

RWANDA'S STRUCTURAL TRANSFORMATION: CHALLENGES AND OPPORTUNITIES



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UNIQUE HISTORY



- The genocide in 1994 was, above all, a human tragedy, with few precedents. Up to one million people (more than 17% of the entire population) perished. Two million or so Rwandans sought refuge in neighboring countries, and at least one million were internally displaced.
- Other major challenges the country was faced with the 1994 genocide against the Tutsi included:
 - The collapse of the GDP per capita to \$146 (1975 level)
 - Inflation increase to over 60%
 - 4 out of 5 persons were living below the official poverty line
 - Life expectancy fell below 30 years
 - The spread of hunger and food insecurity



UNCONVENTIONAL SOLUTIONS



- The post-genocide objectives were focused on economic recovery and social and political stability.
- Some of the structures and strategies put in place during the post genocide recovery period:
 - The new Government of National Unity in 1994
 - The National Unity and Reconciliation Commission in 1999 and eventually the Gacaca courts

UNCONVENTIONAL SOLUTIONS (continued)



- In the absence of a viable private sector, the state led the economic recovery efforts through large public investments that were financed through external assistance
- The economy promoted private investment, and sought to partially privatize state-owned enterprises (SOEs) that dominated industry.
- The Vision 2020 was launched in 2000. It had 6 pillars: (1) Good Governance and capable state, (2) Human resources development and a Knowledge based economy, (3) Private sector-led development, Infrastructure devt, (4) Agricultural Transformation, (5) Regional integration and (6) Cross cutting issues (gender, youth, environment,

Key Achievements in the last 25 years



ECONOMIC MILESTONES



- GDP per capita growth has averaged 7.8% between 2000 and 2018 (NISR, 2019)
- Rwanda has surpassed several financial inclusion targets, with almost 90% of the adult population with some access to financial institutions.
- Rwanda has moved from 158th place in the world in 2007 to 29th in 2018 in ease of doing business, and is considerably higher than the regional average (2nd in Africa) .
In 2017, FDI in Rwanda worth \$USD 1.675 Bn was registered.
- At national level, access to electricity has grown from 4% in 2007 to 34% in 2017 (NISR)
- ICT Development: Internet penetration from 7% in 2011 to 52% in 2018; Phone (80% in 2018); and network coverage of 4G LTE is at 95%.
- Increased productivity across key sectors: **Agriculture, Manufacturing, and Services**

GOVERNANCE MILESTONES



- Institutions of governance have been significantly strengthened, earning the government a reputation for efficiency and probity (Ggombe and Newfarmer, 2017).
- According to the 2017 Ibrahim Index of African Governance, Rwanda was ranked 8th and was the only country to have shown year-on-year improvement on Overall Governance since the index was started in 2007
- According to the 2016 World Internal Security and Police Index (WISPI), Rwanda is ranked 50 globally.
- Rwanda was ranked the 48th least corrupt country (out of 180 countries) in 2018 in the Transparency International's Corruption Perception Index (CPI)-- 121st in 2006.
- Women now represent 50% of the members of cabinet and 61.3% of the members of parliament.

SOCIAL MILESTONES



- On many of the health indicators, Rwanda is now closer to the average of lower-middle-income countries, well ahead of its low-income peers.
- Maternal and child mortality rates have fallen by 80-90 percent which exceeded MDGs ambitions
- Life expectancy at birth has more than doubled (to 69 years) in the past 20 or so years.
- A nation-wide rollout of healthcare, including health insurance coverage for over 80 percent of the population, is also impressive.
- Universal primary education achieved, and the number of Universities increased from one in 1994 to 31 in 2019
- Extreme poverty rates have reduced from 40% in 2000/2001 to 16% in 2016/2017(NISR)—a result of successful social protection programs

REGIONAL INTEGRATION



- Rwanda's membership to regional economic blocs provided access to bigger market size and increased opportunities for economic growth. Some achievements include
 - Chair person of the AU in 2016
 - AU Institutional reform implementation leading member
 - Current Chair of the EAC
 - Joined the ECOWAS
 - Joined the OECD development center and is the first member from the East African Community

HOW RWANDA DID IT



HOMEGROWN SOLUTIONS (HGS)



HGSs are culturally owned approaches translated into sustainable development programs to manage challenges that Rwanda faced after the 1994 genocide against the Tutsi.



Governance Cluster

- 1 Umwiherero
- 2 Umushyikirano
- 3 Governance Month
- 4 National Forum Political Parties (NFPO)
- 5 Itorero
- 6 Imihigo

Social Cluster

- 1 Girinka
- 2 Ubudehe
- 3 VUP
- 4 Universal Health Insurance Scheme
- 5 9 & 12 Years Basic Education

Economic Cluster

- 1 Umuganda
- 2 Agaciro Development Fund
- 3 Land Use Consolidation

Justice Cluster

- 1 Gacaca
- 2 Abunzi
- 3 MAJ

Source: (Shyaka et al., 2016) The list is not exhaustive

THE NATIONAL LEADERSHIP RETREAT: UMWIHERERO



- The annual leadership retreat is an important opportunity for Rwanda's senior leadership from central government , local government parastatals and the private sector to come together and agree on steps that need to be taken to strengthen the development of the country
- It has become a unique governance tool that allows Rwanda's leaders to hold themselves accountable
- To date, 16 retreats have been conducted and the resolutions played in important role in economic transformation

THE NATIONAL DIALOGUE COUNCIL (NUC): UMUSHYIKIRANO



- This dialogue brings together the President of the Republic and citizens' representatives to debate issues relating to the state of the Nation and national unity.
- Citizens listed the thematic areas where the NUC contributes the most: solving citizens' problems is the most important (81%) followed by fast tracking development (74%) and enhancing citizens' participation government policy-making process (63%).
- **Five impactful innovations of NUC:** Girinka, Electricity Access Roll out, 9&12 years basic education, Teachers Saving and Credit cooperative, and others

GIRINKA (may you have cows)



- This HGS emerged from the 2006 National Dialogue Council (NUC) as a pro-poor program to help poor families improving their welfare, by giving a cow per family.
- Amongst its numerous achievements, the programme has contributed to nearly a double increase in milk production by 89% which has helped reduce malnutrition and helped houses become food secure and Since 2006. The program helped more than one million people to get out of poverty.
- Today, a total of 341,065 cows have been distributed to poor households, and the process continues.

GACACA(traditional courts)



- Gacaca were traditional councils and tribunals that took place in the communities where crimes were committed and both the accused and the victim got a chance to be heard.
- They brought a restorative justice and reconciliation and ended in 2010.
- 1,951,388 genocide related cases tried in 6 years; against less than 100 cases tried by the International Criminal Tribunal for Rwanda in 20 years. At a normal rate, the cases tried in the Gacaca courts would have taken 110 years to prosecute.
- Gacaca has saved both money and time in bringing justice to the Genocide perpetrators.

UMUGANDA (Community works)



- The President of the Republic of Rwanda, members of Parliament and Ministers, every last Saturday of the month, participate in the community works with the population which promotes dialogue with the population at the grassroots.
- There has been a significant increase of Umuganda monetary value, from 4 billion Frw in 2007 to 19 billion today.
- Umuganda has contributed to infrastructure development including, construction of: houses for vulnerable people, classrooms, health centers, genocide memorials etc.

IMIHIGO (Performance Contracts)



- As a result of the decentralization program ,local levels of government were now responsible for implementing development programs which meant that the central government and people of Rwanda needed a way to ensure accountability.
- Performance contracts were introduced in 2016, and are evaluated every year, at both district and individual level in public service
- Since their introduction, the IMIHIGO are credited with having contributed to the development of infrastructures, poverty reduction and increase of the GDP.

PERSISTING CHALLENGES



- Rwanda lags behind in Human capital development-Skills for the future jobs
- Agricultural transformation is yet to improve
- Competitiveness and private sector development
- Regional integration- as a land locked country, Rwanda still depends on successful economic integration.
- Urbanization is still a challenge
- Resources Mobilization will need to improve/Tackling informality
- Geopolitical situation: the region, Africa and beyond

MOVING FORWARD: VISION 2050



- Vision 2050 aspires to take Rwanda to high living standards by the middle of the 21st century and high quality livelihoods.
- By 2024, the priority is to fix the human capital, skills, competitiveness, regional integration, urbanization and agriculture transformation
- **Rwanda has favorable transformational factors in the form of its visionary leadership as well as the results-based culture, Home Grown Solutions, security, stability, law and order, and zero tolerance to corruption among others.**

CONCLUSION



- Learning from the Genocide against the Tutsi provides crucial insight into averting conflict and fostering more inclusive communities.
- The visional leadership matters: Political Will is vital
- Women representation is crucial
- Peace and security is the foundation
- Unity and reconciliation are key to nation building
- Bold Vision & Accountability will remain the pillars for transformation
- International Partnership will remain instrumental