponents of this theory will enable the researcher to determine whether the structural change facilitated by “Vision 2020” has been able to curb the developmental issues in the country.

Nevertheless, Marxist critique against this theory opined that an urban expansion might be driven by increases in capital rather than labour and it can also create poverty and

unemployment. Critiques of Lewis' (1954) model assert that his assumptions merely explain the realities of what goes on in most developing countries. Other critiques also postulate that; the scope of the theory is limited to those economic aspects considered to be relevant for the analysis of growth although the process of modern economic growth is significantly more comprehensive. The theory fails to consider that differences can arise among countries in pace and pattern of development with regards to a particular set of circumstances (Ogoko, 2016).

Despite these criticisms, this theory is still relevant to this research. For instance, urban expansion can generate revenue for developmental projects. A shift in the structure of the economy can create solutions for existing challenges detrimental to economic growth. It provides a framework for assessing the level of development associated with the structural change from the "Vision 2020".

1.8 Literature Review

Development encompasses continuous change in the various aspects of human society (Sumner, 2007). The concept of 'Development' is contested both theoretically and politically, and is inherently both complex and ambiguous (Thomas, 2004). Scholars like Peabody (1996) posit that structural adjustment programmes (SAPs) and economic reform policies are short-term austerities that lead to long-term growth and development. Certain studies prove that development goes beyond the financial stability of a nation (Ogoko, 2016).

In his fundamental work from 1959, Rostow explained development as "a process of evolutionary succession in stages where human civilizations progress from rudimentary models to a western industrialized civilization consumption model, which is thought to be both distinctive and universal". The United Nations Development Programme [UNDP] (1991, p. 77), on the other hand, defines development as "expanding the range of choices for the

population that allows citizens to become more democratic and participative...access to income... participation in decisions and enjoyment of human, economic and political liberties”.

1.8.1 The concept of development and economic growth

In light of this, it is necessary to understand the concept of development and economic growth which is a major driver of the former. There are three appreciable definitions of development. The first is historical, it argues that “development is a long-term process of structural societal transformation”, the second is evaluation, hence, it regards the concept as, “a short-to-medium term outcome of desirable targets”, and the third, which is post-modernist states that the concept is “a dominant discourse of western modernity” (Sumner, 2007). These assertions allude to the notion that the concept is overly complex to understand theoretically. The concept of “Development” can further be understood from the evolutionism and social technology point of view. According to evolutionism, “social change follows a common pattern throughout societies” (usually in historical stages), while the social technology point of view asserts that, “social interventions based on expert knowledge (possessed by a privileged group that acts as a trustee for the common good) are required to bring about meaningful social change” (Ziai, 2013). Alcalde (1987) postulated that “the initial and most important purpose of the concept of development was to provide less developed countries with a positive and fundamental meaning for economic activity, especially foreign economic engagement.”. However, some scholars have attached negative connotations to the concept. Escobar (1995), opined that, “development has been and still is a top-down, ethnocentric, and technocentric strategy that views people and cultures as abstract concepts and treats them as statistics figures that can be shifted up and down in charts of progress”. Succinctly, the theory of development does not give room to developing countries to share their own opinions. Alvares (1992), labelled the concept as “a label for plunder and violence, a mechanism of triage”. Development has grown obsolete

(Sachs, 1992). Nonetheless, concerning this research, the concept of development is suitable for developing economies because it creates certain benefits required for the expansion of their economies in the international system.

According to Ogoko (2016), development can be achieved when a nation experiences specific changes in its social and administrative institutions, political conditions, and moral values. This confirms the assertion that, structural change is a requirement for development. In Boni Yao Gebe's book titled "Constitutionalism, Democratic Governance, and the African State", he asserts that Africa's greatest needs are 'democracy', 'stability' and 'development' (2015, p. 2). This depicts that; developing countries yearn for development at all costs.

Development can be achieved economically or socially. Development goals often include "improvements in critical services including housing, infrastructure, health care, and education as well as increases in overall development and productivity, employment growth, and provision of safety nets." (IFC, 2011). The concept of development focuses on inclusive growth, poverty reduction and global and regional integration. To achieve inclusive growth, the majority of the labour force, both middle class and poor, must have equal access to opportunities. (IFC, 2011). Poverty reduction goes beyond providing income for the poor but also creating job opportunities, good health, quality education and infrastructure (IFC, 2011). These assertions are relevant to this research because they provide a vivid understanding of the notion of development and its importance and why it's necessary for developing economies to embark on.

1.9 Conceptualization of development

The concept of development can be viewed from different schools of thought. These schools of thought are succinctly explained below;

1.9.1 Development as Economic Growth

The term development from an economic perspective is viewed as evolution, unfolding, revelation, and innovation (Schumpeter, 1989). This school of thought holds that in urbanized modern societies, a significant portion of well-being is associated with the income that people have to access goods and services available on the market (Soares & Quintella, 2008). Scholars like Veiga (2005) describe the term development under this school of thought as;

The market fundamentalists implicitly consider development as something redundant. Development would come as a natural consequence of economic growth, thanks to the trickle-down effect.

It can be deduced from this perspective that development is birth out of economic growth. Once the economy experiences an increase, development becomes a byproduct. That is, development and economic growth are from one end of the spectrum to the other. Economic growth is seen as a means to an end which is development that is, when a country aims to yield economic growth, overall development will be achieved in the long run.

1.9.2 Development as fiction

This notion of development is a critique of the previous school of thought. This school of thought argues that development is not a natural occurrence. They critique that development cannot be reduced to a quantitative understanding of the world in itself (Soares & Quintella, 2008). Scholars like Rivero (2002) posit that “those who support the concept of development disregard the historical-cultural processes, society’s non-linear progress, and ethical frameworks and even dispense with ecological impacts”.

This implies that the notion of development follows a particular procedure, that is, it is not a natural occurrence. Hence, when countries adopt these procedures, development will be realized.

1.9.3 Neoliberalism theory of development

Neoliberalism emerged in the 1970s. This ideological framework focuses on free market economy, reducing trade barriers, price control, lower taxes, and government deregulation. It rolls back state involvement and facilitates private sector involvement. Thus, limiting government interventions and spending. It champions private ownership of businesses and properties. It is characterised by the notion that “greater economic freedom leads to greater economic and social progress for individuals” (Manning, 2022). This ideology posits that development can be achieved when there is less government intervention in a country’s economic activities. It promotes global trade.

Most countries that adopted this theory saw significant increase in the various sectors of their economies. For instance, commercialization of medicine in America. It was championed by the former British prime minister Margaret Thatcher.

This notion of development is however criticised by certain scholars due to the level of inequality it accrues. Those who earn more have a higher spending power as compared to those who earn less (Manning, 2022). Deregulation can also cause financial and labour crises which can aggravate poverty. For instance, the deregulation of banks in America during the global financial crisis in 2008 (Kammas, 2022).

This ideology is however necessary for economic development in a country because it creates an avenue for global trade with the larger market.

1.10 The significance of economic recovery programmes in fostering development

ERPs are one of the tools for advancing development in a nation because it propels economic growth. Additionally, they assist in enhancing the formulation of economic policy and directing reforms to maintain macroeconomic stability, increase competitiveness, and enhance the environment for inclusive growth and job creation (EC, 2018). ERPs serve as a basis for short

and mid-term development policies. Over the years, ERPs have proven to facilitate development in various countries.

ERPs can affect the overall direction and structure of the economy. Governments make economic reforms when the economic structure of the country is receding. Economic reforms can yield development when there is a strategic change in the various structures of the economy. The main objective of ERPs is to foster economic growth and reduce unemployment in a country. That is, the long-term impact of ERPs must translate into the overall structure of the economy. ERP is defined as “the government's deliberate development of economic policies and programmes meant to improve the efficiency of the various sectors of the economy” (ClassNotes, 2021). It is also defined by Bakoup (2013) as “*an action by the government targeting economic policy instruments designed to effect changes in the behaviours of public and/or private economic agents with a view towards either boosting their sustainable and non-inflationary demand addressed to the national economic growth and employment creation targets*”. These reform programmes can be privatization, commercialization and industrialization. Policymakers formulate various economic reform programmes that will shift the various sectors of the economy towards development.

1.11 How structural change fosters development

As earlier mentioned, structural change is a requirement for development, hence, this section will falsify or prove its validity based on some of the pillars of the “Vision 2020”.

1.11.1 How good governance fosters development

According to Pradhan (2011), the development of a country is determined by the type of governance it provides in the administrative, social and political spheres, thus, good governance can affect economic development. Various studies conducted to disinter whether

there is a positive relation between good governance and development have proven efficacious. A study conducted by Han et al. (2014) to find out whether countries with poor governance experience slower development than those with good governance deduced that the latter experiences faster economic than the former. The key attributes of good governance include transparency, responsibility, accountability, participation, and responsiveness (UNHR,

Good governance fosters anti-corruption policies, respect for the rule of law, and equal participation of the voices of the minority in a country. Decisions taken in such an environment follows the rules and regulations to ensure fairness and transparency.

Therefore, to ensure economic development, good governance is a tool that needs to be adopted by various policy makers.

1.11.2 Infrastructure development and economic development

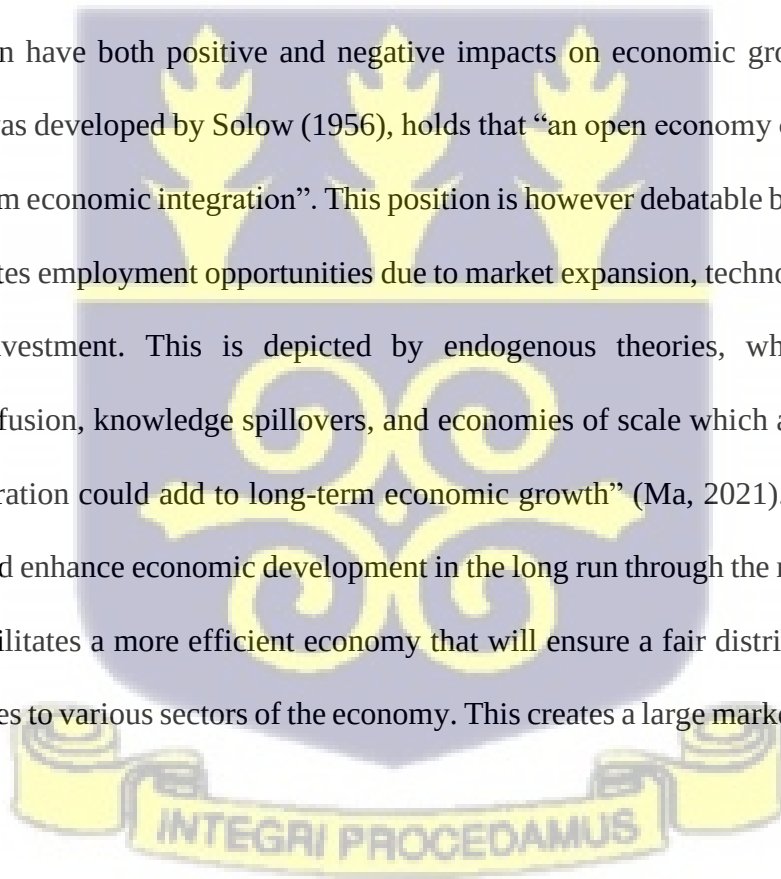
Infrastructure development is essential for economic development. Infrastructure development promotes economic inclusiveness, trade, and connection while promoting improved productivity and growth (Naoyuki et al, 2021). This shows a clear correlation between infrastructure development and economic growth. Quality infrastructure will create high spillovers which will reflect in the high growth rate of the economy and an increase in tax revenue (Naoyuki et al, 2021). These spillovers can increase urbanization especially, in developing countries, where governments use the resources attained from spillovers to create tourist centres for citizens and foreigners. When governments invest in their infrastructure development, it stimulates job creation, improves foreign direct investments and enhances productivity (Naoyuki et al, 2021).

Infrastructure development increases competitiveness and the mobility of products and people. This generates higher revenue for the government and higher returns on investment. This

affects the local and overall economic development of a country. For instance, access to electricity in Brazil heightened its structural transformation process from 1970 to 2006.

1.11.3 Economic integration and development

Economic development can also be achieved through economic integration, which involves the reduction or elimination of trade barriers to advance trade with other economies. Integration can be promoted via, “improved trade, promotion of regional infrastructure networks, and creation of integrated production chains” (IFC, 2011). Empirical studies on the integration-induced growth effect prove that economic integration can be regarded as an effective way to yield economic growth (Ma, 2021). Certain debates on the benefits of economic integration prove that it can have both positive and negative impacts on economic growth. The Solow model, which was developed by Solow (1956), holds that “an open economy cannot gain long-term growth from economic integration”. This position is however debatable because economic integration creates employment opportunities due to market expansion, technology sharing and cross-border investment. This is depicted by endogenous theories, which predict that “technology diffusion, knowledge spillovers, and economies of scale which are introduced by economic integration could add to long-term economic growth” (Ma, 2021). Thus, economic integration could enhance economic development in the long run through the reduction of trade costs which facilitates a more efficient economy that will ensure a fair distribution of capital, good and services to various sectors of the economy. This creates a large market and technology sharing.



1.11.4 Human resource development, private-sector-led economy, and economic development

Empirical studies have proven that ERPs can improve development when it is channelled towards human resource development (HRD) and a private sector-led-economy. According to Harbison and Myers (1964), HRD is “a process of increasing the knowledge, the skills, and the capacities of all the people in a society”. They viewed HRD in three areas, which include, political, economic and socio-cultural. When governments channel their resources towards effective HRD building aimed at improving education, health and nutrition, development will be enhanced. When the populace receives a good and quality education, productivity will improve. The provision of adequate health care and nutrition will increase life expectancy, hence increasing labour. HRD contributes substantially to economic growth because it allows citizens to develop new skills and acquire new knowledge for productivity. The private sector is crucial in advancing development. A 2008 report on economic growth by “The Commission on Growth and Development”, deduced that the private sector can facilitate higher productivity and knowledge transfer for economic growth. Investing in the private sector will create employment opportunities that will alleviate the level of poverty in the country, and increase revenue that will help finance developmental projects in a country. The development of the private sector also increases public private partnerships to ensure efficient and quality provision of services. Hence, if a country channels its resources towards the aforementioned, a substantial amount of economic development will be recorded.

1.11.5 Diversification of the Agriculture-sector and development

Furthermore, adoption of aggressive transformational policies that shift toward modern and more productive agriculture increases economic growth. According to Janvry & Sadoulet (2020) productivity growth in agriculture has been a significant driver of development and

structural change and industrialization in most developed countries. Agriculture has been the engine of growth, transformation, and industrialization in Taiwan, South Korea, China, and Vietnam (Mellor, 1995). Transforming the agriculture sector of a country can create jobs, generate revenue, reduce malnutrition, and shift the economy on a path to middle-income (Boettiger et al, 2017). Needless to say, agriculture transformation is a necessity for development. It increases productivity which in turn generates more revenue for the economy.

1.11.6 Conclusion

Nonetheless, the notion of development was embraced by Africa after the colonization era. This was a result of the various crises the continent experienced post-independent (Van de Walle, 2001). Scholars underlined Africa's economic woes as; "economic stagnation or decline (Ake, 2001), economic recession (Shaw, 1986), and an absence of sustained growth in real export earnings (Svedberg, 1990)". Thus, African governments sought for strategies to mitigate their deteriorating economies. ERPs became one of the go-to policies because it gives room for various activities geared towards economic development. ERPs are essential for developing economies because of their associated gains.

Excerpts from this literature review portray the ideological views of these scholars on the key points of the research. This review has created a picture of the concept of development and its driver which is ERPs. It has also depicted certain theories backing the notion of development. Hence, this research will examine whether Rwanda's ERP has spurred development.

1.12 Research Methodology

This study will employ the qualitative research method in other to answer the research questions and achieve the research objectives. This approach is descriptive and analytical, and dwells on secondary data. It will allow the researcher to get an in-depth understanding of the

subject under study. A multivariate analysis will be used to help achieve the objectives of the study by looking at the correlation between the pillars of “Vision 2020” and economic growth.

1.13 Research Study Design

According to Creswell, research designs are the “plans and the procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis” (Creswell, 2009, p. 3). This study will adopt an explorative research design, which will enable the researcher to investigate and provide an analysis of the issues raised in the research problem. This will also allow the researcher to find the relation between the pillars of “Vision 2020” and economic growth.

This study also adopted the deductive research approach to test the validity of the theory adopted.

1.14 Sources of Data

This research will rely mainly on secondary sources of data. This data will be obtained through the analysis and review of books, journals, policy papers, and published works related to the study. The researcher looked out for interviews of policymakers on how the pillars of “Vision 2020” have fostered development in Rwanda. A thorough analysis of the data gathered will be done to obtain appropriate information for the study.

1.15 Arrangement of Chapters

The study is divided into four chapters.

Chapter one constitutes the introduction of the study. This chapter highlights the background of the study and the statement of the research problem. It also outlines the research objectives

and questions relevant to the achievement of the research objectives. The scope of the study, significance of the study, and the thesis statement are also highlighted. The researcher then introduces the reader to the theoretical framework required for the study and review of existing literature about the study. Finally, chapter one outlines the research methodology, research design, method of data collection and analysis, and the arrangement of chapters.

Chapter two provides an overview of the economic condition of post genocide Rwanda.

Chapter three examines the initiatives and achievements from the “Vision 2020” and the challenges encountered during its implementation.

Chapter four discusses summary of findings, conclusion and make recommendations for future research.



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CHAPTER TWO

OVERVIEW OF THE ECONOMIC CONDITION OF POST-GENOCIDE RWANDA

2.0 Introduction

This chapter provides an overview of Rwanda's economy and its development. Particularly, it will trace the various economic reform programmes adopted before and after the genocide.

2.1 Overview of Rwanda's Economy before the Genocide

Prior to the civil war and the genocide, Rwanda had good financial policies, external aid, and favourable terms of trade that supported its economic progress. An assessment by Rwanda National Bank (RNB) indicates that from independence up to 1972 the economy of Rwanda was characterized by fundamental economic dependence with an economic rate of 43% (Tuagira, 2019). The inflation rate was relatively low and the economy was dominated by coffee exports, which covered 8% of the country's export gains (Chossudovsky, 1997). More than 9 out of 10 Rwandese lived on farms. After independence, majority of Rwanda's agriculture output was dependent on rain-fed and the production of small, semi-subsistence, and increasingly dispersed farms (Kumar et al, 1996). Restrictions were imposed on trade, foreign exchange transactions, and the exchange rate regime between 1960 and 1990 (IMF, 2005). The average tariff rate was 34.8 per cent in the early 1990s (Malunda & Musana, 2012). The favourable terms of trade for Rwandan goods (mainly coffee and tea), resulted in positive trade balances and a stable currency and a conducive environment for a development project from 1960 to 1980 (Kumar et al, 1996).

The country developed through the expansion of foreign aid due to its socioeconomic ties with industrialized nations like Belgium, Germany, Canada, Switzerland, the United States, and international organizations between 1970 and 1980 (Tuagira, 2019). This attracted foreign

investors while also using public intervention to boost domestic production (Ggombe & Newfarmer, 2020). Several tea plantations and factories were established by the government in collaboration with foreign investors. A lot of local industries including beer, soaps, cosmetics, furniture, some light textiles, and grain milling industries were established between the period of 1962- 1975 (Gathani & Stoelinga, 2012). The economy experienced a recess in 1980 when there was an international decline in coffee prices, and difficulties encountered by the mining sector. The supply of food per capita was also reduced as a result of environmental degradation and population growth (Storey, 1999). The GDP per capita fell to 30 % and the level of poverty heightened to 53% in 1992 (Uvin, 1998). The economy ran a balance of payment deficit. Growth deterioration led to increased state intervention and further eroded growth (Ggombe & Newfarmer, 2020).

2.1.1 The SAP adopted before the genocide

The government adopted an SAP in 1990 which resulted in a 40% devaluation of the Rwandan Franc (Waller, 1993). Features of the SAP are;

1. Fiscal stabilisation or contractionary policies entail reducing government spending, eliminating grants for price stabilization to coffee farmers, as well as enterprise subsidies and tax increments.
2. A strong monetary policy, that will raise the interest rates and tighten credit.
3. Elimination of price control and the control on profit margins.
4. Introduction of user fees for health, education, and other state services.
5. Reorganisation and/or privatisation of some State-owned enterprises.
6. Fostering private sector initiatives and commercialising agriculture.
7. The adoption of 'safety net' measures to mitigate the effect of adjustment on the poor.

However, the inflation rate skyrocketed in the initial stage of the programme which affected the costs of a variety of necessities in Kigali (Waller, 1993). This brought an economic downturn in the country and heightened the agitation of the citizens. Many citizens could not afford necessities such as food and shelter. The percentage of households living in poverty increased from 40% in 1985 to 53% in 1993 (IMF, 1998). Scholars like Chossudovsky attributed the economic condition of the country to the SAP that was adopted. Chossudovsky opined that;

The state administrative apparatus was in disarray; state enterprises were pushed into bankruptcy and public services collapsed...severe child malnutrition increased dramatically...the number of recorded cases of malaria increased by 21% [in one year] ...largely as a result of the absence of anti-malarial drugs in the public health centres. The imposition of school fees at the primary school level was conducive to a massive decline in school enrolment (Chossudovsky, 1995).

Hence, the country needed new policies that will strengthen its economy.

2.2 Rwanda's economy after the genocide

The civil war and the 1994 bloody genocide of the Tutsi population, who numbered about 4% of the entire population of Rwanda in 1991, broke the social fabric of the country and ruined much of its infrastructure. This further worsened the economic condition of the country. The country went from a night of bliss to a widespread loss of lives and pillaging. Gourevitch (2009) described the chaotic scene of post-genocide Rwanda as;

A country with its infrastructure trashed, its economy gutted, its government improvised, a garrison state with soldiers everywhere, its court system vitiated, its prisons crammed with murderers with more murderers still at liberty—hunting survivors and being hunted in turn by revenge killers—and with the routed army and militias of the genocide and a million and a half of their followers camped on the borders, succoured by the United Nations refugee agency, and vowing to return and finish the job.

By July 1994, the country's whole health care delivery system had disintegrated, and its human capital had completely been destroyed. Almost 80% of its medical experts had been killed or had left the nation (Kumar et al, 1996). This led to the failure to maintain infrastructure and some cash crops thereby resulting in a decline in GDP. The United Nations 1999 assessment divulged a country striving to shelter and feed its migrant population, with more than 270,000 families lodging under plastic sheeting, and 60,000 squatting in other people's abode (Ryan, 2012). The country's debt became unsustainable. Majority of its foreign exchange earnings and a quarter of its revenue were used to service its debt (Oxfam, 1999). Foreign investors lost confidence in the country thus; some withdrew their investments because it had become a high-risk country to invest in. There was a need for a quick resuscitation and reconstruction of the economy.

An IMF report in 1999 which depicts the various challenges the country needed to resolve after the genocide mentioned the following as a requirement for restoring Rwanda's economy;

- i. To create and build human capital
- ii. To promote national peace and stability in the sub-region
- iii. To enhance the welfare of the population and combat poverty
- iv. To encourage the development of a participatory economy
- v. To address the country's external debt burden.

Rwanda needed sustained economic growth to regain its income peak of 1983 (Ansoms, 2005).

The IMF advised that a successful transition will require "sustained efforts by the populace as well as a unique support from the international community".

2.3 The various areas the government considered necessary for development

The government considered it imperative to rebuild the country and restore hope to its citizens thus; it focused on solving some of the challenges indicated by the IMF. The government focused on security, economic recovery and state building. The government targeted “infrastructural development” due to how its transportation and distribution networks were ruined by the genocide (Ryan, 2012). Infrastructural development is a necessity for trade and other bilateral and multilateral relations. Since the country is landlocked it was necessary to develop its infrastructure to increase competitiveness and integration in global trade. There was the need for substantial financial support and aid, and programmatic consistency to restore the social fabric of the country hence, various international donor communities trooped into the country.

Ansoms (2005) asserts that post-war economic growth is mainly aid dependent. The financial support was essential for the country to reduce its inflation to attract more foreign investors which will boost its revenue. The country received aid from some of these international donor communities such as the “United States Agency for International Development” (USAID). The international community allocated US\$1.4 billion to the government (Eriksson, 1996). There was an establishment by UNDP and the Rwandese Trust Fund known as the “UNDP Trust Fund” in July 1994, to serve as a mechanism for allocating donor funds intended for the rehabilitation of the economy (Eriksson, 1996). The government channelled its focus on sustainable growth, peace settlements, and poverty reduction in order to scale its economic growth. This became necessary because the genocide had rendered most of the citizens poor. Collier (1999) posits that while short civil wars are depicted by a war overhang effect, peace settlements following protracted civil conflicts can lead to swift economic growth. That is, it was necessary for the government to adopt reintegration strategies and other peace settlement measures to gain rapid development in the country.

2.4 Overview of the economic reform programmes adopted after the genocide

The aftermath of the genocide necessitated the reliance on aid for a quicker economic recovery because the country's debt was unsustainable. It also launched an irrevocable march towards economic growth. In order to free the country from the shackles of poverty, the government adopted various ERPs because it was required for the government to implement policies to bolster economic growth that will reflect in the lives of the citizens. The international donor community also worked with the government to reconstruct economic and social institutions to enhance development in the country. Aid was mostly geared towards humanitarian relief in Rwanda. Government policies were geared towards reintegration programmes and economic growth.

According to Ggombe & Newfarmer, foreign aid to Rwanda transitioned from humanitarian relief to reconstruction and development assistance, with a focus on meeting the country's needs in education, health, water, energy, transportation, communication, and infrastructure. The government adopted certain financial policies to curb the skyrocketed inflation rate. The Rwandan government consulted the World Bank and the IMF for economic recovery measures. Thus, the government took measures to demonetize and reduce the money supply, currency depreciation and reliance on the market-based exchange rates, to reform the economy (Kumar et al, 1996). The government adopted a market economy characterised by the persistence of trade reforms and liberalization of monetary and financial systems (Malunda & Musana, 2012). World Vision International (WVI), which provides Humanitarian aid, development, and advocacy, established a peacebuilding and reconciliation programme in 1996 to help salvage the post-genocide frustrations. A "Programme of national reconciliation and socio-economic rehabilitation and recovery" (PRSERR) which aimed at fostering economic development was also adopted in 1996 (ADF, 2007). The PRSERR had a substantial impact on macroeconomic

stabilisation, particularly the reduction of the public finance deficit (SAP, 2007). In 1997, Oxfam International called on the African Union (AU) and the United Nations (UN), the Bretton Woods Institution, the European Union, and other bilateral donors to help develop effective reconstruction strategies that will foster economic growth in Rwanda. It aimed at promoting recovery and economic development. Oxfam International outlined an integrated programme that aimed at;

- Alleviating poverty
- Avoiding future conflict
- Promoting adherence to the rule of law and respect for human rights

2. 4.1 The transition programme

The government adopted a transition programme in 1997 to facilitate socioeconomic recovery, and establish the framework for national reconciliation, sustainable growth, inclusive decision-making, and poverty alleviation. The transition programme focused on increasing stability and strengthening development capacity of Rwanda. This came with the adoption of a new tax law which heightened the budget and treasury management. This further liberalized the exchange system of the country. The banking system was sufficiently recapitalized thus, enhancing the country's financial stability. The government pursued liberalization of coffee marketing, processing and export, reduce export tariffs and improve the export regulatory framework to facilitate market-based transactions and revitalize the coffee sector, which is an essential source of revenue (Ggombe & Newfarmer, 2020). A new investment code and one-stop investment promotion centre were also formed in 1998 to facilitate a favourable atmosphere for both domestic and foreign investors (Ggombe & Newfarmer, 2020).

2.4.2 The Structural Adjustment Programme

The country in collaboration with the IMF and World Bank adopted an SAP in 1998 to revive the economy through;

- i. Achieving a growth rate of 6.7% in 1998 and 8% starting from 1999
- ii. A 5% decrease in inflation starting from 1999
- iii. Decrease in the external current account deficit to 17% of GDP in 2000
- iv. Keeping the total reserves level at 5.5 months of imports.

The SAP II involved specific macro-economic, structural and sector reforms, expansion of road network, modification of the agriculture sector, and rural development. It aimed at drawing the fundamentals for sustainable development. This SAP II sought to restore the value of the Rwandan franc which had depreciated by 12% in 1998. It intended to mobilise financial resources through a 0.5% increase in revenue of GDP by broadening the tax base through the imposition of border taxes on petroleum products, removal of tax exemptions on turnover conferred on capital goods and transportation equipment imports, and implementation of VAT (SAP, 2007). The fiscal policies were also geared towards the reduction of economic imbalances while ensuring sufficient funding for poverty alleviation and reintegration programmes, vulnerable population, essential social services (especially in the education and health sectors), and public sector restructuring (IMF, 1998).

The SAP II championed the development of the private sector by improving the openness of corporate regulatory framework and strengthening external trade liberalisation, fostering communication between the public and private sectors to boost the private sector's ability to contribute to GDP growth (SAP, 2007). Under this programme, an agriculture sector strategy was drawn, and it also aimed at fostering peaceful coexistence among Rwandans and respect for human rights. A distinguished quality of the programme was the alleviation of poverty

through the implementation of poverty reduction strategies. The government intended to improve the living standard of the populace by establishing measures that will enable the citizens to cater for their basic needs. The programme intended to foster regional integration through the implementation of trade liberalization policies such as the removal and/or reduction of tariffs and non-tariff barriers.

2.4.3 The Vision 2020

The government adopted “The Vision 2020” as a long-term economic recovery programme in 1998-1999 in Village Urugwiro and implemented it in 2000 by President Paul Kagame (Kaberuka, 2000). “Vision 2020” is a blueprint for Rwanda’s economic growth, indicating the necessary procedures for development. It is intended to facilitate poverty eradication and social protection. The government’s aim under the “Vision 2020” is “to build a knowledge-based economy, a middle-income country with a robust private sector, and achieve equality by 2020” (Kaberuka, 2000).

Since 2000, most governmental medium-term developmental policies centred on “Vision 2020” (Uwizeyimana, 2016). “Vision 2020” is a “reflection of Rwandans’ aspiration and determination to construct a united, democratic and inclusive Rwandan identity” (Kagame, 2012). President Paul Kagame also stated that;

I am certain that Vision 2020 will continue to inspire us to achieve our goals, and that our vision is clearly and powerfully stated, thus, setting in motion the vital energy and the sense of urgency needed for its realization.

That is, “Vision 2020” is very instrumental in restoring stability and economic growth to the country. It was also built on six pillars and three cross-cutting areas. The cross-cutting areas include gender equality, protection of the environment and sustainable natural resource management, and science and technology including ICT (Nimusima et al, 2018).

The 6 pillars of “Vision 2020” are;

1. Good governance and a capable state.
2. Human resource development and a knowledge-based economy.
3. A private sector-led economy.
4. Infrastructure development.
5. Productive and Market-oriented Agriculture
6. Regional and International Economic Integration.

These tenets are further explained as follows:

2.4.3.1 Good governance and a capable state

Under this programme, the government set out to create a system of law that supports and protects all its citizens without prejudice as majority of its citizens faced unfair treatment through tribalism that resulted in genocide. The government was committed to upholding the rights, maintaining the nation's integrity, and ensuring the security of its citizens (VR, 2012). The government aimed to establish an initiative and deploy qualified personnel in the public sector, where there are checks and balances to ensure that the objectives of other sector especially the private sector are achieved and translated into effective policies and strategies (Kaberuka, 2000). This will further create competition for Rwanda in international trade.

Good governance was to be ensured, via; accountability, transparency and efficiency in deploying scarce resources. This also means adherence for democratic institutions and procedures, a state that upholds the rule of law and the protects human rights. The decentralization process was intended to promote citizen participation at the local level by empowering people to participate in decision-making and address challenges that frequently affect them. (Kaberuka, 2000).

2.4.3.2 Human resource development and a knowledge-based economy

The government aimed to create a productive and efficient workforce by creating quality education which will enable the country to reach “Universal Education for All”, which is an essential Millennium Development Goal (VR, 2012).

More emphasis was placed on vocational and technical training (Kaberuka, 2000). This was to give more women the opportunity to acquire vocational skills, hence preventing gender bias. Special interest was to be given to creative, small-scale entrepreneurs. In-service training, on-the-job training, and distance learning programs were to be introduced in the national institutions (Kaberuka, 2000). This was done to help better the skills of the citizens. Health policies were geared towards improving the quality and accessibility of healthcare by the poor (VR, 2012). It intended to decrease infant mortality rate from 107 to 50 and maternal mortality rate from 1070 to 200 (Kaberuka, 2000).

2.4.3.3 A private sector-led economy

“Vision 2020” focused on the creation of more domestic businesses. The Government of Rwanda established conditions that will aid these local businesses in producing effective services. This allowed for low pricing, thus, shifting consumer choice. The State only acted as a catalyst; making sure that infrastructure, human resources and legal systems were designed to promote economic growth and private investment (Kaberuka, 2000). The government also promoted domestic businesses by the introduction of export processing zones, in which foreign operators could partner with the locals.

2.4.3.4 Infrastructure development

“Vision 2020” championed the establishment and development of various infrastructures, which will serve as bait for local and foreign investors. Land laws were to be amended to provide tenancy protection and freedom of exchange. This was to ensure the efficient use of Rwanda’s land resources. Rural areas were to be equipped with basic infrastructure and services. The urban centres were also going to receive a facelift which will attract more indigenes and foreigners to move into the towns and cities. The government planned to build essential infrastructure in urban centres and in other development hotspots, to help relive agricultural zones congestion (Kaberuka, 2000). Since Rwanda is landlocked, the transport of goods from ocean ports is relatively high. Hence, it was essential to build alternate, less expensive modes of transportation to the sea, particularly through an expansion of the Ugandan Railway system and a regional rail line to Isaka, Tanzania. (Kaberuka, 2000). The government aim to build a combined rail and water system that could connect the Banguela Railway and create a second airport that will serve, as a regional hub for the great lakes region.

The communication sector was to be enhanced by granting internet access and telephone access to rural areas, secondary schools and administrative levels. The energy sector production was to be diversified into alternative energy resources such as solar energy or photovoltaic energy. “Vision 2020” aimed to make provision for clean and safe drinking water for the populace. Furthermore, the government intended to provide sufficient sewerage and disposal systems which would help curb waste management issues.

2.4.3.5 Productive high value and Market-oriented Agriculture

“Vision 2020” aimed to promote the intensification of agriculture production to boost productivity and attain annual growth rates of 4.5 % to 5%. Agricultural policy was oriented towards increasing intensification to foster productivity, promote value addition,

modernization and improved quality of livestock to achieve a growth rate of 8.5% per year (Kaberuka, 2000). It aimed to replace small-scale agriculture with a fully-commercialized agricultural sector. (Kaberuka, 2000). Use of fertilisers, agro-based manufacturing, investment in rural infrastructure, etc. was to be encouraged.

2.4.3.6 Regional and International Economic Integration

“Vision 2020” championed a free, open trade system, by reducing trade barriers and putting in place measures to promote foreign direct investment. This is intended to create more intra-regional trade which will help boost the economy. Moreover, measures that support competitive trade, exports and entrepreneurship would be intensified. Enhancing export processing zones together with industrial reforms that will allow the nation to expand its offerings in the communications and services sectors and benefit from expanding regional cooperation in the Great Lakes/Eastern African region will be intensified under this programme (Kaberuka, 2000). The next chapter of this study will delve more into the “Vision 2020”. It intends to find out whether the conditions in Rwanda allowed for the successful implementation of the “Vision 2020”.

2.5 Benefits accrued from the reform programmes adopted after the genocide

Although the first SAP in 1990 did not yield significant economic growth, the SAP II adopted by Rwanda accrued crucial results in the country. These benefits were seen in relevant sectors of the economy. It fostered rapid and long-term macroeconomic development. The establishment of specific structures and the provision of adequate human and technical resources, the Central Projects and External Finance Bureau (CEPEX), the Debt Monitoring Committee and the Civil Service Commission in particular, improved the technical and

institutional capacities of these structures and helped to them to better manage their affairs, enabling them to fully play their roles (SAP, 2007).

The debt management and monitoring efforts by the programme helped to alleviate the debt burden in the country. In this regard, Rwanda received \$452 million in debt relief in January 2001 through the enhanced “Heavily Indebted Poor Countries” (HIPC) initiative, to which the Bank contributed \$74.94 million (SAP, 2007). Moreover, the establishment of exchange rate measures helped to sustain the Rwandan Franc hence, inflation was controlled. In 1998, 1999 and 2000 the economic growth rate decreased from 9.8% to 5.9% and 5.2% respectively, and the inflation rate increased from -2.4% in 1999 to 4% in 2000 (SAP, 2007). The budget deficit decreased from -13.8% of GDP in 1995 to -8.1% of GDP in 1998.

The establishment of the National Reconciliation Commission and the Human Rights Commission ensured the protection of human rights, strengthened social harmony, and enabled peaceful cohabitation amongst communities (SAP, 2007). The liberalization of economic activities also stabilized the economy and sustained economic growth (IMF, 1999). Security issues improved under this programme.

The Investment Promotion Act was implemented thus, fostering private investment, exports, and enterprise development. To make it easier for emerging private exporters to access foreign currencies, the foreign exchange markets were liberalized, allowing exchange bureaus and commercial banks to convert currencies at rates set by the market (Ggombe & Newfarmer, 2020).

Liberalization of the coffee market and the removal of export taxes resulted in the termination of price controls and state-owned enterprises changed relative prices to eliminate subsidies (Ggombe & Newfarmer, 2020). Moreover, the monetary and financial sector liberalization-initiated adoption of a new currency exchange regulations, the establishment of new private

commercial bank, and the privatization of certain state-owned banks (Coulibaly, 2005). The financial policy measures taken by the government increased the GDP which had declined by half in 1994 to over 35% in 1995 and sustained average annual growth of more than 10% over the next five years (Ggombe & Newfarmer, 2020).

The new income tax law that was established in 1997 decreased the maximum personal and corporate income tax rates and subjected state enterprises to income tax. The increase of excise duty on consumer products made ad valorem; strengthened the budget and treasury management (IMF, 1998). Recapitalization of the banking sector in 1997 improved the financial positions of the Rwanda Development Bank and the two commercial banks in the country.

In Gourevitch's article, he commended the leadership of Rwanda for its formidable growth after the genocide. He opined that;

Rwanda is one of the safest and the most orderly countries in Africa. Since 1994, the per-capita gross domestic product has nearly tripled, even as the population has increased by nearly twenty-five per cent, to more than ten million. There is national health insurance and a steadily improving education system.

The government has been able to attain a level of development through the implementation of policies that facilitate economic growth. Rwanda's economy is now counted as one of the fastest-growing economies in Africa.



2.6 Challenges encountered during the implementation of the reform programmes adapted from 1994 to 1999

According to a report on the performance of SAP II, implementation of the programme was hindered by its scope. Some of the measures of SAP II such as the elimination of taxes on capital commodities and transport and levying of taxes on imported petroleum products were not implemented. This resulted in a fall in fiscal revenue. The restructuring and privatisation of public enterprises created a lot of job losses (SAP, 2007). This further increased the rate of unemployment in the country. There was a lack of funds to materialise the affordable housing project for the vulnerable population.

Several revenue-enhancing measures were not implemented due to lengthy parliamentary procedures (SAP, 2007). The government intended to reduce the travel budget allocated to ministers, the size of foreign travel missions, introduce a ban on purchases of government vehicles, and introduction of cash rations for the army instead of food to reduce the cost and contain expenditure. However, this effort did not manifest entirely due to poor control of recruitment and higher personnel demands for critical sectors (IMF, 2000). Other policies were hampered by administrative constraints.

Moreover, the SAP II has not been able to fully mitigate the poverty and unemployment situation in the country that is, development has not been fully realized with the implementation of these ERPs.

2.7 Conclusion

From this chapter, it can be deduced that Rwanda as a country have encountered a lot of phenomena that has affected its economic growth drastically hence, there was a need to tow along a trajectory that will bolster economic growth. Therefore, the Rwandan government

adopted the above reforms in order to restore its failing economy thus; at the heart of these programmes were employment and poverty reduction strategies because if these two issues are curbed, the living standard of the populace will improve, and the government will receive more revenue for developmental projects.

That notwithstanding, although the Rwandan government adopted these structural reform programmes to restore the social fabric of the economy and foster economic growth in the country, some tenets of the various reforms were not fully implemented due to administrative constraints. This chapter sheds light on some of the limitations to the implementation of these reforms.



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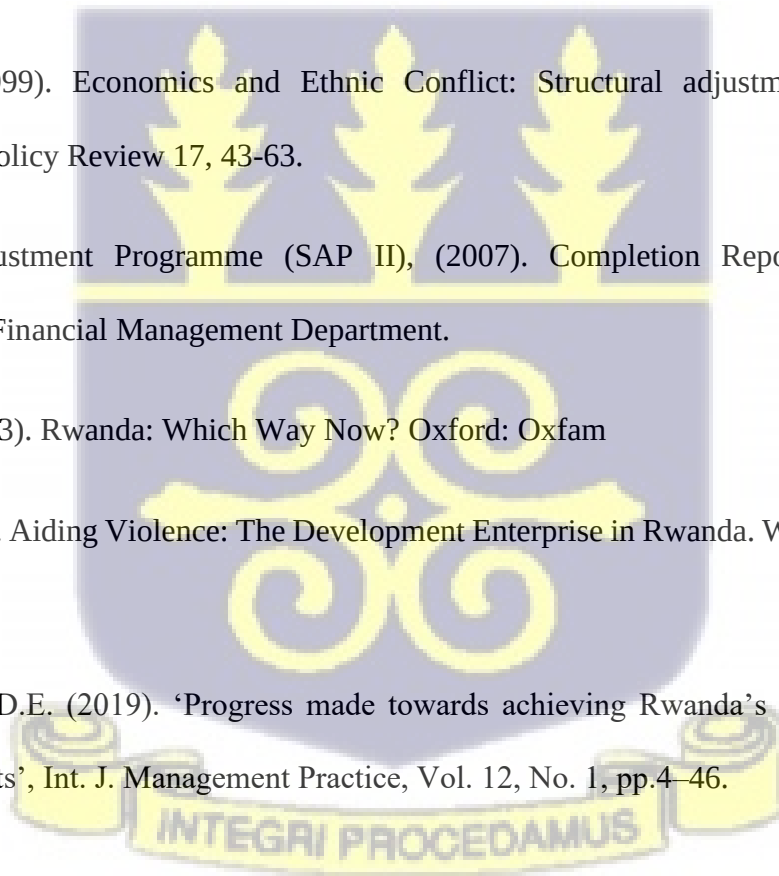
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CHAPTER THREE

INITIATIVES AND ACHIEVEMENTS FROM “VISION 2020” AND CHALLENGES ENCOUNTERED DURING ITS IMPLEMENTATION

3.0 Introduction

The previous chapter introduced the “Vision 2020”, which is a long-term ERP that was adopted in 2000, aimed at transforming the country into a middle-income status, a united nation with equality, and alleviating the level of poverty by 2020. Rwanda was far from making it when it comes to development due to the devastating genocide that destroyed the social fabric of the country. Bleak as the situation was, the Rwandan government took a quick turn to rebuild its economy. They decided to adopt a long-term ERP to restore the economy and curb the developmental issues lingering in the country after the failure of the initial ERPs. “Vision 2020” has served as a basis for subsequent medium and short-term policies in Rwanda. This programme was established based on six strategic pillars, promoting “productivity, trade, and establishing state institutions”. This programme was meant to transform the life of Rwandans at all levels. 60% of Rwandans lived below the poverty line, thus, the goal of the “Vision 2020” was to reduce it to 20% by 2020. It meant to increase life expectancy from 49 to 66 and reduce the infant mortality rate to 1:1000 children. It also intended to increase` accessibility to safe and clean drinking water and increase per capita income of the country. According to the World Bank (2014), “the goal of “Vision 2020” is to make the country a modern, powerful, and unified nation that is appreciative of its core values, politically stable, and devoid of prejudice against its citizens.

Rwanda has been able to move from utter economic recession into economic growth. It is now counted among the well-performing economies in Africa. The literacy rate in the country has

increased. According to an IMF report in 2011, Rwanda has been able to restore its economic growth by 7.5% in 2010 despite the global financial crisis. A UNDP report in 2007 asserts that;

Achieving the Millennium Development Goals in Rwanda is possible, even with plausible assumptions of economic growth and development assistance. Rwanda possesses all the key qualities required for the new Post-Millennium Declaration (UNDP, 2007, p.1).

Rwanda has been lauded for its efficient technocratic governance. Government appointees are appointed based on their expertise and not clientele basis. The World Bank's Doing Business report in 2010 commended the country for its revision of commercial laws, improvement of credit access, and its initiatives aimed at increasing trade and property registration (World Bank, 2010). The level of poverty in the country has reduced by 12% between 2005/6-2010/11 (GOR, 2012). The government's reliance on aid declined from 85% in 2005 to 45% in 2010 (Action Aid, 2011). These achievements were facilitated by the "Vision 2020" ERP.

This chapter will probe further and highlight the achievements of the six pillars and three cross-cutting areas of the "Vision 2020" ERP. In addition, the researcher will shed more light on the challenges encountered during the implementation of the programme.

3.1 The achievements from the "Vision 2020"

The "Vision 2020" sought to make Rwanda a middle-income nation by 2020 and alleviate the level of poverty (GOR, 2000, p. 9). This programme was put into play by a series of medium-term strategic policies. On this basis, the government introduced its first "Poverty Reduction Strategy Paper (PRSP)" and the "Economic Development and Poverty Reduction Strategy" (EDPRS) to help in the realization of these objectives. The country has witnessed development in its social sectors such as health and education. Infant and maternal mortality has fallen by 20 to 30%, poverty also decreased from 58.9% to 56.7%. Extreme poverty reduced from 40% to 35.8% between 2001 and 2005, and the level of inequality has also reduced (Nimusima,

2018). An extreme poverty rate also fell from 40.0% to 16.3% (NISR, 2015). Agricultural production was responsible for 35% of reduction in poverty between 2004 and 2014 while increased commercialization resulted in 10% decrease in the poverty rate (World Bank, 2015). The unemployment rate decreased from 2.2% in 2010 to 2.0% in 2014 (NISR, 2015). These figures signify how “Vision 2020” has accelerated development in Rwanda. This section will assess how the six pillars and three cross-cutting sections of the “Vision 2020” have been achieved from 2000 to 2022.

3.1.1 Good Governance and a capable state

“Vision 2020” acknowledged that “economic growth, alone, would not be enough to increase the standard of living of the population”, thus, growth must be “Pro-Poor, granting all Rwandans access to new economic opportunities (Ryan, 2012). Good governance in Rwanda connotes “rebirth, reconstruction, formal equality, redemption, citizen participation, and economic growth, and in the pro-poor policymaking was the development of a capable state, anchored in good governance” (Ryan, 2012). Certain studies show that, “effective government increases economic growth and development because it mostly encourages higher rates of human capital accumulation, higher levels of public service delivery, and obtain better credit ratings”. As earlier mentioned, Rwanda has received wide praises for its effective technocratic governance since the inception of the “Vision 2020” economic reform programme. Good governance was to be ensured under the programme, via; accountability, openness and effective use of scarce resources. According to UNDP, governance is defined as “the exercise of economic, political and administrative authority to manage a country’s affairs at all levels, comprising the mechanisms, processes and institutions through which that authority is directed”.

Good governance as a core mandate of “Vision 2020” necessitated the establishment of an independent body known as the “Rwandan Governance Board” in 2016 to facilitate good governance values. The Rwandan Governance Board (RGB) produced a scorecard known as “The Rwanda Governance Scorecard (RGS)” to aid in assessing the state of governance in Rwanda on the basis of eight indicators; “participation, rule of law, transparency, responsiveness, consensus oriented, equity and inclusiveness, effectiveness and efficiency and accountability” (Nimusima, 2018). This board promotes democracy and aids the government and administrative organs in the formulation of policies, laws, and strategies to encourage compliance with good governance principles. The RGB introduced “The Good Governance Competition” which is also known as the “Umurenge Kagame Cup” in 2006 to allow the youth to engage in government programmes that will deter them from engaging in deviant behaviours that will distort the code of good governance. The RGB has also established a “Peer-Learning Peer Review Programme” to facilitate accountability in non-budget local government entities. The RGB performs a coaching and capacity-building role. The capacity-building aims to provide institutions and personnel with the necessary skills and capabilities to adhere to good governance principles in their daily activities. The coaching programme is designed to help districts improve their performance by providing assistance with strategic planning and service delivery, as well as monitoring and evaluation. Rwanda is ranked 67th out of 143 countries in terms of technocratic governance (World Bank, 2010). The good governance initiative has also led to the institutionalization of the “ombudsman” which has fostered the growth of the justice system in Rwanda.

These achievements are a result of the good governance policy initiated under the “Vision 2020”. Due to this policy, the government of Rwanda has adopted a zero-corruption policy by putting the right and experienced people in positions of power, improving monitoring systems, and introducing anti-corruption policies that aided in building the mindset of the population

against corruption. For instance, “the government underwent a civil service reform where, the number of posts was reduced and salaries were increased to \$1,000 per month, which is an upper-middle class wage in Rwanda”. This has created a stable environment in the country for both domestic and foreign investors, thus, increasing the level of investment in the country. The country is ranked 48th among 180 countries across the world in “Corruption Perceptions Index 2018” (Gashumba & Tianran, 2019). According to Fisman and Svensson (2007), “corruption hinders economic growth and development by raising costs, reducing productivity, deterring investments, undermining trust in public institutions, restricting the growth of small and medium-sized businesses, weakening public financial management systems, and undermining investment in health and education”. Hence, corruption is one of the areas to tackle in order to achieve development.

Therefore, the implementation of the “Vision 2020” has accorded Rwanda the status of a low-corruption country which has strengthened its level of development. The country is among 30% of the world’s top-performers in combating corruption. An annual statistical report by the Ibrahim Index of African Governance ranked Rwanda as one of the top ten African countries with the best governance standards in 2016 (Mo Ibrahim, 2016).

These results resonate with the findings of certain scholars like Ashiku & Krypa (2016) that “good governance is required for combating corruption, alleviating poverty and ensuring a thriving economy and development”. It also affirms Hope’s (2009) assertion that “good governance is essential for sustainable economic transformation in developing nations”. These findings go on to confirm the tenets of the development perspective that states that “good governance is a key strategy for advancing sustainable development, lowering poverty, and ensuring peace”.

The various institutions established to foster good governance ideals have aided in the provision of policies required for overall economic development in the country. Based on the aforementioned, Rwanda has shown that good governance is a strategic approach to building a capable state that will decrease unemployment, and poverty, improve the health conditions of citizens, and ensure household food security for long-term economic growth and development (RGB, 2016).

Clearly, good governance is a panacea for economic growth and development. scholars like Onichakwe (2016) opined that highly developed countries are clear evidence of national development through good governance. Onichakwe (2016) also listed some elements of good governance which are similar to what was adopted by the Rwandan government. These include:

- Political accountability
- Rule of law
- Freedom of information
- Transparency
- An efficient and effective administrative system

Therefore, once these elements are adopted by a government, good governance will be ensured.

3.1.2 A private-sector led economy

The government of Rwanda aimed to rebuild the country through private sector development. They sought to transit from the agrarian society. This was initiated in order to give private businesses a role in the poverty alleviation policy. Under the “Vision 2020”, the government of Rwanda has introduced the “public private partnerships” (PPPs) to harness the collaboration between the state-owned enterprises and domestic businesses. This has aided in the collection of value-added tax (VAT) digitally. Additionally, the collaboration between the “Rwanda

Utility Regulatory Authority” (RURA) and private bus operators of Kigali, resulted in a 140% increase in revenue in 2016 (Kahonde & Blanco, 2018). The country has witnessed a 12% of GDP increase in private sector investment between 2006 and 2011 (IMF, 2011). This investment has also seen a 13% increase in 2016. The good governance initiative has boosted the private sector by creating an enabling environment for domestic businesses hence increasing productivity and cross-border trade. The country has been mentioned among top performing countries by the World Bank’s doing business indicators. A report by “Doing Business” in 2017 ranked Rwanda 56th out of 190 countries in terms of the ease of doing business in the country. For instance, “the number of days required to register a business significantly declined from 40 to 16 between 2003 and 2008”. Private businesses are now able to obtain business permit on time.

These findings are consistent with available literature on how a private sector led economy can foster economic growth and development such as Bouton and Sumlinski (2000) who posit that private sector investments fosters growth. This was proven in a study that was conducted in 50 developing countries on private sector development, which portrayed a positive correlation between private sector investment and economic growth (Bouton & Sumlinski, 2000). This further buttresses the points raised on how a private sector investment fosters development.

3.1.3 Human resource development and a knowledge-based economy

The government of Rwanda sought to develop its human resource through the provision of quality education for the citizens and improvement in health services. Post-genocide Rwanda fostered capacity rebuilding. The country has witnessed significant progress in education, health, and welfare (Heshmati, 2018). According to an Asian Development report in 1999, “strong education and health systems are vital to economic growth and development”.

Education

Education plays a crucial role in the realization of “Vision 2020”. A knowledge-based economy cannot be achieved without a quality and purposive education and training. Professor Phil Cotton who is a professor at the University of Rwanda explains education as “teaching for human development”. For Prof. Cotton, education at all levels ought to transform the individual Rwandan citizen. “We need access to education that transforms lives, not just access, but to what kind of education”, Prof Cotton observes. His Excellency Paul Kagame opined that;

“We will develop the appropriate skills and competencies to allow our people particularly the youth to become more productive and competitive to support our ambition” (Heshmati, 2018).

Hence, the education sector in Rwanda has encountered significant changes since the inception of the “Vision 2020”. Under the “Vision 2020”, there has been improvement in the quality of education; there has been a significant increase in the access to education at all levels. The relevance of education especially vocational training has been heightened. Literacy rate in Rwanda has increased from 48% in 2000 to 83.7% in 2012. A report by “United Nations Educational, Scientific, and Cultural Organisation” (UNESCO) shows that, the country had 16.85% secondary school enrolment from 1971 to 1991, the report also indicates that the country has seen 40.16% increases in secondary school enrolment from 2000 to 2013. This report also outlines the data for primary school enrolment from 94.61% with a minimum of 55.62% in 1975 to a maximum of 145.85% in 2007 (Heshmati, 2018). At the primary level, the qualified teacher to pupil ratio is 62:1. The pupil to teacher ratio at the secondary level has improved from 29:1 in 2015 to 28:1 in 2016. There has been an increase in the total enrolment at the tertiary level from 86,315 in 2015 to 90,803 in 2016 (Rwanda Statistical Year Book, 2016).

Healthcare

The country's health achievements have greatly improved since the inception of the "Vision 2020". Health improved from 77.98% in 2012 to 79.64% in 2014. A report by Rwanda's health ministry states that the number to medical doctors increased from 709 to 742 in 2014. This was as a result of the increased government expenditure in the health sector in other to make the sector lucrative. The doctor to patient ratio has seen a 9% increase in 2011 (RGS, 2014). This has further improved the health status of the populace, increasing life expectancy from 51years in 2002 to 54years in 2012. Maternal and infant mortality rate has also fallen by 30%. The number of births exceeded the death rate by 298,485. HIV/AIDS prevalence fell from 3.8% to 2.9% in 2007. The of number of infants who sleep under mosquito nets increased by 56% between 2008 and 2009 compared to the 4% in 2000 (Ansoms & Rostagno,2012). The government has provided a national health insurance that allows citizens to enjoy health coverage at a fee of 1000 Rwandan francs. Rwanda was ranked 7th on the African continent in terms of health.

These findings give a clear picture of the level of development a country can achieve when it invests in its health and education sector. Countries who invest in the education of its citizens tend to be more developed than others who do not. Good health care fosters productivity and reduces mortality rate.

3.1.4 Productive high value and Market Oriented Agriculture

Under the "Vision 2020", Rwanda has seen an increase in agriculture commercialization. Agricultural GDP increased by 5.4% (an average annual rate) between 2008 and 2013. According to a report by Rwanda economic update (2016), commercialization of agriculture in the country has created agriculture value chain employment which has reduced the level of

poverty in the country. Thus, in 2012 there was an 81.4% increase in employment in agriculture sector also, there was country experienced a significant increase in major crop production and fishing (Heshmati, 2018). This accounted for 35% of poverty reduction in country. Exports of agriculture produce increased by 32.8% in 2010. The agriculture sector contributed 33% of the country's GDP in 2014.

This surge is as a result of the introduction of mechanized agriculture, fertilizers, and irrigation. This can further be explained base on IMF's assertion that; "sustained growth is seen to be underpinned by fundamental structural transformation, which requires a change from predominantly agrarian economy to one focused on services or industry" (IMF, 2018). These findings depict how commercialization of agriculture fosters development. This allows farmers to earn extra income thus, reducing the level of poverty in the country. Agriculture commercialization is a major and an effective strategy for alleviating poverty (De Janvry & Sadoulet, 2009).

3.1.5 Infrastructure development

Infrastructure can become a binding constraint to trade for instance roads leading to ports are poor, it can interfere with trading activities in the country. Hence, developing countries are encouraged to develop their infrastructure to limit or prevent this gap. According to Hulten (1996); "the disparities in the effective use of infrastructure resources explain one-quarter of the gap in growth between Africa and East Asia, and more than 40% of the growth differential between low- and high-growth countries".

Infrastructure development under the "Vision 2020" covers areas like transport, water, sanitation, Information Communication Technology (ICT), and energy (Heshmati, 2018). A large number of Rwandans did not have clean drinking water. About 23% of the populace had

access to electricity. A report by World Health Organization in 2015 indicates that 85.6% of people in the urban areas now have access to safe drinking water. 45% of the rural population has access to mobile phones (EICV survey). This has increased the connection with the rural community.

The Rwanda Transport Development Agency (RTDA) postulates that “the transportation sector is a fundamental economic interaction between supply and demand”. There has been construction of roads to aid and ease transport and trade from the rural areas to the urban centres. The constructions of these roads have bridged the transportation gap that used to limit access to markets, thus making produce decay and farmers lose profit. This has further heightened the country’s development. Infrastructure development in a country creates productivity and fosters trade. A country that invests in its infrastructure development has a high tendency of experiencing productivity and growth.

Several studies have also signaled the relation between infrastructure and development. It can also bridge the inequality gap in a country. A study by Estache & Fay (1995) postulates that, access to improved roads and sanitation is a leading factor of income convergence for the poorest regions in Argentina and Brazil. Hence, infrastructure development is a strategic approach for economic growth.

3.1.6 Regional and International Economic Integration

Economic integration involves trade agreement between two or more nations that includes removal of trade barriers to allow free flow of trade between them. Rwanda’s international economic relations have increased under the “Vision 2020”. The country has membership in various global and regional organizations such as African Trade Insurance Agency (ATI), the East African Community (EAC), the Multilateral Investment Guarantee Agency, and the World

Trade Organization (WTO). This has given it access to other major markets and created a lot of business opportunities for the private sector in the country. The country has signed various bilateral investment treaties and double taxation treaties (Rwanda Development Board, 2016). This has significantly affected the level of international trade in the country. For instance, the rate of exported goods was worth US\$ 744 million in 2016 (Heshmati, 2018).

Rwanda's exports and imports rate through regional integration was worth US \$ 303 million and US \$ 697 million respectively in 2015 (Heshmati, 2018). These findings prove that the economic integration in Rwanda has created a free flow of trade with its neighbours. It has also created a more efficient allocation of resources in the country. The findings are also consistent the economic theory which argues that "The global economy is better off when markets operate cooperatively with minimal government interference".

3.2 The cross-cutting areas

3.2.1 Gender Equality

Under the "Vision 2020" Rwanda has been ranked among the top 10 countries that have been able to reduce the gender gap in 2020 according to a report by the Global Gender Gap Report. Women participation especially in the political sphere and cabinet positions has increased. 56.3% of parliament members are women.

Various laws have been enshrined to ensure gender equality in the country such as the law regulating labour. A minimum of 30% quota has been accorded to women in all decision-making positions. The country's constitution is gender sensitive (Ansoms & Rostagno, 2012). Men and women in Rwanda have been accorded equal rights in ownership, access and utilization of land. For instance, a labour regulation law was enforced in 2018 which is meant to ensure;

“Equal opportunities and equal pay for women and men; rights to full salary to a female employee who gives birth during 3 months of maternity leave and the breastfeeding period; working conditions for a pregnant or breastfeeding woman and prohibits sexual harassment in the workplace”.

A gender policy which defines the “process of integration of gender issues into development process” was adopted in 2009 (Holvoet & Ingberg, 2010). This policy requires that adequate preventive measures should be adopted in response to gender-based violence.

These laws have empowered women and girls to esteem higher career heights. Women’s income security is also being protected and secured. Rwanda has become a benchmark for the rest of the world who are still struggling to solve gender inequality issues. This will make other countries strive to achieve such height. These findings are in line with the World Bank’s assertion that;

“No society can develop sustainably without changing and enhancing allocation of opportunities, resources, and choices for men and women so that they have equal ability to influence their own lives and contribute to their families, communities, and nations”.

It also affirms the results from existing research that estimate \$5 to 6 trillion gains if women are granted the same business opportunities as men.

3.2.2 Protection of the environment and sustainable natural resource management

Under the “Vision 2020”, the government aimed to reduce the pressure on land, water, biomass, and biodiversity. The government has established laws and policies that will upscale the ecosystem services, increase food production, and expand economic development (Heshmati, 2018).

The “National Environment Policy” was established in 2003 to ensure the safety of the environment. Under this policy the government of Rwanda ensured that the country has a clean environment that is resilient to climate change. The city of Kigali is now the cleanest city in Africa. The country has banned single-use plastic items which is a major cause of pollution in Africa. Citizens who defy this law are fined. There is a “greening economic transformation” to aid in climate change. These findings portend that when a country invest in the preservation of its natural resources’ development is increased. The ban on single-use plastic items has created other alternatives such as the use of paper bags which is eco-friendlier.

3.2.3 Information and Communication Technology (ICT)

There are several studies on how ICT contributes substantially to economic development. Introduction of information technology in developing countries has increased productivity in the various sectors of their economy. The government of Rwanda aimed to increase development in the country through the introduction of ICT. Under this policy, the government of Rwanda has established a five year “national strategy on ICT development” captioned, “Smart Rwanda” (2013-2017) to foster economic growth. The government has introduced an electronic platform known as “Irembo” to allow government to have access to all services and businesses of citizens and also create a cashless system for all transactions (Heshmati, 2018). Over 100 services have been registered on this platform and over 2,538,651 have subscribed for mobile payment in 2013.

The “Vision 2020” has fostered the creation of laptops in the country by “Positive BGH”. 203,763 laptops were distributed to 407 schools in 2013. Under the “One Laptop per Child Initiative (OLPC), Rwanda has the largest deployment of laptops in Africa. The government established a laptop purchase scheme in 2016 to help tertiary students secure laptops on loan terms (Heshmati, 2018).

The use of internet for health service delivery has shot up by 93.8%. The first drone health delivery service has been launched to heighten the effectiveness of transporting blood to the 21 transfusion centres in the country (Heshmati, 2018). The introduction of telemedicine and electronic diagnostics has also improved the quality of diagnostics and treatment. Medical practitioners and students now have access to online trainings with experts in the field thus, this has helped in the diagnostics of extreme medical cases.

E-soko system an online market platform for farmers has been launched. This is an electronic platform that provides farmers and traders with available market prices for essential commodities (Mugoya, 2013). This has given more than 11,000 farmers access to informed market prices (Heshmati, 2018).

The introduction of telepresence/videoconference network in 2013 in all districts, ministries, and provinces has literally reduced the transportation of local leaders to other town and cities (Heshmati, 2018). This has further reduced fuel expenses of government officials because they are no more buying fuel at the expense of state revenue.

These findings are in line with available literature that depicts how the introduction of technology facilitates development because it increases efficiency in production. It can also be deduced that the introduction of the various electronic platforms has increased access to information.

3.3 How the pillars of the “Vision 2020” have fostered development in the country

The aforementioned clearly depicts how the pillars of “Vision 2020” have accrued the level of development the country requires. It has provided irrigation to curb the issue of water management in the agriculture sector. The introduction of new technologies and the construction of roads linking the districts have solved the issue of a weak processing of crops.

The agriculture sector has also received a lot of commercialization which has increased production because farmers are now able to produce on a large scale to satisfy the large market available.

The advancement of the health sector has helped control and eliminate a lot of health issues thus, increasing life expectancy. The populace now has access to good health care, coupled with medical specialists thus, special health conditions are detected and treated on time thereby reducing the rate of mortality. Chronic malnutrition, fell from 8.3 to 2.2 percent, the percentage of children underweight also reduced from 19.5 percent to 9.3 percent between 2005 and 2015.

Economic growth has increased hence alleviating the level of poverty in the country. Most Rwandese are now employed both in the formal and informal sectors. Therefore, it can be deduced that the structural changes implemented in the various sectors of the economy have yielded a significant level of development. It has increased productivity in the various sectors of the economy as a result of the introduction of new technologies.

3.4 Challenges encountered during the implementation of the “Vision 2020” Economic Reform Programme

The “Vision 2020” which focused on alleviating poverty in Rwanda by 2020 through “developing off-farm employment prospects and quickening the process of monetization and formalization of the economy” (Berglund, 2012), met a lot of challenges during its implementation.

There were delays in the implementation of the public works aspect of the programme due to insufficient planning and preparation of the various stakeholders involved in the implementation (Dorothee, 2017). This happened because the process for completing most public works such as the construction of roads and hospitals was lengthy. Construction of roads

often requires the use of complex technicalities that are sometimes imported thus elongating the entire process (Dorothee, 2017).

There were a lot of regulations that limited domestic private businesses to operate. Some potential foreign investors were also challenged with certain barriers in the issuance of construction permits. Sommer (2012), demonstrates how a ban on street vending, defined as ‘unorganised commerce’, has a negative impact on the livelihoods of Kigali's youth because most of these youth are employed in the informal sector. A report by Syfia Grands Lacs in October 2011 also illustrates the prohibition on cycling on asphalted roads makes it difficult for domestic traders to access local markets because most Rwandese use bicycles and motor bikes as a means of transportation. These regulations affected the implementation of the private sector policy. New industries were also challenged with the supply of electricity as result of its limited supply and power outages.

Rwanda's lack of access to a port increased transport costs of shipping goods which limited trade because the government conducts most of its export and imports via air or land which is mostly costly.

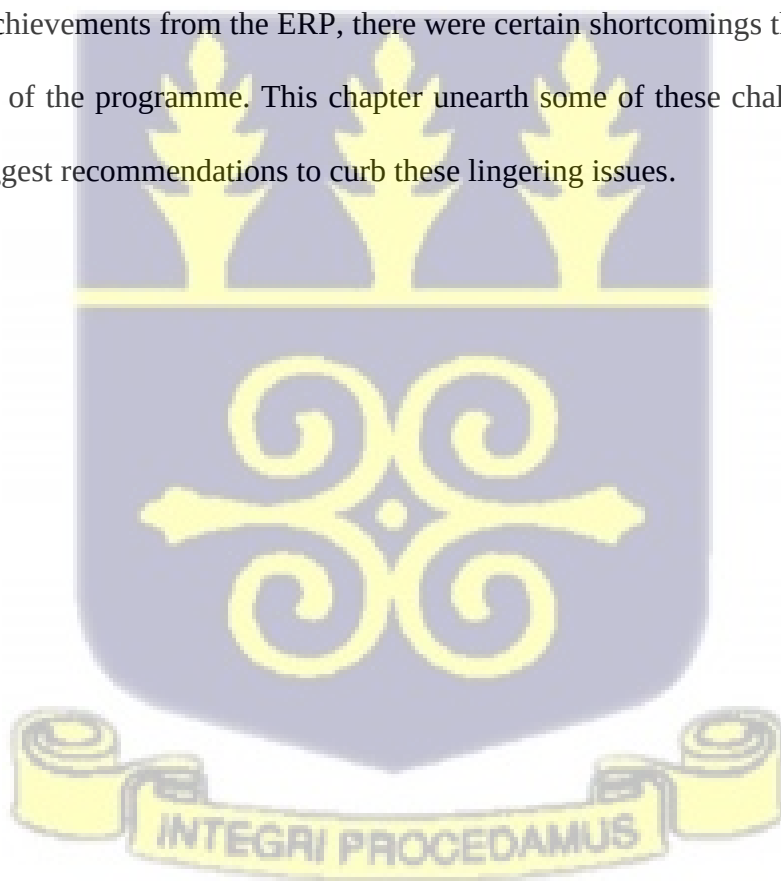
Despite bridging the gender gap, formal land laws that grant women access mostly clash with informal customary norms (Ansoms & Holvoet, 2008). This is so because by custom land tenure was characterized by collective ownership by members of the patrilineal group hence neglecting women.

Irrigation in the country was limited, for instance only 0.6% of farms have access to irrigation. This affected the entire output from the commercialization of agriculture. There was allow supply of machinery for farmers, about 12% of farms use mechanized equipment, making agriculture production labour intensive. This has affected the yields from agriculture.

3.5 Conclusion

In a nutshell, based on the aforementioned “Vision 2020” has accrued a great amount of economic growth and development in Rwanda. The nation has shifted from subsistence to commercialized agriculture. The literacy rate has improved and the level of poverty has reduced. This chapter clearly indicates how the structural change adopted by the government of Rwanda yielded positive results for its overall economic growth and development. These pillars interrelated to reduce poverty and increase the employment opportunities in the country. This depicts how the theory of structural change increases the level of economic growth and development in a country.

Despite these achievements from the ERP, there were certain shortcomings that hampered the implementation of the programme. This chapter unearth some of these challenges. The next chapter will suggest recommendations to curb these lingering issues.



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CHAPTER FOUR

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

4.0 Introduction

This final chapter provides a summary of the findings, conclusions and recommendations of the study. It compiles the findings from all three chapters and draws some conclusions based on the study's research objectives. This goes to determine the validity of the thesis statement of the study. This chapter goes on to make well-informed recommendations for policymakers and future research.

4.1 Summary of Research Findings

This research aimed to identify the extent to which the pillars of the “Vision 2020” economic reform programme adopted by the government of Rwanda have increased economic growth and development in the country and to access some of the challenges encountered during its implementation. It also accessed the economic conditions of Rwanda after the genocide to date and outlined the various economic reform programmes the government adopted before the inception of the “Vision 2020”. This research analysed the term development and how economic reform programmes facilitate development.

The researcher outlined certain theories and how it affects development. Findings from this researcher proved that Rwanda’s “Vision 2020” adopted certain tenets of these theories such as private sector development that is facilitated by the neoliberalism theory of development, this increased the level of economic growth in the country.

Based on the first objective, the research revealed that pre-genocide Rwanda depended mainly on rain-fed agriculture and trade, and it had low inflation. The inflation rate skyrocketed during

the economic recess in 1980. This made the government adopt an SAP in 1990 which also did not augur well leading to the devaluation of the currency.

The study depicted that the 1994 genocide also worsened the already falling economy. The study showed that various donor communities trooped into the country in the form of humanitarian relief after the genocide. It was also revealed that the government established a “National Reconciliation and Socio-Economic Rehabilitation and Recovery Programme” and adopted other ERPs to cushion the economy and foster economic growth. However, the study found out that most of these ERPs were short and medium-term, thus, they did not yield the expected results such as the alleviation of poverty and a good health system. So, the government adopted a long-term ERP which is the “Vision 2020” that was believed to solve the economic issues in Rwanda. This ERP focused on major structural changes in the various sectors of the economy.

In answering the second research question, the researcher revealed that “Vision 2020” which is a long-term ERP has yielded a substantial amount of growth and development in Rwanda. The country’s education, health, and other sectors of the economy have improved and this has given it a place in the international system. It was extrapolated that the country has a zero-tolerance corruption that has created a capable environment for foreign investors. The findings revealed that Rwanda is now the cleanest country in Africa and it has also bridged the gender inequality gap by allowing women to access more seats in positions of power.

Findings based on the last research question revealed that the implementation of the “Vision 2020” was hampered by certain limitations such as delays which were due to insufficient planning and the clash of customary norms and formal laws.

Based on the multivariate analysis that was adopted as a research method, the study deduced that there is a positive correlation between the various pillars of “Vision 2020” and economic

growth and development. These pillars heightened the economic growth and overall development of the country. The researcher was able to depict how these variables have accrued a certain level of development in the country.

Therefore, it can be deduced from the study that the structural change in the various sectors of the economy contributed to the surge in economic growth and development in Rwanda. The commercialization of agriculture and the introduction of irrigation has solved the issues in the agriculture sector that were raised in the research problem as well as the improvement in the health sector. This proves the validity of the theoretical framework adopted by the researcher, that is, structural change in an economy increases economic growth and development.

This study has achieved its objectives and answered the various research questions. The researcher was able to explore and provide descriptive data on the subject matter. The research problem has been resolved and the thesis statement has also been proven.

Base on the research objectives and theoretical framework, a change in the structure of a country's economy heightens economic growth and development. This indicates that the adoption of this framework by developing economies can affect their level of development.

4.2 Conclusion

Based on the findings from this study, it can be concluded that long-term ERPs are ideal for developing countries because it accords the needed time and energy to accrue the required growth and development. It is also clear that structural change is a catalyst for development because introduces new ideologies that foster growth. This implies that development involves the interaction of the various sectors of the economy.

It can be concluded good governance can create an investment attractive environment hence, developing economies should strive to attain it to boost their economies. We can also infer that

developing countries should adopt a good governance policy to enable them to reduce or eliminate corruption and ensure the respect of human rights.

It can be inferred from the findings that developing countries should implement laws that will limit or ban single-use plastic materials and punish offenders who will disobey these laws. Higher education should also be encouraged among the growing population in developing countries to help increase the rate of literacy.

In a nutshell, though Rwanda faced an economic recession after the genocide it has been able to bounce back as a result of strategic economic policies implemented.

4.3 Recommendations

Based on the outcome of the research, the following are recommendations on how the government of Rwanda can yield higher levels of economic growth and development;

❖ **Increase power supply**

The government of Rwanda should build more power stations in order to increase access to electricity in the country.

❖ **Track and evaluate project**

The various stakeholders involved in the implementation of the various policies should set targets and generate a tracking system that will measure and evaluate the progress of a policy.

❖ **Welfare development and the establishment of more marketplaces**

Due to the trade laws that ban street vending, the city authorities and the government as a whole should create training programmes such as beading, knitting, and baking to

grant these vendors new skills that will enable them to earn a living. More markets should be built to serve as vending place for these vendors.

❖ **Establishment of more railways**

The government of Rwanda must establish rail links or corridors to reduce cost of importing and exporting goods to other countries. This will also reduce the revenue allocated for the transportation of goods and services.



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