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Rwanda has been deemed the African region's economic miracle, revivifying itself from a horrific genocide in 1994 and has become one of the fastest growing economies in the African continent. The President of Rwanda Paul Kagame has surprisingly resuscitated the economy, curtailed corruption and maintained political stability (Cheeseman 2018). He was seen as a military genius by the general population after he spearheaded the launch of Rwandan Patriotic Front (RPF) that took over power to end the genocide that killed almost 800,000 Tutsis, the ethnic minority group to which Kagame belonged (*BBC News* 2017). Rwanda was in ruins when Kagame's RPF took over power to end the genocide but its economy has so far under the leadership of Kagame grown at an average of 7% a year and its poverty rate has strategically fallen (*BBC News* 2017). He established a united government committed to eradicating any form of institutional discrimination among his people, and also ensured harmony among Tutsis and Hutus, which has been central to changing Rwanda from a country destroyed by civic conflict to a country with potentials (Suansing 2017).

Economic Development

From a negative to zero growth rate at the end of the genocide in 1994, the Rwandan economy has expanded by an

average of 8.1% annually since 2001, commendable to the investment and economic reform pursued by the government (Newsday 2018). Rwanda runs an all-inclusive economy where private individuals, technocrats and politicians from opposition political parties are embraced in governance and cabinet members are given measurable target to accomplish (Newsday 2018). The country's GDP totaled \$8.5 billion in 2016 with the government of the country working in partnership with the international community to establish an economic system that would ensure a longer economic growth for the country (Newsday 2018).

The economic growth of Rwanda has been primarily driven by liberalization in the agricultural sector, mainly coffee and tea, which is the country's major export (Oro & Arias 2012). Paul Kagame's government liberated the coffee sectors inherently removing the legal requirements and made it possible for farmers to freely trade with buyers from any part of the world. This removal of government control helped immensely in boosting the coffee trade and revenue for Rwanda. Thus, reforms allowed producers to greatly benefit from an export boom, increasing incomes and boosting productivity through capital investment. The export of tea and coffee together with a foreign aid contributed 20% of gross national income in 2011 (Howard 2014). Some

other sectors that boost the economy of Rwanda are gold, tin, energy production, mining and construction. A dynamic expansion of tourism, which plays out mostly in Rwanda’s rain forest – the home of almost a thousand mountain Gorillas – also starts to play an indisputable role in economic growth of the country.

The government of Rwanda developed its economy and reformed its financial and business sectors, thereby increasing its ranks from 139th to 62nd place on the annual World Bank Doing Business Report (WB 2017). In Doing Business Report 2012, Rwanda ranked 45th in business regulations, rising an unprecedented high from its 148th position four years ago (Oro & Arias 2012). The country was also ranked third among African nations in the heritage foundation/Wall Street journal index of Economic freedom (Oro & Arias 2012).

trade freedom and is now considered among the most improved economic environment in Africa. This is notable to widespread liberalization with the most significant area of change being the registry of property, protection of investors, trade openness among African countries and access to credit. Rwanda’s export increased by 7.4% in 2016, reaching \$621.6million according to UN COMTRADE data (Export.Gov 2018). Commodities particularly gold, tin, tea and coffee generated over 48% of Rwanda’s export revenue and earned them \$73.5million from tea exports in 2016, which was a 9% increase from what it earned in 2015 (Ibid).

Rwanda’s long-term development goals are defined in its “[Vision 2020](#)”, a strategy that seeks to transfer the country from a low-income agriculture-based economy to a knowledge-based, service-oriented economy (UNDP 2008). The key word is

RWANDA GDP



SOURCE: TRADINGECONOMICS.COM | WORLD BANK

Source: Trading Economics, 2018.

Rwanda has also tremendously increased in its business attraction and

competitiveness. The long-term object of the Rwandan Vision 2020 anticipates that Rwanda will become a middle-

income country by 2020. To achieve this, the government came up with Economic Development and Poverty Reduction Strategy (EDPRS), which outlines its goal in economy growth, acceleration and poverty reduction. It focused specifically on 4 thematic areas: economic transformation, rural development, productivity & growth and employment & accountable governance (UNDP 2008). Even though some investment in Rwanda relies heavily on foreign aid, with stable inflows critical to keep the current investment rate high at about 25% of GDP. Rwanda aimed to reduce the country's dependency on foreign aid through domestic resource mobilization and promotion of more domestic production which is viewed to be very critical to its maintenance of economic growth.

Rwanda met most of the MDG goals by the end of 2015 entailing that strong economic growth was accompanied by substantial improvement in living standard, with a two-third drop in child mortality (UNDP 2016). A strong focus on home grown policies and initiatives has contributed to significant improvement in access to service and human development indicators. Also the poverty rate in the country dropped from 44% in 2011 to 39% in 2014 (UNDP 2016).

Is Rwanda's Vision 2020 actually attainable?

It is pertinent to note that under the country's Vision 2020, the government has planned that at least 70% of Rwanda's in rural areas will be living in planned settlement by the year 2020,

up from the current rate of 55.8% (Himbara 2018). The problem according to news report is that Rwanda is supposed to become a middle income with a per capita income of \$1,240 in 2017, but Rwanda unfortunately reached \$748 per capita income (Himbara 2018). This projection leaves a gap of \$492 to fill in next 2 years which some analysts believe is impossible to achieve except a miracle happens, but going by the unprecedented economic growth of Rwanda, Paul Kagame can prove critiques wrong and achieve this milestone. While building on its notable progress towards development objective, the Rwandan government is crafting a revised medium term development strategy with the goal of achieving middle income status by 2035 (Himbara 2018). And to help achieve this objective, it will be important to regain momentum in mobilizing domestic revenue as a reliable source of financing for development.

Political Climate of Rwanda

Paul Kagame has run Rwanda since his rebel army ended the slaughter of hundreds of thousands of people in 1994. His party, the Rwanda Patriotic Front, maintains an absolute majority in political positions in the country. He was considered as Rwanda's *de facto* leader when he served as Vice President and Minister of Defence from 1994 to 2000. During his vice presidency, Kagame controlled the national army and maintained law and order, while other officials began rebuilding the country.

In 2000, he was elected to the presidential office. As president, Kagame has prioritized national development in order to improved quality of Rwanda's citizens. To his admirers he is a visionary leader, but to his critics he is a despot who tolerates no opposition (BBC 2018).

In August 2017, an amendment of the constitution paved the way for the re-election of President Paul Kagame, ensuring him a third 7 years term in office as the president of Rwanda. Some have criticized Kagame, portraying that his active use of the apparent economic growth in Rwanda to justify his increasingly authoritarian tendencies (Suansing 2017). Political oppositions in Rwanda have also criticized that the Rwandan system therefore involves compromising democracy for the sake of development and the use of party owned enterprises to kick start business activity, thereby placing the ruling party at the heart of the economy. This therefore entails that when the Rwandan economy does well, the already dominant Rwandan Patriotic Front which is the party of Paul Kagame is strengthened. The main issue of the opposition party is that they believe that the successful growth of the Rwanda economy continuously makes Kagame to accumulate more wealth which undermines the ability of the opposition leaders to raise fund to win him at the election.

In regards to civil society in Rwanda, its being reported by the Human Right Watch as being very weak, due to many years of state intimidation and interference (World Report 2017). The

government remains hostile to criticism of human right activist and strongly favors service-delivery over independent human right advocacy (World Report 2017). In regards to the freedom of media, few journalists actually challenge official government policies or investigate allegations of human right abuses, especially against senior government officials entailing many journalist engage in self-censorship. BBC News reports that Kagame has been criticized for trampling on freedoms, building up the army to assert his authority and using anti-genocide legislation to clamp down on oppositions (BBC News 2018).

Conclusion

To sum it up, Rwanda has attained a very significant and exemplary economic growth and development which the international community would not have predicted a decade ago after the horrible genocide the country experienced in the mid-1990s. Rwanda has struggled with its legacy of ethnic tension associated with the traditionally unequal relationship between the Tutsi minority and the majority Hutus. Today, Rwanda is striving to rebuild its economy, with coffee and tea production among its main exports. The World Bank has praised Rwanda's recent "remarkable development successes", which it says have helped reduce poverty and inequality (BBC 2018).

Despite the fact Rwanda is now characterized by its economic development success, we can observe several negative aspects – e.g. repression of political opposition and

lack of balance of power – which sign that the country is led by a firm (authoritarian) hand of its President Paul Kagame. However, the country continues to enjoy enormous international support in the form of high levels of foreign aids from large donors like the United Kingdom and USA (Fair Observer 2017). While celebrating Rwanda's economic success, these major donors must also throw weight behind supporting political reform and utilize its leverage to put pressure on Rwanda to protect citizen's right and more promote a better government accountability in Rwanda.

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