European Economic Letters
ISSN 2323-5233
Vol 14, Issue 2 (2024)
http://eelet.org.uk

Rwanda is a Sustainable Development Model in Africa from a War of Extermination to a Leadership Destination

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Received: 20/04/2024 Accepted: 15/05/2024 Published: 30/05/202

Abstract
This paper aims to review a successful development experience on the African continent, highlighting how strong determination and a clear vision can transform an economically, politically, and socially challenged country into one poised to compete with the world's most robust and rapidly growing economies. In analyzing development indicators, we focused on the growth of the Gross Domestic Product (GDP) and the per capita share of GDP to assess the strength and velocity of Rwanda's economy. The findings indicate that Rwanda's success in achieving sustainable development stems from numerous reforms.

Keywords: Rwanda, Civil War, Economic growth, Development indicators, sustainable development

1. Introduction

The African continent is confronted with a significant paradox: despite its abundant natural and human resources, which theoretically position it for development comparable to industrialized nations, it remains ensnared in backwardness, poverty, dependency, and underdevelopment. This has relegated it to the lower echelons of global rankings. In spite of concerted efforts to foster sustainable development and bridge this gap, Africa's developmental trajectory is often hampered by deficiencies and an over-reliance on foreign aid, which is frequently presented as development assistance.
Rwanda, in particular, despite enduring the devastating effects of a civil war in 1994 that left it economically, politically, and socially ravaged, has emerged as a notable frontrunner in various development sectors across the continent. In the aftermath of this civil strife, which plunged over 80% of its population below the poverty line (International Development Association, International Finance, 2019, p. 134), Rwanda was ranked just above Mozambique in terms of poverty levels. Moreover, in the decade following the war, the country struggled with budget deficits, imbalanced trade, and declining savings and investment rates. Its exports, mainly consisting of tea, coffee, and a limited range of metals, left Rwanda vulnerable to international market fluctuations without adequately covering its import needs (Thomas, 2008, p. 2).
Nevertheless, over the past two decades, Rwanda has achieved remarkable economic progress, driven by a vision to heal the scars of civil conflict and to pursue national reconciliation efforts that inclusively promote sustainable economic development for its people. This transformative journey is reflected in the exponential growth of its Gross Domestic Product (GDP), which surged from 2.2% in 2003 to 10.9% in the first nine months of 2019. Whereas agriculture once constituted 50% of GDP during 1994-1998, it now accounts for 30%, with services comprising 39% and industry 16% (World Bank, 2020, p. 3).

Given the aforementioned context, we present the primary inquiry: **How did Rwanda manage to attain sustainable economic progress amid challenging circumstances and limited capabilities?**

Study Hypotheses:

- In tackling the posed question, the following hypotheses were formulated:
- The government's role was pivotal in driving sustainable development in Rwanda through meticulously crafted development plans and enacted economic reforms.
- Prioritizing investments in education and healthcare stands as a cornerstone of Rwanda's economic agenda.
- Transitioning from an agrarian-based economy to one focused on industry and services is an imperative requisite for achieving robust growth rates in Rwanda.

Study Objectives:

- Assessing the post-civil war economic landscape in Rwanda.
- Identifying the catalysts of economic growth within Rwanda.
- Examining the reforms implemented by Rwanda to foster sustainable development.

Significance of Study:
The study's significance lies in Rwanda's remarkable economic ascent despite its limited resources and capabilities, offering valuable insights for nations grappling with political crises or aspiring to economic revitalization.

Study Approach:
Comprehensively understanding Rwanda's post-war economic trajectory and discerning its economic drivers necessitates adopting a descriptive approach. Analyzing quantitative indicators demands employing an analytical approach.

Study Divisions:
To comprehensively address the raised inquiry and explore the subject matter in its entirety, the study was structured around four axes: delving into the components and barriers to development in Rwanda, examining Rwanda's economic landscape post-civil war, analyzing Rwanda's growth indicators, and scrutinizing the reforms instituted to foster sustainable development.

2. Rwanda between the obstacles to development and its components

In Rwanda, as in many other African nations, underdevelopment has reached alarming levels, necessitating a departure from this dire situation. The Arab Spring, insurgent movements, and civil conflicts across the continent serve as poignant condemnations of incumbent policies, embodying a resolute rejection of the status quo and a fervent call for African realities to change.

Harnessing internal capabilities and competencies, prioritizing investments in education and healthcare, fully leveraging human and natural resources, and establishing development initiatives aligned with the available capacities in African nations, while judiciously incorporating external support within reasonable bounds, holds the key to achieving sustainable development.

Rwanda embarked on a developmental trajectory early on, transitioning from agrarian practices to industry and service sectors to break free from primitive methods yielding low returns, especially amidst volatile global prices. Emphasizing investment in human capital to cultivate a skilled workforce became paramount. Recognizing that economic blocs present viable solutions for African countries to attain sustainable growth, Rwanda engaged in the African Development Partnership (NEPAD) and joined the Common Market for Eastern and Southern Africa (COMESA), as well as the East African Community (EAC).

1.2. Obstacles to sustainable development in Africa

Numerous hurdles obstruct the path toward attaining sustainable development in the African continent, despite the pressing aspiration to realize it. Economic and social underdevelopment, territorial disputes leading to conflicts, and political divergences collectively impede the prospect of an enduring economic revitalization across the continent.

A- Economic obstacles:
The abundance of natural resources in Africa, a privilege not shared by other continents, has historically been a primary driver of colonialism and subsequent underdevelopment. Economically, Africa boasts significant agricultural wealth, with nearly 40% of its population engaged in agriculture. Its environmental and climate diversity further positions it as a prime region for agricultural production. Additionally, Africa possesses vast forest resources, with the wood industry contributing approximately 6% to the continent's gross domestic product. In the maritime domain, African nations harbor substantial fish stocks, producing 4.5 million tons of fish in the West African region alone (Al-Daoudi, 2017, p. 2).

Moreover, Africa is rich in minerals such as gold, copper, and petroleum, constituting 12% of the global reserve percentage. It also holds significant reserves of uranium, crucial for the nuclear industry, accounting for 18% of global production and a third of the world's total reserve. Furthermore, Africa is a major producer of diamonds, contributing

40% of the world's total output. However, despite this vast potential, the continent continues to lag due to various factors, notably the absence of coherent economic strategies to effectively harness its abundant resources.

B- Social obstacles:

The African continent faces numerous social challenges that set it apart from others, beginning with education, where levels are significantly lower compared to other continents. Many African nations contend with high illiteracy rates, reaching up to 60% in several countries, posing a threat to the social fabric and cohesion of these nations. Additionally, at the health level, the prevalence of incurable diseases and high mortality rates paint a grim picture of health deterioration in the region. Factors such as low standards of living, malnutrition, and a shortage of healthcare professionals exacerbate these challenges (International Monetary Fund, 2014, p. 66).

C- Political obstacles:

The Berlin Conference of 1885 marked a significant turning point in African history, where colonial powers drew the borders of African states without regard for the continent's indigenous populations. Considerations such as racial and linguistic homogeneity, economic integration, and cultural heritage were completely overlooked. African nations were not consulted in the decision-making process; instead, colonial powers engaged in competitive acquisition of territory, leading to arbitrary border delineations (Al-Eidros, 2014, p. 8). These borders, often drawn without consideration for geographical or demographic realities, have created numerous problems for African countries post-independence.

The geopolitical map of Africa illustrates these challenges (Al-Daoudi, 2017):
Many countries lack the essential components of statehood.

– Borders were planned haphazardly, resulting in fragmented political units.
– Symmetry between land area, population, and resource endowment was not taken into account.

Colonialism's arbitrary drawing of borders exacerbated border disputes and political tensions among African nations. This situation led to unrest and conflicts, with armed ethnic groups engaging in violence that resulted in the loss of millions of lives. The civil war between Hutus and Tutsis in Rwanda and the Ethiopian-Eritrean conflict serve as poignant examples of the consequences of colonial border drawing and its impact on political stability in Africa.

2.2. Obstacles to sustainable development in Rwanda:

Rwanda encountered numerous internal and external challenges that impeded its development across various domains. Among the most significant obstacles were:

-<u>The productivity of the agricultural sector is continuously declining</u> : Despite agriculture employing over 90% of the workforce, it remains a primitive sector primarily catering to household consumption. The available arable land is insufficient to provide a sustainable livelihood for all Rwandans due to high birth rates, leaving most rural families unable to own even a single hectare to secure a reliable source of income. Even the area allocated for pasture does not exceed 350,000 hectares, mostly of poor quality, forcing farmers to intensively exploit their land through excessive fertilizer use, leading to adverse effects on agricultural productivity, environmental degradation, and the prevalence of malnutrition. Consequently, Rwandans can no longer rely solely on agriculture, necessitating economic diversification to include industry and services.

<u>-Rwanda faces numerous barriers that hinder foreign trade:</u> Situated in East Africa, far from coastal regions, it shares borders with Tanzania to the east, Uganda to the north, the Democratic Republic of Congo to the west, and Burundi to the south. Most of its foreign trade occurs overland, but the lack of railway networks and poor road conditions linking it to its neighbors discourages both the export of manufactured goods and the import of raw materials and necessary production inputs for local manufacturing. Additionally, its distance from seaports entails high costs for exporting or importing to neighboring countries, hindering the transition from an agricultural economy to an industrial one.

-<u>Despite the presence of some valuable minerals in Rwanda:</u> they are not available in sufficient quantities to drive the economy for several decades. Natural gas, available in Lake Kivu, remains a significant natural resource for the country, with large reserves estimated at around 60 billion cubic meters. However, Rwanda fails to attract the necessary investments for exploration and exploitation.

-The country lacks a clear strategy for developing human capabilities: as previous governments have relied heavily on foreign technical assistance، which has proven costly and burdensome، leading to significant debt without producing a cadre of capable leaders capable of compensating for it.
-The decline in the quality of human capital is a significant obstacle to the modernization of the Rwandan economy :A large proportion of Rwandans lack basic literacy skills، in addition to widespread malnutrition and the prevalence of dangerous diseases such as malaria and HIV/AIDS. These factors hinder the development of vital economic sectors that require trained human resources proficient in modern techniques used in agriculture, and animal husbandry, as well as skilled technicians and competent managers in the industrial and service sectors.
-The exacerbation of public debt represents a major obstacle to Rwanda's economic development: Public debt stood at around 1.5 billion dollars in 2000, surpassing the gross domestic product of 1.3 billion dollars in the same year. Approximately 75% of this debt is owed to the World Bank and other international lenders.
-The social and economic ramifications of the genocide in 1994 devastated Rwanda's economy and its populace: The gross domestic product plummeted by half in just one year، leaving 80% of Rwandans impoverished. Vast swathes of arable land and livestock-rearing areas were destroyed, along with productive infrastructure, rendering comprehensive reconciliation and political and security stability urgent imperatives to restore investor confidence.

3. The Rwandan economy after the civil war

Agriculture and livestock farming constitute the backbone of the Rwandan economy and serve as the primary engine of growth in the country (Ruzima, 2015, p. 399). Although they employ over 90% of the workforce, much of it lacks qualifications and predominantly focuses on subsistence farming (Coulibaly, 2008, p. 2).
Regarding the extent and distribution of agricultural land, Rwanda's dense population means that nine Rwandans typically share the cultivation of one hectare, compounded by increasing demographic growth. This renders Rwanda's economic base narrow and insufficient for its development, exacerbated by its landlocked nature and distance from maritime ports, leading to elevated transportation costs for exports and imports. These natural barriers collectively hinder economic development in Rwanda.

1.3 The Rwandan economy in the period(2000-1995)

The civil war between the two Rwandan ethnic groups, Hutu and Tutsi, in 1994 severely devastated Rwanda and its economy. Human losses amounted to approximately 10% of its population, leaving behind depleted resources and weakened forces (world bank, government of rwanda, 2019, p. 36). As a result, the gross domestic product plummeted by half in a single year, with nearly 80% of its population living below the poverty line. Extensive destruction of land and livestock occurred, exacerbating development constraints, and the destruction of productive infrastructure ensued. The consequences of the genocide further deteriorated Rwanda's social, political, and economic fabric. (Adedeji, 2003, p. 96).
Rwanda faced additional challenges stemming from the lack of strong economic institutions and competent personnel. A severe shortage of skilled professionals posed a barrier to the development of all sectors, with insufficiently trained individuals in agriculture and animal husbandry hindering sector modernization and expansion. (Rutayisire, 2013, p. 27)
To address these issues, the Rwandan government implemented initial economic reforms, including central bank independence to control inflation and achieve macroeconomic stability, tax system reform through the establishment of an independent tax collection agency and introduction of value-added tax, privatization of public institutions, and labor market revitalization, along with trade liberalization by removing price controls. (Thomas, 2008, p. 2)
During this period, Rwanda achieved a reasonable level of stability in its overall economy and financial discipline, evident in the positive growth of the gross domestic product in all years after 1994, (Rwanda United Nations Development Assistance) despite heavy reliance on foreign reserves due to insufficient domestic savings. However, these economic reforms alone were not sufficient to bring about positive change in Rwanda due to the absence of peace, stability, democracy, and the presence of racism. Therefore, political and social reforms supportive of economic reforms were imperative. (Rutayisire, 2013, p. 27)

2.3. The Rwandan economy in the period(2019-2000)

Upon assuming power in 2000, President Paul Kagame initiated a series of reforms across all levels, envisioning a new outlook for Rwanda focused on transitioning its economy from agriculture-based to knowledge-based, under what is

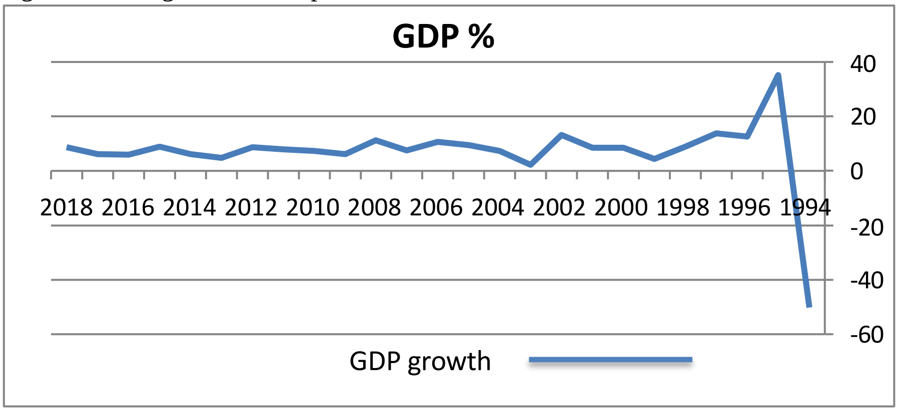
known as "Vision 2020." The main economic and social objectives of Vision 2020 aimed to elevate Rwanda to a middle-income country with a per capita income of around $900 (Government Of Rwanda, 2000, p. 53). The economic restructuring aimed to shift the economic structure from agriculture to industry and services by 2020. It was projected that services would contribute 42%, industry 26%, and agriculture 33% of the gross domestic product. Additionally, the percentage of the population living below the poverty line was expected to decrease from 77.2% in 2000 to 25% by 2020. The population growth rate was projected to be 2.6% annually until 2020, with the literacy rate expected to increase from 48% in 2000 to 90% by 2020, and life expectancy to rise to 68 years from 49 years (Minecofine, 2000, p. 61).
Indeed, Rwanda became more stable and experienced a record growth rate of 13.2% in 2002 due to abundant rainfall and exceptional agricultural harvests (World Bank, 2003, p. 15). However, a setback occurred in 2003 due to drought, significantly affecting agriculture and reducing growth to 2.2%. The economy subsequently recovered in 2004 and has since maintained relatively sustainable growth rates ranging between 6% and 8%. The economic reforms implemented by President Paul Kagame during the first five years of his tenure were sufficient for Rwanda to qualify for debt relief under the Heavily Indebted Poor Countries Initiative. Rwanda received approximately $1.4 billion out of $1.5 billion, earning it the moniker "Rwanda's Economic Miracle," as dubbed by many observers of African economies. Rwanda's economic growth resulted from developments in the industrial and services sectors, aligning with the government's vision for structural transformation (World Bank, 2003, p. 17).

4. Analysis of growth indicators in Rwanda

1.4. Gross Domestic Product

Following the civil war, Rwanda experienced significant growth in its Gross Domestic Product (GDP) until the year 2002 compared to the pre-war period. This growth peaked at 13.2% in 2002. However, adverse climatic conditions and weather disturbances in the subsequent year led to a notable decline in GDP growth, reaching its lowest point of 2.2% in 2003. Subsequently, GDP showed signs of recovery and stability, fluctuating between 6% and 8% in the years that followed. The figure below illustrates the GDP growth trajectory throughout the study period.

Figure 1. GDP growth in the period



(2018-1994)

Source**:** Prepared by the researcher based on the database of the World Bank and the Ministry of Finance and Economic Planning in Rwanda (the World Bank and the Ministry of Finance and Economic Planning in Rwanda, 2018)
From the reading of the above figure, it is evident that there was a significant development in the growth of Rwanda's Gross Domestic Product (GDP) during the initial period of the study, reaching its peak at 13.2% in 2002, marking the highest level throughout the study years. This can be attributed to the accumulation of economic growth factors in Rwanda since 1994. Additionally, official development assistance positively contributed to the growth of GDP. Regarding the years when GDP growth declined, factors such as difficulty in accessing credit, weak human capital formation, exchange rate reforms, and financial and investment conditions played a significant role. Therefore, Rwanda focused on investing in human capital, which has shown significant positive effects on economic growth (Mensah, 2004, p. 437). The credit variable also had a positive impact on GDP growth, indicating that financial reforms adopted by Rwanda have mobilized available economic resources, thus stimulating economic growth.

European Economic Letters
ISSN 2323-5233
Vol 14, Issue 2 (2024)
http://eelet.org.uk

Furthermore, the investment multiplier on GDP is also positive, suggesting that investment contributes to improving economic growth, aligning with Rwanda's direction. Additionally, the importance of capital is highlighted, emphasizing its positive significance when integrated with technology to enhance productivity efficiency and consequently achieve greater economic growth.

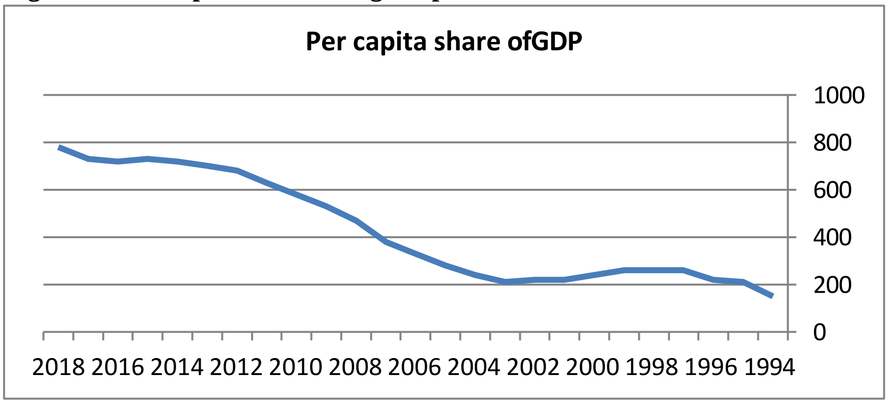
Moreover, the variable tax revenues collected from international trade contribute to GDP growth, indicating a positive relationship between revenues and economic development. Consequently, the collected revenues are directed towards more productive projects to achieve economic growth (Murenzi, 2006, p. 254).

Rwanda also benefited from assistance provided by official entities such as the World Bank and the International Monetary Fund, which had a significant positive impact on productivity growth and thus economic growth. The assistance received by Rwanda from the international community was entirely directed towards the education and health sectors for building schools and hospitals, training teachers and doctors, providing school furniture and hospital equipment, and purchasing computers for workers and students (Thomas, 2008, p. 1).

2.4. Per capita Gross Domestic Product (GDP)

The per capita Gross Domestic Product (GDP) also witnessed approximately twofold growth during the period 1995-2002, compared to an average of 0.1 during the pre-war period, followed by a sixfold growth in 2015 to reach around $800 per capita in 2018, making Rwanda's economic performance superior to all Sub-Saharan African countries (Ezemenari, 2006, p. 13). The following figure illustrates the per capita GDP throughout the study years.

Figure 2. Per Capita GDP during the period



(2018-1994)

Source: Prepared by the researcher based on the database of the World Bank and the Ministry of Finance and Economic Planning in Rwanda (the World Bank and the Ministry of Finance and Economic Planning in Rwanda, 2018).

From reading the above figure, we notice a significant development in the per capita share of the Gross Domestic Product (GDP) in Rwanda during the first decade of the study, doubling at a remarkable rate, then rapidly multiplying by approximately six times from what it previously was. This indicates the swift economic growth in Rwanda after 2005, reaching around $800 in 2018, approaching the main objectives of Vision 2020, aiming to transform Rwanda into a middle-income country with a per capita income of around $900.

3.4.Driving Forces of the Rwandan Economy (Agriculture, Industry, Services)

1.3.4.The Agriculture Sector as a Strong Driver of Development in Rwanda

Agriculture serves as a primary driver of the Rwandan economy and is a sector of utmost priority and one of the government's goals to alleviate poverty and ensure food security. As it represents the backbone of its economy, Rwanda's domestic agricultural output provides a true picture of the sector in terms of quantity and value, as evidenced by its clear contribution to the Gross Domestic Product (GDP).

2.3.4. Development of the Services Sector in Rwanda

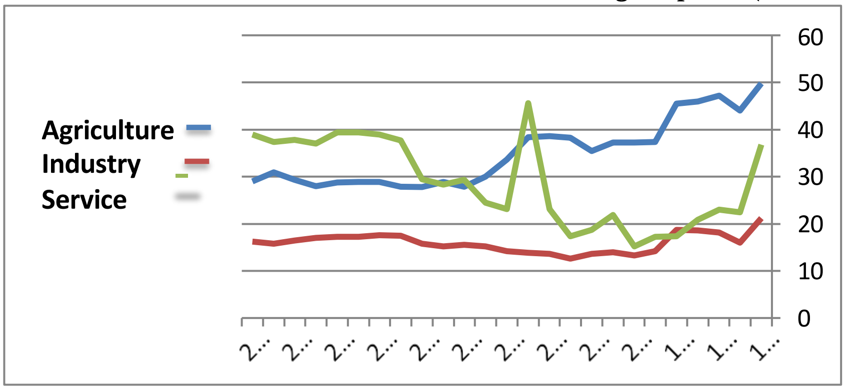
Rwanda has achieved a qualitative leap in the field of services, embarking on the development of this sector to represent the African market in services. It has attracted many suppliers to benefit from its products after overcoming its economic and political challenges. Rwanda has implemented a specific and successful development plan, focusing on expanding its exports to advance development projects related to tourism, aviation, and e-commerce. This was demonstrated by Rwanda's signing of three memoranda of understanding with the giant Chinese Alibaba Group to establish the first Electronic World Trade Platform in Rwanda.

3.3.4. **Attempt to Revitalize the Industrial Sector in Rwanda**

The industrial sector in Rwanda contributes somewhat weakly to the Gross Domestic Product (GDP) compared to the contributions of agriculture and services. This can be attributed to several reasons, including the limited resources available at the state level, leading to the necessity of importing most materials and resulting in increased expenditure. Additionally, Rwanda, supported by the World Bank and various international institutions, faces a shortage of labor and expertise in this sector.

The following figure illustrates the contribution percentage of the three sectors on which the Rwandan economy relies, through which it has achieved economic development and become competitive with some of the world's fastest-growing economies.

Figure 3. Contribution of the Three Sectors to GDP during the period(2018-1994)



Source: Prepared by the researcher based on the database of the World Bank and the Ministry of Finance and Economic Planning in Rwanda (the World Bank and the Ministry of Finance and Economic Planning in Rwanda, 2018)

The agriculture sector in Rwanda made a significant contribution to the Gross Domestic Product (GDP) during the first five years of the study. However, its share of the GDP decreased from 37% in 2000 to 33% in 2006. This decline was attributed to factors such as underutilization of fertilizers and poor crop production (bananas, seeds, and tubers) due to adverse weather conditions in 2003. Consequently, the contribution continued to decline to 27.9% in 2008. This decrease was due to relative growth in several other sectors. However, its contribution stabilized between 29% to 31% in 2017 and 2018, respectively.

As for the services sector, it constituted a modest percentage of the total GDP during the first ten years of the study, not exceeding 23% from 1995 to 2004. This was due to the lack of focus on the sector and emphasis on agriculture. However, it later experienced increasing growth and made a good contribution to the total GDP, reaching 29.5% in 2010. This was attributed to the efforts of the Rwandan government to improve the sector and redirect its economy towards services and industry instead of agriculture. Consequently, the sector witnessed a qualitative leap in its contribution to the GDP, reaching 40% in 2018, especially after the decline in agricultural contribution and the weakness of the industrial sector.

The industrial sector's contribution remained somewhat stable during the initial years of the study, experiencing a slight decline of 1% in 2003 to 12%. This decline was due to adverse conditions in Rwanda during this period but partially recovered in 2004 due to government efforts to improve the economy. Subsequently, the sector saw a slight increase ranging from 1% to 3% in the remaining years of the study. This increase was attributed to relative growth in the industrial sector and a decrease in agricultural contribution. Rwandan authorities worked to encourage the industrial sector to achieve balanced development by promoting additional investments to support and double its productivity. However, the contribution remained somewhat weak.

5. Reforms adopted to achieve sustainable development in Rwanda

Twenty-five years ago, Rwanda was a semi-lifeless state, unclear in its features, due to the aftermath of the civil war in 1994, which left behind a shattered system, a deteriorating economy, and a torn social fabric. However, Rwanda's current status is often referred to as a "miracle," as it has achieved progress economically, politically, and socially, surpassing many other countries (Gambari, 2004, p. 76). The primary reasons for this development are believed to be strict, positive ideological policies, exceptional leadership, strong political will, and lessons learned from the civil war.

The Rwandan government worked on rebuilding social cohesion, reestablishing security, and economic reconstruction, strengthening the private sector and civil society, and achieving sustainable development. Political will in Rwanda manifested through the creation of structures, mechanisms, and practices ensuring everyone's participation in the development and building of a new Rwanda, achieving national reconciliation, eradicating racism, and establishing transparency. The reforms came after numerous consultative meetings to address all societal issues. (Annan, 1998, p. 11)

A post-conflict state cannot address its economic growth separately from conflict resolution, peacebuilding, and security. Peace must be established to achieve security, stability, and development. Rwanda realized the urgent need for political stability to attract both local and foreign investors. Peace also requires effective development plans. Between 1997 and 1998, the Rwandan government took the initiative to organize discussions on Rwanda's future, resulting in Vision 2020. Peace and security were among the key components of starting this vision for a new, unified, and stable Rwanda, free from racism. National reconciliation was considered an official policy understood as a fundamental prerequisite for any economic development. The reforms included:

1.5. Political Reforms

After the transitional period in Rwanda, characterized by the implementation of democratic and fair institutional policies, an efficient government emerged that upholds law and order, demonstrates economic leadership, and fosters mutual support and integration among various institutions. The necessity of achieving stability and security in the country was emphasized, and the government relied on enlightened governance in its administrative reforms based on decentralization (Ministry of Local Government and Social Affairs, 2000, p. 61). This facilitated rapid access to public services for all Rwandans, particularly those living in rural areas. Additionally, various institutions were established to contribute to the national reconciliation process and social and economic growth, including:

- The National Reconciliation Committee: A national body that implements reconciliation mechanisms, providing training to Rwandan society in conducting economic and social exchanges without discrimination.
- Rwanda Development Board (RDB): This agency significantly contributed to economic growth by implementing investment and export development measures and incentives.
- National AIDS Control Commission: An organization dedicated to protecting Rwandan society through HIV/AIDS prevention programs, recognizing that individuals infected with the virus are less productive in the economy. Therefore, combating the virus in Rwanda is essential for preserving and maintaining the workforce in the economy.
- Rwanda Revenue Authority: This authority played a significant role in allocating government revenues to finance public investment budgets.
- Various other specialized programs and social and economic initiatives to support youth and women in contributing significantly to economic growth.

2.5. Judicial Reforms

After the end of the civil war, the International Criminal Court for Rwanda prosecuted individuals responsible for the genocide, who bore the greatest responsibility for the committed crimes. For those accused of intermediate crimes at the national level, they faced justice in Rwandan courts. Additionally (Mamdani, 2001, p. 119), Rwanda established other trials, known as "gacaca" trials, which operated under traditional justice systems in rural communities. These proceedings involved witnesses, suspects, and victims who participated in community meetings. One of the main objectives of gacaca was to facilitate reconciliation between victims and perpetrators, enabling them to coexist and contribute to social and economic development(World Bank, 2007, p. 3). Rwanda's judicial reforms also relied on:

– Policy-making to maintain economic growth: Policy-making involves the formulation, discussion, approval, and implementation of policies to ensure they are interactive and inclusive of all stakeholders. This is crucial for influencing the quality of public policies, including a country's ability to provide a stable political environment.

– Decentralization policy as a structure for mobilizing economic development potentials: Decentralization aims to achieve three main objectives: good governance, service delivery to benefit the poor and vulnerable, and sustainable social and economic development. Rwanda successfully implemented its decentralization policy and further developed it nationally to identify the root causes of genocide and find permanent solutions (Ministry of Local Government and Social Affairs, 2000, p. 61).

– Empowerment through the ubudehe practice: Ubudehe is a Rwandan traditional practice with cultural value aimed at collective work. It involves communal labor, such as field preparation before the rainy season, where families work together to ensure timely preparation for planting season. This practice enhances citizens' collective work in partnership with the government and is designed to increase institutions' capacity to address local issues by citizens and local governments (Ministry of Finance and Economic Planning, 2003, p. 15). It aims to activate citizen participation principles through local collective action.

3.5.Economic reforms

The restructuring of the economy was initiated as a necessary step to achieve development and rebuild the economy devastated by the civil war. Reforms underscored the importance of resource allocation, transparency, and creating a conducive environment to enhance investments and accountability. These reforms included: (Beswick, 2010, p. 225)

– Privatization of public institutions: The government decided to shift towards the market by adopting a program to privatize public institutions, aiming to increase efficiency, productivity, and employment, attract investments, and rely on technology and innovation. The government focused on political matters while the private sector took on commercial activities to address these challenges, facilitating a market-oriented economy.

– Amendment of investment laws to attract investors: The Rwandan government amended investment laws to attract both local and foreign investors and introduced various economic reforms to attract foreign direct investment in several sectors such as construction, telecommunications, and services. This led to increased demand for goods and services, stimulating more production and overall economic improvement.

– Tax system reform: Tax system reform aimed to enhance efficiency, and effectiveness, and increase tax revenues. An independent tax collection agency was established, and value-added tax was introduced. The tax base was expanded to include more taxpayers, resulting in increased tax revenues, doubling from 7% of GDP in 2005 to 13.7% in 2015 and 14.8% in 2016. Despite this economic performance, Rwanda still relies on foreign aid, providing about 50% of the budget (Thomas, 2008, p. 2).

– Appropriate monetary policy: To address challenges in the rural sector after the civil war destroyed the banking system in 1994, the state took significant measures to rebuild the system. The National Bank of Rwanda (NBR) was transformed into an independent institution to contribute significantly to controlling inflation and financing the economy. Credit was discontinued, liquidity was regulated, bonds were established, and appropriate monetary policy reforms were introduced to address rural sector challenges and provide funds for agriculture in rural areas, including establishing rural investment facilities in the form of guarantee funds managed and funded by the NBR.

– Regional integration and economic growth: Rwanda entered into a new partnership for Africa's development (NEPAD), and in June 2005, Rwanda was among the first countries to submit a report to the African Peer Review Mechanism (APRM) demonstrating its readiness for self-assessment and Rwanda's current situation. Rwanda also worked to demonstrate leadership in regional African institutions and joined the Common Market for Eastern and Southern Africa (COMESA). It also joined the East African Community (EAC) believing that integration creates a conducive environment for sustainable economic growth, especially considering Rwanda's somewhat weak economic structure due to its small size, non-coastal location, high poverty rate, and deteriorated infrastructure. Integration in the EAC is an excellent interest for Rwanda because nearly 70% of its imports are from East African countries. Trade liberalization is crucial to make transactions easier and less costly (UWITONZE, 2019, p. 4). Given Rwanda's limited natural resources, the government relies on increasing investment in science, technology, and human development to compete and benefit from regional integration. Rwanda aims to transform its economy into a knowledge-based economy.

6. Conclusion

The civil war in 1994 had profound consequences on Rwanda's economy and its social and political fabric. In response, Rwanda embarked on a series of economic and political reforms aimed at enhancing its social and economic development. The government recognized that reconciliation, security, and political stability were crucial factors in creating an enabling environment for economic growth. The primary goal of the current government was to transform Rwanda into a strong, unified, and politically stable state. Over the past 25 years, the Rwandan government has invested significant efforts in rebuilding peace and national reconciliation, considering them as prerequisites for any sustainable economic development.

The study found that:

✓ Strong willpower and a clear vision can achieve development at all levels.

✓ Policy-making in Rwanda was dynamic and inclusive, involving all stakeholders.

✓ Emphasizing decentralization as a tool for political empowerment and social reconciliation, aiming at good governance, poverty alleviation, and sustainable social and economic development.

✓ Embracing collaborative and consultative policies to identify the root causes of the civil war and provide permanent solutions, enabling people to implement their will for self-improvement.

✓ Enhancing decentralization and self-development in Rwanda, exemplified by the establishment of ubudehe, a unique policy promoting collective action among citizens to address local challenges.

Rwanda's ambition to become a middle-income country by 2020 has driven remarkable achievements across all levels to attain economic development, poverty reduction, and socio-political progress. Based on the study results, several recommendations can be made:

➢ Ensuring wisdom, rationality, and strength in those governing and leading the state.

➢ Establishing a constitution that advocates reconciliation, national unity, and justice for all citizens.

➢ Developing and enhancing the education sector and eradicating illiteracy contribute to the country's development and advancement.

➢ Improving and developing the healthcare sector and allocating significant budgets to it.

➢ Facilitating procedures for investors to enable entrepreneurs to invest in the country.

➢ Formulating strategic plans by competent and experienced individuals, including administrators, doctors, experts, and scientists, to advance the state's development.

➢ Focusing on foreign and domestic investment for the benefit of the state.

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