Chasing the “East Asian Miracle” in Africa? : A case study analysis of the Rwandan governance reform process since 2000

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To Amandine

My better half, literally
Abstract

In the last few decades, many governments around the world—especially in emerging economies—have strayed from neoliberal prescriptions to get closer to a model originating from East Asia: the developmental state. These East Asian countries (Singapore, Taiwan, South Korea and Japan) instead of just regulating market mechanisms, have exercised strong control over their economies and society through highly-ambitious long-term economic and social development programs implemented in tight partnership with the private sector. Indeed, this phenomenon is worth exploring when we ask the question of how governance and political economy is evolving in the world and what are the new approaches that can inform governments. This Ph.D. thesis focuses on the evolution of strategies for social and economic development and more specifically on the emergence of developmental states in Africa. By looking at the case of Rwanda that is often considered as a success story in Africa, the aim of this thesis is to show how much this state is transforming its institutions in line with a model that resembles the developmental state, but with its specificities and perspective. Based on a large selection of primary sources gathered in Rwanda between 2015 and 2016, we argue that the system of governance of Rwanda has evolved in a different direction than the typical neo-liberal model often advocated by the West and is following a developmentalist approach much closer to some early East Asian developmental states. The case of Rwanda is a good starting point to analyze the emergence of alternative governance models in Africa which illustrate the current change in today’s political economy.

Keywords: Governance; Political Economy; Rwanda; East Asia; Developmental State; Public administration; Public Policy; Africa.
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Abbreviations

12YBE: 12 Year Basic Education
AEO: African Economic Outlook
AfDB: African Development Bank
AGOA: Africa Growth and Opportunity Act
APTC: Agro-Processing Trust Corporation Ltd.
BNR: National Bank of Rwanda
BoK: Bank of Kigali
BRD: Rwandan Development Bank
CBHI: Community-Based Health Insurance
CDR: Coalition for the Defense of the Republic
CEO: Chief Executive Officer
CIA: Central Intelligence Agency
CIDA: Canadian International Development Agency
CVL: Crystal Venture Limited
DMRS: Domestic Market Recapturing Strategy
DRC: Democratic Republic of Congo
EAC: Eastern African Community
EDB: Economic Development Board
EDPRS: Economic Development and Poverty Reduction
EGF: Export Growth Facility
EIU: The Economist Intelligence Unit
ESSP: Education Sector Strategic Plan
FAR: Forces armées rwandaise
FDI: Foreign Direct Investment
FDLR: Force de libération du Rwanda
FITU: Forces démocratiques unifiées
GDP: Gross National Product
GMO: Gender Monitoring Office
GNI: Gross National Income
GNP: Gross National Product
GoR: Government of Rwanda
HDI: Human Development Indicator
HI: Hiring Institution
ICT: Information and Communication Technology
IDEC: Industrial Development and Export Council
IMF: International Monetary Fund
IPE: International Political Economy
LIPRODHOR: Ligue Rwandaise pour la promotion et la défense des droits de l’homme
MDG: Millennium Development Goals
MICE: Meeting, Incentives, Conferences and Exhibitions
MIFOTRA: Rwanda Ministry of Public Service and Labor
MIGEPROF: Rwanda Ministry of Gender and Family Promotion
MINAFFET: Rwanda Ministry of Foreign Affairs and Cooperation
MINALOC: Rwanda Ministry of Local Government
MINECOFIN: Rwanda Ministry of Finance and Economic Planning
MINEDUC: Rwanda Ministry of Education
MINICOM: Rwanda Ministry of Trade and industry
MITI: Ministry of International Trade Investment
MMI: Medical Military Insurance
MRND: National Republican Movement for Democracy and Development
NEPAD: New Partnership for African Development
NES: National Export Strategy
NGO: Non-Governmental Organization
NICI: National Information and Communications Infrastructure Plan
NIP: National Industrial Policy
NISR: National Institute of Statistics of Rwanda
NPM: New Public Management
NRA: Ugandan National Resistance Army
NRM: National Resistance Army
NSPS: National Social Protection Strategy
NURC: National Unity and Reconciliation Commission
OAG: Rwanda Office of the Auditor General
OECD: Organisation for Economic Co-operation and Development
PAP: People Action Party
PARMAHUTU: The Party of the Hutu Emancipation Movement
PDC: Parti démocrate-chrétien
PL: Parti libéral
PMO: Prime Minister Officer
PRSP: Poverty Reduction Strategy Paper
PSC: Public Service Commission
PSD: Parti Socialiste démocrate
PSF: Private Sector Federation
RAMA: Rwanda Health Insurance Fund
RANU: Rwandan Alliance for National Unity
RDB: Rwanda Development Board
RFI: Radio France International
RGB: Rwanda Governance Board
RIAM: Rwandan Institute of Administration and management
RIG: Rwanda Investment Group
RoR: Republic of Rwanda
RPA: Rwandan Patriotic Army
RPF: Rwandan Patriotic Front
RPPD: Rwanda Public-Private Dialogue
RSSB: Rwanda Social Security Board
RTML: Radiotélévision des mille collines
SDG: Sustainable Development Goals
SEZ: Special Economic Zone
SME: Small and Medium Enterprises
SOE: State-Owned Enterprise
UN: United Nations
UNAR: Union nationale rwandaise
UNCTAD: United Nations Conference on Trade and Development
UNDP: United Nations Development Program
UNECA: United Nations Economic Commission for Africa
USAID: USA Interational Agency
USD: US Dollar
VUP: Vision 2020 Umurenge Programme
WB: World Bank
WEF: World Economic Forum
WGI: World Governance Indicators
WTTC: World Travel and Tourism Council
WWII: World War II
“Strangers only see what they already know.”
–Rwandan Proverb

Introduction

In the last two decades, many new players have entered the global economic realm historically dominated by the West. Indeed, the emerging economies have been able to earn their place on the world stage by benefiting from their comparative advantages and openness to world trade. These successful emerging economies—for the majority located in Asia—have been protagonists of a clash of values and governance system which have brought two different versions of modernity in the twenty-first century. On one side there are the Western liberal fathers of the global marketplace which seem to have taken for granted their political and economic supremacy since the post-Great war reconstruction in 1945; and on the other side there are the emerging economies which have been able to learn how to extract the best from the Western model while considering their comparative advantages (Zakaria, 2007; Halper, 2012). The successes of the later have thus shattered the illusion that there is only one valuable model of governance and it originates from the West. Among the various differences of these emerging economies, some states have stood out because of their long-term developmentalist vision and strong state-linked private sector which seem to be among the key features of their successful governance models.

1 One of the frequently used terms in researches on the subject is "governance". For this research, governance will be defined as follow: "the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interaction among them" (Kaufman et al, 1999: 1).
Indeed, for many developing countries in the world, this new international reality allowed to put into question some assumptions of the post-Cold War era which believed in a unique route to good governance based on neoliberalism and the “Washington Consensus”. The many failures associated with this approach and the diversity of experiences of reforms across the world now appears to contradict the normative approach of *one-size-fits-all prescription* (Fine, 1999; Fukuyama, 2014). Moreover, the recent financial crisis of 2008 that originated from the United States and Europe has put under the spotlight the vulnerabilities of the neoliberal model and the Western so-called “good governance” advocated by international institutions\(^2\) leading to call into doubt not only its power but also its intellectual superiority. Now more than ever, international institutions and development researchers/theorists are beginning to recognize the importance of diversity in governance models in addition to the reality of a multipolar world (UNCTAD, 2007; UNECA, 2011; Cheung, 2013; Fukuyama, 2014). This change of discourse in the international political economy (IPE), if materialized in actions, might have tremendous implication for the present world order, but also the fields of international development, public administration, and political economy. However, the “liberal model” of development that has generally encouraged free market and minimal state intervention in the economy has proven to be persistent.

Among the many different governance models developed in the world over the last few decades, one is now particularly influential in some developing countries: *the Developmental State*. This mostly state-led development model, generally associated with East Asian states, has especially been noticed by African nations often struggling with economic and social development (Fourie, 2014). Among them, one African country seems to be especially interested in this model: the Republic of Rwanda.

About two decades after the devastating 1994 genocide, Rwanda is drawing considerable international attention ever since it has emerged as “the great success story of a post-

\(^2\) This includes, among others, the World Bank (WB), the International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD).
conflict state in Africa” (Seay, 2016). With a robust economic growth performance of over 7% per year between 2000 and 2017; a GDP per capita that more than tripled between 2000 and 2016 (from $216 to $702\(^3\)) (World Bank, 2017c); and a Human Development Index score that rose from 0.332 to 0.498 (2000-2015) (UNDP, 2016) coupled with a clear long-term strategic vision for the country, many authors have argued that it represents a new African developmental state (Strauss and Waldorf, 2011; Longman, 2011; Ansoms, 2011; Gokgur, 2012; Behuria, 2015; 2017; Mann and Berry, 2016; Seay, 2016; Fukuyama and Matfess, 2016; Biedermann, 2016; Honeyman, 2016; Maru, 2017; Hasselskog, 2018). Rwanda’s post-genocide successes have been acclaimed by a wide range of observers around the world including many members of the global elite. For instance, Rwanda’s President, Paul Kagame, was praised by the likes of Tony Blair, who called him a "visionary leader", Bill Clinton who said he was "one of the greatest leaders of our time", and Howard Schultz (Starbucks’ CEO) to name just a few (Smith, 2012). And in 2014, United Nations’ (UN) Secretary-General Ban Ki-Moon added that he "hope[s] many African nations will emulate what Rwanda is doing" (Magoo, 2013).

According to Fukuyama and Matfess (2016:94), the strong economic performance of Rwanda is not incidental to its models of governance as it has "undertaken a massive and well-publicized developmental agenda since coming to power [...] with clear targets for domestic production in a handful of sectors that are tightly controlled by the party and relatively robust provisions of state services". While Rwanda is quickly becoming a new model for rapid socio-economic development among other African countries\(^4\) (Chu, 2009; Birdsall, 2011; Kulish, 2014; Kgomoeswana, 2016), it has become undeniable that its specific governance model must be better understood in order to comprehend today and tomorrow’s changing international political economy of development. The potential transplantation of a state-led East Asian ideal-typical developmental state and the possibility that it is viewed as a model for African countries has important implications.

\(^3\) In this dissertation, the American dollar will be used as the standard currency except when specified otherwise.

\(^4\) In fact, many African Presidents have declared publicly that they draw inspiration from Rwanda. Among others, there are John Magufuli and Uhuru Kenyatta in the East; Alfa Conde and Patrice Talon in the West; and Ali Bongo in the center.
for the development policies and practices of development in the world. Indeed, this would display a transformation of the development paradigm in Africa. If confirmed, such a change of paradigm and discourse in term of governance in this country would show that state-led development can achieve significant socio-economic development through a complete transformation of the country. This would, therefore, challenge the assumption of the previously dominant neoliberal paradigm which believes that economic development can only happen if markets can operate freely and effectively through deregulation, liberalization and privatization of much of the economy. Besides, such a research conclusion would be both challenging several scholars’ interpretations which have contested the idea that it is possible today to reproduce the developmental state model; and corroborating the growing number of observers which see many resemblances between Rwanda’s governance and East Asian’s historical development. It would also contest the simplistic view that Rwanda’s transformation was strictly due to its ultra-market friendly approach to development and its private sector friendly environment. Consequently, if Rwanda qualifies as a developmental state, it would confirm that the establishment of a developmental state model is possible in today’s political economy, and on the African continent. This might, therefore, create a renewed interest in this alternative form of governance in Africa and elsewhere in the world, and signal an intellectual rejection of the neo-liberal model of development.

The aim of this research is to better understand the nature of the Rwandan governance and the state action, and explore whether the actions of the Rwandan state compare with the East Asian ideal-typical developmental state. By using a theoretical framework based on the work of preeminent developmental state theorists (Johnson, 1982; Amsden, 1989; Wade, 1990; Evans, 1995; Leftwich, 2000) this thesis will observe if the state of Rwanda has followed the developmental path. To do so, we will analyse the Rwandan state context, policies, institutions, legislations, and political discourses in comparison to a

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5 The institutions in this context are understood according to Douglas North’s definition as "[t]he humanly devised constraints that shape human interaction", or less formally "[...] the rules of the game in a society" (North, 1990: 3). It is important to note here that this definition includes not only formal rules such as laws and regulations but also
series of pre-conditions (4) and main features (5) of the ideal-typical developmental state. This will be done through the single case study format which will give context to the phenomenon under study and enable a deep understanding of the Rwandan experience. The research will use a multi-method approach (triangulation) by using multiple procedures including desk research, press review, speeches, archival data and informal interviews (talks and chats with informants), which will allow us to acquire a variety of narratives regarding the governance model of Rwanda.

In the first chapter of this thesis, we will present the research problem that looks into the governance and development models debates as well as our research question. The second chapter offers a comprehensive look at the evolution of public sector reforms in Africa which will serve as a contextual basis for the third chapter that includes the literature review on the theory of the developmental state and the relevance of this study within the literature. Afterward, we discuss the analytical tools that will be used, and the selected features of the ideal-typical developmental state model followed in chapter five by the research design which includes the method used, case selection, data gathering sources and the limitations of the research. And in the result section, the case of Rwandan governance from the developmental view is investigated. This section includes an important chapter on the Rwandan context which goes from the pre-colonial era governance and history to present-day Rwanda. After describing and analyzing the Rwandan historical context, we enter the two most fundamental chapters of the thesis—chapter seven and eight—which look at the Rwandan state's characteristics from the developmental standpoint. Those include the four contextual pre-condition necessary to allow the emergence of a developmental state and the five main features of the developmental state. This will lead us to the conclusion in chapter nine where we discuss the overall results of the thesis and respond to the research question.

informal rules such as cultural norms. Every enforced rule limits the set of feasible choices that the economic and political actors face when taking a specific decision, because some possible options may be illegal or socially unacceptable. This way, institutions shape the incentive structure of an economy and influence its development towards growth, stagnation or decline (North, 1991:97). The unit of analysis of our research will be Rwanda's institutions and the characteristics of the developmental states' institutions.
PART I

Chapter One: Research Problem—Governance Models and Public Sector Reforms: A time for a change?

In 1989, Francis Fukuyama published his essay "The End of history?" that was completed a few years later in his bestselling book "The End of History and the Last Man" (1992). In his essay, Fukuyama stated that "we may be witnessing [...] the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government" (Fukuyama, 1989:2). This statement—even though it has been simplified by many—is a good example of the dominating mindset of the time in academic circles and international development institutions throughout the West and beyond. Between the 1970s and 2000s, the Washington Consensus and its neo-liberal prescriptions have been virtually considered as the only viable option to ensure social and economic development by major international institutions, scholars and Western "liberal" states.

In today's world, this kind of statement would certainly be considered incorrect and out of date—as Fukuyama himself easily admitted several years later (Fukuyama, 2011; 2014; Fukuyama and Matfess, 2016)⁶. With the numerous unsuccessful stories across the developing world that have tried to emulate the liberal states, along with the rise of East Asia and Latin America as newly industrialized countries, even the most conservative thinkers is now open to learning from these different models, but the road has been long.

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⁶ Indeed, Fukuyama has softened his position stating in 2016 that “the ending of the Cold War seemed to represent the ascendency of the liberal democratic model the USA represented; however, the march towards the end of history is not linear and the rise of alternative governance models is certainly a stumbling block in the process of global democratization” (Fukuyama and Matfess, 2016:92).
In 1993, the aid-giving Japanese officials required the ideologically conservative World Bank to write a study that contradicted the development paradigm of the time as a condition for additional Japanese funding. This study was called *The East Asian Miracle: Economic growth and Public Policy*, and in the foreword of this document, the president of the WB Lewis T. Preston wrote: “this diversity of experience [in East Asia] reinforces the view that economic policies and policy-advice must be country-specific, if they are to be effective” (World Bank, 1993: vi). Even with the publication of this early “paradigm-breaking” study on the successful but “illiberal” models of development of East Asia, the Washington Consensus has proved to be persistent up until the 2008 financial crisis that pressed many developing countries to seriously distance themselves from it. From this moment, many in the developing world agreed with then-Brazilian President Luiz Inacio Lula da Silva when he said, “[t]his is a crisis caused by people, white with blue eyes” (cited in Grice, 2009). And as Fukuyama and Birdsall (2011: 46) said: “if the global financial crisis put any development model on trial, it was the free-market or neo-liberal model, which emphasizes a small state, deregulation, private ownership, and low taxes”.

It is thus at this particular period up to today in the development realm that this research takes place. A time where the developing world seems to be moving from the monopolistic influence of the Western model of development to a more indirect influence from East Asian models that have posted much better economic growth numbers than their counterparts in the developed world.

In this chapter, we will explore in more detail this argument and where the state of Rwanda has found itself regarding this since 1994. Afterward, we will reveal our research questions and the contribution to the advancement of knowledge such research will bring to the different fields of research and policy-making.
1.1. Emerging Economies, Developmental State and Other Alternative Models

The term "Washington Consensus" was used for the first time by John Williamson in 1989 to describe a concept present since the late 1970s (Williamson, 1989). By 1980, western policymakers have assumed that the approach of stick and carrot for financial assistance could be used to push developing countries towards the governance standards and paradigms advocated by Western institutions. Therefore, in return of financial assistance, recipient countries needed to make economic and political reforms in line with "western standards". According to these governance "standards", economic development would only happen if markets can operate freely and effectively, which is summarized by deregulation, liberalization and privatization of much of the economy (Halper, 2010). In simple terms, governments should stop stimulating the economy through public spending and withdraw themselves from economic affairs. This idea of market society is not only an economic theory but lays the foundation for an international political economy. This theory, inspired by Milton Friedman's ideas, has become a "label" defended by liberal democracies such as Reagan's United States and Thatcher's Great Britain (Friedman, 2009/1962).

Contrary to the predictions of many scholars and policy-makers, the new global era of convergence around the Western model and the Washington consensus has not materialized and is often considered a failure\(^7\) (Caffentzis and Federici, 2001; Edigheji, 2008; Zakaria, 2008; Fukuyama, 2014). The good number of “failures” associated with the neoliberal model of development or the “Washington Consensus” in developing countries had led to the continued search for the appropriate strategy to address Africa’s

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\(^7\) Between 1980 and 1995, in many countries, "economic adjustments" have seen violent protests, sometimes deadly, against certain consequences of structural change, namely: the increase in oil prices, devaluation of the currency, the rise of the prices of food and transport, etc. Some of the most notable examples of countries that have seen these transformations and crises arising are Mexico, Argentina, Bolivia, Peru, Ecuador, Venezuela, Jamaica, Sudan, the former Zaire, Nigeria, Zambia, Uganda, Benin, Niger, Algeria, Jordan, Russia and Indonesia (Caffentzis and Federici, 2001). It is, however, important to note that some authors, such as Zakaria (2008), have noticed a few success stories in Turkey, Indonesia, and Brazil.
predicament. This search has notably been accelerated by the rise of China and many East Asian countries that have followed a different development path. Another important factor has been the 2008 global economic crisis which found its origin in major market failure, but most importantly on the response that was chosen by liberal states. Indeed, to control the crisis, these government have decided to “reviv[e] the economies […] with bailout packages for banks, the automobile industry and other parts of manufacturing, massive investment in the social sector and expansion of social security for the unemployed” (UNECA, 2011:95). These actions which heavily contradicted the official discourse on free-market have brought back an old debate on the proper role of the state in the development process.

The case of the Republic of Rwanda is particularly telling in this context as it is in complete reconstruction after it experienced, in 1994, one of the most awful and violent episodes in the history of mankind: the genocide against the Tutsi of Rwanda. Not only did this sad event completely devastated the Rwandan society and economy but the failure of the international community to intervene seems to have pushed and allowed the new government to change its approach towards Western influence, its governance and development model. This exceptional situation and the change of regime made possible the complete reorganizing—if not rebooting—of the government strategy for development like it has not been seen often in recent history.

This doctoral dissertation looks in depth at Rwanda’s governance model since 2000 from the developmental state perspective by investigating the role and actions of the state in Rwanda’s economic development and transformation. The year 2000 is the starting point of a battery of reforms notably with the long-term government development program called Rwanda Vision 2020 that has for main objectives to transform the country into a knowledge-based middle-income country with a specific economic development and poverty reduction strategy (MINECOFIN, 2000).
This research is particularly important since the world is experiencing a transformation from a unipolar world to a multipolar world and the influence of Western countries, as well as their economic model, seems to be steadily degrading (Bremmer, 2012). Some have even considered the rise of Asian models as a threat to the liberal democratic system of norms and interstate relations (Kagan, 2009; Fukuyama and Matfess, 2016). Despite this, the interest in alternative development models in Africa hasn’t received enough attention in the last decades. With obvious economic and social achievement of Rwanda often described as a role model by international institutions (World Bank, 2013; Lagarde, 2015), it is safe to say that many African countries are starting to look at this country for inspiration (Chu, 2009; Kulish, 2014; Soudan, 2016). Given the dominance—even today—of the powerful neo-liberal argument along with the so-called liberalizing effect of globalization on countries’ economies, studying Rwanda’s development process and the role played by the state provides an important comprehension of today's possibility for a state to leading and piloting national development. This research also brings a great deal of interest because it is done through a developmental state perspective but also, importantly, with the point of view of public administration that is too often forgotten by researchers.

1.2. Research Questions

The main objective of this research is to investigate the role and actions of the Rwandan state and its institutions during the country’s socio-economic development and transformation. We believe it is necessary to look at Rwandan governance through the lens of the developmental state theory because the actions of the government seem to have conformed to the main principles of this theory. We will study if the state of Rwanda

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8 For instance, the success of East Asian models is said to have “contributed to an international political zeitgeist that prioritizes economic results over human rights and governmental accountability, and may facilitate the continuation of the global democratic recession” (Fukuyama and Matfess, 2016:92).
compares with the ideal-typical East Asian developmental states components, and try to understand the particularities in the context of today's Rwanda.

This leads us to ask the following primary research question:

To what extent does the development experience of Rwanda since 2000 compare with the developmental state model?

And the following secondary question:

How has the Rwandan state’s economic role developed and evolved in their selected strategic sectors?

The strategy to answer these questions is to compare Rwanda’s governance reforms since 2000 to the principal features of an ideal-typical version of the developmental state. This way, it will be possible to see if there exist similarities between the two and thus better understand the nature of Rwandan governance and state actions. To do so, it will be necessary to focus on Rwandan institutional characteristics, policies and legislations as well as political discourses in comparison to the East Asian developmental state's experiences. The following section will discuss the proposed contributions to the advancement of knowledge.

1.3. Contributions to the Advancement of Knowledge

In the last twenty-two years, largely in relation to the genocide against the Tutsi, countless researchers and observers have written on many aspects of the history and reconstruction of Rwanda. The literature on Rwanda has, simultaneously, made important advances to summarise and examine the many different dynamics in this country but too often studies on the present government remain blocked on superficial debates or politically centred issue. Indeed, despite the recent proliferation of writings on
post-genocide Rwanda, the nature of its governance system remains largely unexplored. Many authors have used the terms "developmentalist" or "developmental state" to describe the governance and development strategy of Rwanda but have generally failed to explain with a solid theoretical framework the presence of a developmental state in the small East African country (Strauss and Waldorf, 2011; Longman, 2011; Ansoms, 2011; Gokgur, 2012; Behuria, 2015; 2017; Mann and Berry, 2016; Seay, 2016; Fukuyama and Matfess, 2016; Biedermann, 2016; Honeyman, 2016; Maru, 2017; Hasselskog, 2018). This dissertation intends to enrich this discussion with a comprehensive research on the characteristic of Rwanda's model of governance and the role of the state in its socio-economic development.

The literature on the developmental state in Africa—let alone Rwanda—generally fails to give any strong "evidence" other than anecdotal and highly speculative information. According to our knowledge, as of today, no comprehensive empirical study has been undertaken to assess the presence of a developmental state in Rwanda and analyze the role of the state and its development in selected strategic sectors. With the analysis of primary and secondary qualitative and quantitative data, this study fills this gap in the literature. This research looks at Rwanda's governance model and institutional features with a public administration and developmental state lens that hasn't been used in the literature. In doing so, it seeks to move the debate on developmental state and political economy of development in general beyond the current tendency that is too often superficial and normative. Moreover, the transplantation of an East Asian ideal-typical developmental state and the possibility that it is viewed as a model for African countries has important implications for the development policies and practices of development agencies and actors in the world as it would define the evolution of development paradigms in Africa. In addition, the successful establishment of a developmental state in Africa would challenge the view of many authors which have considered impossible for a country in today’s political economy—let alone in an African state often considered as incapable of a proper capacity building—to establish a developmental state. Therefore, if revealed, the establishment of a developmental state in Rwanda would bring new
provocative empirical data to the contemporary developmental state's debate. The comprehensive and up to date look at the features of East Asian developmental states will have the advantage of bringing forward an ideal-typical version of the developmental state that could inform future researches on this reemerging model. The case study on Rwanda's model of governance will certainly contribute to the thin literature on the subject.

Finally, this research enlightens researchers and international institutions on the direct or indirect impacts of emerging economies on developing countries through an empirical demonstration. This research is an original contribution to knowledge on development studies, public administration and international political economy. Our study explains a recent phenomenon on which few scientific studies have been written, especially in East Africa. And at last, by dealing with this topic, we will contribute to scientific thinking, stimulate dialogue on policy and inform key stakeholders, including international donors and countries claiming to be part of the Global South\textsuperscript{9}. In the next chapter, we will explore the evolution of public sector reforms in Africa in order to better understand the present state of affairs where Rwanda finds itself today.

\textsuperscript{9} Global South here does not invoke a geographical characteristic but the shared histories of many countries even though it is important to acknowledge the important and still evolving diversity among these countries.
Chapter Two: The Evolution of Public Sector Reforms in Africa

Writing on African public sector reforms or more generally on African public administration is, like most matters on Africa as a whole, quite challenging. African states vary in politics, culture, size, and economic resources. Indeed, the great depth and diversity of the past and modern systems of African public governance makes the writing on a unified African public sector reforms a difficult task. Regrettably, until recently the literature on African development has had little interest in public services, yet, in all African nations, the civil service remains the pillar of the state (Fonge, 1997).

In this section, we will synthesize and discuss the evolution of African public administration including its many trends, influences, and transformations. As it was clearly formulated by Jabbra and Jreisat (2009:114), we believe that "because administrative change in all societies is largely evolutionary, the relevance of the historical context is important in explaining the current state of affairs". Indeed, like any research in social sciences, it is essential to put current public sector reform in context, and to do so a look back at history is necessary.

Before going into details on the characteristics and effects of every phase of public sector reforms in Africa, it is, however, necessary to define the concept of public sector reforms (PSR). According to Corkery et al. (1998: 83), a public reform can be defined in many ways such as "all forms of administrative changes involving processes, policies and procedures which have impacted the entire civil services and theses may or may not necessarily have political connotations". Politt and Bouckaert (2004:8) define it as "deliberate changes to the structures and processes of public sector organizations with the objective of getting them to run better". As it is the case for many concepts in social sciences, there is no universally accepted definition of the concept of PSR. For example, over the years various scholars have used the term with different meaning including all
improvements in administration; general administrative overhauls in difficult circumstances; specific remedies for maladministration; any suggestions for better government; intentions of self-styled reformers (Caiden, 2007). However, according to Caiden (2007:43), it is possible to say that most of the literature seems to agree with the proposition that the term administrative reform or public sector reform refers to a deliberate attempt by a country to improve its bureaucracy in order to deliver services to the citizens more efficiently and effectively. In this dissertation, a public sector reform refer to *an administrative change involving policies and procedures that may have political connotations to ultimately implement the national goal*. With this definition, it is now possible to move towards a prompt account of public sector reforms in Africa in order to better understand the context in which this research takes place.

In this chapter, we divide the evolution of public sector reforms in Africa in six sections. The first two sections are the pre-colonial administration and the colonial administration where we discuss the traditional administration and governance in Africa and the characteristics of the public administration established by the colonizer. Afterward, we separated the period going from the post-independence period—generally starting in the 1960s—up to today in three generations of public sector reforms. The first one includes the post-independence era and the advent of the "development administration" approach; the second one includes the period characterized by the dominance of the Structural Adjustment Programme and NPM-style reforms; and the third generation of public sector reforms is what we called "today's reforms" which notably includes good governance and policy ownership approach. And lastly, we will review one central aspect that has been present over that period up to now: the role of the state in economic development.
2.1. The Pre-Colonial Administration

The great difficulty with the study of pre-colonial Africa is related to the fact that, contrary to some other region or state in the world, most of African people or nations had oral traditions instead of writing traditions making the historical study of this period a very difficult exercise. Nonetheless, when it comes to pre-colonial public administration in Africa, there are generally two opposing views. The first view assumes the absence of any form of public administration and considers African societies as state-less, primitive and basically characterized by never-ending wars, plunder and anarchy (Mamdani, 1996). Needless to say, this view is less and less defendable in serious scholarly circles given its stereotypical assumptions, but this view is still present and somewhat dominant in many circles. The second view argues the other way. Sandbrook (1985) and Mukandala (1996) for example, say that the larger empires of Africa had centralized and hierarchical apparatuses and that many of the smaller states were less hierarchical but organized as sub-groups organized together under common rules and customs. In both cases, internal order, and regulations were provided by the government. For the large empires, it was generally hierarchically organized with kings at the top and chiefs at field administration level (Chanie, 2013). According to Mamdani (1996), the relationship between the kings and the chiefs was not one of master-servant type. On the contrary, the chiefs were constrained by tradition, their peers and the people, and would risk removal if they did not behave in accordance with expectations (Mamdani, 1996). Indeed, it is said that one key feature of pre-colonial African governance is that its public administration was collective and participatory (Chanie, 2013). Basil Davidson (1978) also adds that the common feature that was present in African states was the quest for a unifying force, depending on a system of participation, a statement supported by other researchers (Chazan, 1988; Mamdani, 1996; chaffer, 2000; Etounga-Manguelle, 2000; Umeh and Andranovich, 2005; Mazrui and Wiafe-Amoako, 2016). In other words, in many of the larger hierarchical traditional governments, most were generally governed by consensus and broad participation with group representation at the central level and the village
councils at the local level. Rulers had authority but shared power (Dia, 1996). Overall, the relationship between the leaders and the governed is hardly different from the relationship that exists—in theory—in contemporary democracy as the notions of representation were deeply embedded (Chazan, 1988; Kayizzi-Mugerwa, 2003). Now given that colonialism has had a profound influence on today’s African governance, the next section will address the period of the colonial administration in Africa.

2.2. The Colonial Administration

In every country in the world, public administration is a product of a dual process that involves home-grown institutions and imported institutions from another context or country. Whether an administrative framework is the result of a native development or an import from another external source, institutionalization takes time (Hyden, 2013).

In Africa, the importation of external system of public administration and governance was initially associated with colonial invasion. Modern public administration, as it was called and practiced in the Western world, was introduced around the end of the 19th century and the early 20th century. Most of the time, the model of public administration resembled the Weberian rational bureaucracy and the rules and procedures of the metropolis were applied to the colonies with very little regard to their local conditions and aspirations (Hyden, 1975; Gardiner, 1975). According to Perera (1978), the public administration was mainly structured to maintain law and order, as well as an uninterrupted extraction of resources to meet the needs of the colonizing countries rather than to provide development-oriented services. While there was a difference in practices between colonizing powers (Britain, France, Portugal, Belgium, etc.), they also shared several key features. Most notably, all were putting emphasis on domination through law and order; exploitation through extraction and taxation; and protection of the colonizing country’s interest and institutions (Chanie, 2013). Colonial regimes did not propose any positive initiative aiming at the creation of a native system of public service...
adapted to the needs of the population (Adu, 1965). Also, an important aspect of the colonial administration—that still has many negative effects on African governance—is that colonial regimes did not practice any human resources development policy in African states, leaving the level of local expertise at a very low level. Additionally and consequently, the colonial governance system had almost no political or moral legitimacy and very little interest in accountability (Dia, 1996). And importantly, the indigenous checks and balance and popular participation present in the past were dismantled and chiefs were given the absolute power to administer the local governments provided that they followed colonizers’ system and interests.

In the literature, different opinions emerge regarding Africa’s colonial public administration system. The analysis of African public administration and its complicated reality has generally been treated either with a Eurocentric perspective or Africanist perspective (Mamdani, 1996). On one side, some authors believe it was an efficient system later spoiled by African leaders. For example, Goran Hyden (1983:60) wrote that “the colonial powers left generally well-functioning administrative machinery behind when they abandoned control over their African territories”. On the other hand, authors such as Adu (1975), Baker (1990) and Dia (1996) argue that the colonial administration left behind little but destruction and that is still negatively affecting African politics, economy, but also culture and identity.

Moreover, towards the end of the colonial period, African bureaucracies were “radically subordinated to politics, so much so that in some instances one may term the service an instrument of the ruling political party” (Fonge, 1997). Needless to say, this was far from the colonizer’s ideal-typical Weberian rational bureaucracy that is supposed to reinforce democracy. In short, the colonial administration created a public service that served imperial policies in Africa. For many authors, despite the claims of benevolence, the Eurocentric administration in Africa was essentially exploitative, discriminatory and anti-democratic (Adu, 1965; Mamdani, 1996; Fonge, 1997). This legacy left by Colonialists in
Africa has, of course, left indelible marks for the next era of African history: the Post-independence period.

2.3. The First Generation of Public Sector Reforms: Post-Independence and Development Administration

Following the wave of African independences in the 1950s and 1960s, scholars, as well as African officials, started to call into question the colonial administration approach and institutions. According to Hyden (2013), there were two main reasons behind this. The first one is their lack of grounding in African society. Indeed, in the aftermath of their independence, African states found themselves attached to a hybrid and disconnected system in which imported formal institutions had been superimposed upon domestic informal institutions reflecting the cultures of their societies (Dia, 1995). The second one is the rising expectation that political independence brought to the African political scene. As Adu (1969) writes, the civil services in Africa were not able to respond to the national aspirations of independence and the realization of these aspirations, even gradually. So this first generation of public sector reforms have been done right after the independence period and was still designed along the colonial principles but with the new goal of strengthening public administration for national development (Therkildsen, 2001). The main focus was the africanization of the small colonial civil services inherited at independence and its expansion (Ayee, 2008). At this period, the idea of a strong central government was seen as essential to the process of socio-economic development needed in newly independent countries where a range of institutional innovations intended to enhance the capacity of states.

At the same time, critics of the colonial administration even found voices among Western scholars that started to argue for a special type of public administration responding to the development needs of the new states: development administration (Thompson, 1964; Schaffer, 1969). The “development administration movement” became much influential in the 1960s and became the model in vogue at the time. The newly independent countries
adopted this system of administration in the hope that it will answer their needs. It was part hand-over and part reform that in reality depended on Western experts to help with the training and technical assistance (Turner and Hulme, 1997). Development administration (DA) was based on classical administrative theories with modernization theory at its core.

The basis of modernization theory is that African societies are in fact “in the process of becoming modern rational entities in which efficiency and scientific logic replace traditional values and belief systems” (Chazan et al., 1999:15). Modernization theorists have argued that the fundamental aspects for any country to “modernize” are “institutional expansion, the rationalization of governmental apparatus, power concentration, some measure of political participation and an augmentation of capacities in order to meet growing demand” (Chazan et al., 1999: 15). In fact, modernization meant to mimic the Western developed world to attain “proper” development\(^\text{10}\). There were also two themes in modernization theory that reinforced the notion of big government and the assumed superiority of development administration as a moral and intellectual vocation. Firstly, the universality and inevitability of the spread of Western values and practices, and secondly the modernization paradigm derived from the elitist bias believing that agents of modernization would be the enlightened (Chanie, 2013). Overall, public administration is seen as the principal instrument by which the modernizing elites would bring about change (Esman, 1988).

For economic historians and other scholars, the modernization approach has failed to really understand how such governmental institutions and capabilities developed in the first place in the Western world (Adelman, 1999; Mazrui and Wiafe-Amoako, 2016). According to that point of view, the so-called modernization has developed differently

\(^{10}\) More precisely, Modernization theory “proceeds from the assumption that organizational efficiency and productivity can be achieved through the application of scientific method and a set of management principles that place heavy emphasis on hierarchical command and strict adherence to work, rules, budget control, planning, system analysis and efficient allocation of human resources” (Bryant and White, 1982:33). Additionally, inspired by rational-choice theory and positivism, an important assumption of the Modernization theory was to believe that people are by nature rational and self-interested (Chanie, 2013).
and in a different direction in every Western country and the process has taken much more than a century to develop. Also, many have criticized modernization theory for its strong Eurocentric view treating African societies as though they had no history, and for assuming that African culture, traditions, and institutions were an impediment to economic and social development (Muiu and Martin, 2009). For authors like Samuel Huntington (1971), this worldview was a false and simplistic dichotomy between tradition and modernity. Weinberg (1969:13), for his part, has said that "by universalizing the historical experiences of the Western countries, the paradigm left itself open to charges of ethnocentricity". For others, development administration and modernization's most important deficiency was that it was adopted without a careful examination of the African setting with its political and social limitation and uniqueness (Riggs, 1964). Nonetheless, even if it is generally accepted that modernization and development administration approaches' impact and outcome were disappointing, it is important to note that from the independence era up to this century, economic as well as political, social and cultural development in African countries has followed a modernization approach in many aspects (Muiu and Martin, 2009). In the next section, we will observe the second generation of public sector reform in Africa that was still following the modernization paradigm.

2.4. The Second Generation of Public Sector Reforms: The Structural Adjustment Program and NPM-Style Reforms

Over the last 55 years or so, it is safe to say that much of public sector reforms in Africa have been supported by international donors and thus coming with many conditionalities including, for this generation, the reduction of the role of the state in the economy. According to Schacter (2000), most of these reforms can be inserted into four different areas: (1) administrative capacity building (that is organizational restructuring, strengthening the links between agencies, and enhancing employee performance
management); (2) policy capacity building; (3) institutional reform (support civil service, strengthening institutions and procedures for accountability of the executive); (4) and civil service downsizing that include privatization.

The second phase of public sector reforms (mid-1970 to 1990s) had different aims than the previous one. For Goran Hyden (2006), the reforms of this period were purely of an economic nature by their focus on the role of the market and non-governmental actors in the economy. Indeed, this period was marked by the creation and dominance of the Structural Adjustment Programs that African states were required to adopt in order to obtain credit from international institutions and Western countries. This generation of public sector reform focused on downsizing government by giving more place to the private and voluntary sector to generate economic development as well as a better service delivery for the citizen.

African bureaucracies were at that time often perceived as been too large, corrupt and lacking a sense of responsibility and accountability notably due to the politicization of the recruitment process (Karyeija, 2012). To remedy the situation, these public reforms had for main goals to maintain macroeconomic stability, lowering inflation, cutting deficit spending and reducing the cost of government. These were made through the privatization of public enterprises, decreasing the size of government and compressing wages to pay higher salaries to senior level managers with key skills (Ayee, 2008). In sum, as Mkandawire (2008) points out, the reform agenda of this period was giving priority to "restraining" institutions rather than "transforming" institutions and focused exclusively on short-term macroeconomic stabilization without really considering issues of long-term growth. Thus, this second phase of public sector reforms went in the opposite direction of the first one by striking at the heart of the capacity of state in Africa and its ability to provide public goods to the people (Edigheji, 2008). Over ten years, employment in public services was reduced by as much as by one-third (Hyden, 2013).
Around the mid-1990s the Bretton Woods institutions introduced a new public administration paradigm and macroeconomic policy framework. This period is distinguished by its wide-ranging dimensions; however, for Heredia and Schneider (2003:3), there are three main models of reforms: civil service reforms; accountability reforms; and managerial reforms\(^\text{11}\). The larger reform agenda present at this period is strongly related to the *New Public Management* (NPM) movement that emerged in both the developed and developing world. Similarly to the Structural Adjustment, NPM was introduced by major donors (World Bank, USAID, etc.) as their own prescriptions for the crisis of public management in Africa. This included notably a focus on greater discipline and parsimony in resource use through private sector styles of management that pushed—again—towards the reduction of civil servants by up to 10 percent (Turner and Hulme, 1997).

This generation and the previous generation were both influenced by the small state approach central to neoliberal ideologies that questioned the direct intervention of governments in the economy and believed in the superiority of market mechanisms for efficient supply of goods and services. In a general matter, NPM intended to overcome the shortcomings of public administration with the adoption of market-based operations, private sector values, and techniques of management\(^\text{12}\). NPM wanted to transform the role of government from a principal agent of socio-economic development to a diminished role of guiding and facilitating development (Chanie, 2013). The main measures included were decentralizing management, restructuring government, providing public services through the market, privatization, government budgeting and finance, human resource management and information technology (Minogue, 2001). For Jreisat (2010: 624), in most African countries—and even in some developed countries—the overall context and the limited experience with NPM features such as transparency,

\(^{11}\) The first type is aiming at reducing particularism and politicization of the bureaucracy by focusing on the merit-based recruitment in the public service; the second aims at strengthening legislation and transparency in the public service; and the third focuses on making the public service a more efficient and service-oriented through decentralization (see Hyden, 2013).

\(^{12}\) The main theoretical foundations of the New Public Management approach are the public choice theory, agency theory, new institutional economics, and managerialism.
accountability, and management by results rendered the NPM approach particularly inoperable. In sum, like the first generations of reforms, the second generation had, to say the least, mixed results in Africa. In the next section called "today's development agendas" we will outline the characteristics of PSR in Africa from 2000s to the present time that intended for the most part to correct the inadequate features of previous generations.

2.5. The Third Generation of Public Sector Reform: Today’s Development Agendas

Finally, the third phase (the 2000s to present) has seen some sort of pattern shift in response to the many critics related to the policies of market fundamentalism and the increasing poverty seen across the Continent. 21st century's public reforms are putting much more emphasis on the importance of human well-being, at least at the discourse level (Edigheji, 2008). This period is usually linked to poverty reduction strategic plan and social accountability as conditionality for loans but still within the NPM paradigm. This round also focused on service delivery to the citizen as customers as agreed upon by world leaders in the United Nations’ Millennium Declaration adopted in 2000; and the appearance of policy ownership discourse in development circle. The Millennium Development Goals (MDG) consisted of a number of targets including the eradication of extreme poverty and hunger, achieving universal primary education and the development of a global partnership for development (UNECA, 2003). Besides, the New Partnership for Africa’s Development (NEPAD) outlined the new priorities that include: good governance, economic growth, mobilization of resources, global partnership, environmental protection, poverty reduction, and investment in human resources. As the MDG expired in 2015, world leaders met in New York on September 2015 for the United Nations Sustainable Development Summit and adopted the 2030 Agenda for Sustainable Development, which includes a set of 17 Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice, and tackle climate change by 2030 (UNDP, 2015a).
It is around this period that the concept of “good governance” appeared as a major complementary objective\textsuperscript{13}. Those objectives have been aimed at tackling some of the worst forms of governance abuses and failure in Africa: the personalized nature of rule giving unlimited power to key political actors, systemic clientelism, misappropriation of state resources and institutionalized corruption; opaque government; and the lack of delegation of power and the removal of the masses from governance (Hyden, 2000).

To the World Bank, good governance consists of a public service that is efficient, a reliable judicial system, and an administration that is accountable to the public\textsuperscript{14} (World Bank, 1989; 1992). Also, the World Bank adds that “good governance is epitomized by predictable, open, enlightened policymaking (that is transparent); a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; and a strong civil society participating in public affairs; and all behaving under the rule of law” (World Bank, 1994). For the United Nations Development Programme (UNDP, 1997), there are five good governance principles: legitimacy and voice (participation and consensus orientation), direction (strategic vision), performance (effectiveness and efficiency), accountability (transparency) and fairness (equity and rule of law). These conceptions of “good governance” have put some emphasis on improving the public sector management system, but the prescriptions related to it are still, although less muscularly, pointing towards the market and private sector approaches to public sector management.

In some ways, the concept of good governance brought a style of public sector reform from a different nature than solely market-based approach and the basic principles of NPM. Indeed, it is possible to say that the good governance approach shows a measured change in an era no longer only dominated by economic-only reforms and market-based paradigm. In hindsight, case studies have found that the narrow good governance agenda has focused on state capabilities, such as merit-based civil service and anti-corruption (Lekvall, 2013: 92).

\textsuperscript{13} The first extensive discussion of the link between economic performance and governance was undertaken by the World Bank (1989) in its report on economic crisis and growth in Sub-Saharan Africa at the end of the 1980s.

\textsuperscript{14} This include: Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption.
In addition, the economic crisis of 2008 has brought into focus the need for inclusive development, and the importance of the state in this development process, marking an important change of pattern. This slow transformation of discourse seems to show that a strong and active public sector in particular and the state, in general, are required for the provision of public goods (Edigheji, 2008). It is now acknowledged that states with weak institutions are not well prepared to face the adjustment cost of globalization and economic integration.

In addition to the old debate on the role of the state in development, one aspect has been widely discussed among researchers and development practitioners: the importance of policy ownership that put the accent on culture and local context in the formulation and implementation of public reforms. Taking their cues from the experiences with the administrative reform initiatives of the early post-independence period (1960s and 1970s), and the negative impact of structural adjustment programmes on the public service, a growing number of countries as well as international institutions have embarked on “home-grown” reform initiatives as from the late 1990s (Kayizzi-Mugerwa, 2003; Hasselskog and Schierenbeck, 2015). This is notably the result of an era where the economic development and development aid approaches have been challenged and criticized by new theories that identified fundamental paradoxes in the way international development practices were conducted, and that can be summarized as the Samaritan’s dilemma in development aid (Gibson et al., 2005). One of the main problems of that dilemma is the wrong incentives and the lack of self-sustainable development of developing countries vis-à-vis the international assistance leading them to dependency (Champagne, 2008). At the same period, through the Paris declaration in 2005, the donors’ community has acknowledged the importance of ownership by developing countries to set their own development strategies as a way to improve aid effectiveness and development (OECD, 2012). The goal was to hand back the political choice to
developing countries. Among the “new” prescriptions partly created in response to such critiques, international institutions now generally underline the importance of national ownership or localized approaches by the states and by the populations (Kayizzi-Mugerwa, 2003). In other words, international stakeholders now recognize the central role of local context and culture in policy-making and implementation (Taylor, 2012). This policy ownership approach to public sector reforms is a critical response to the widespread pattern of “persistent failure” as a result of “isomorphic mimicry” (Andrews, 2011; Pritchett et al., 2013). The hypothesis behind this approach is that a simple replication of foreign framework is most likely to have no real impact on the informal institutions behind governance and implementation. Proponents of policy ownership argue that local actors need to be given the space to learn from experiment and adapt local solutions to local problems. The idea is that to tackle the challenges of development, the best way is to abandon the impositions of foreign institutions and ideas and pursue instead “hybrid practices” that combine development objectives with pre-existing local values and norms (Yanguas and Bukenya, 2016). Also, an important narrative behind the imperative of incorporating traditional systems in state structures is related to the need to enhance the legitimacy of contemporary institutions in African states. Morality and system of values are critical elements of institutional legitimacy and incorporating traditional African values into the institutional design is said to be a good way to enhance legitimacy (Kayizzi-Mugerwa, 2003). For policy ownership proponent, "effective institutions have to evolve indigenously, reflecting a country’s own political, social, and cultural realities" (Birdsall and Fukuyama, 2011:52). Of course, such an approach is not exempted of critics. For Yanguas and Bukenya (2016), the main problem of such an approach is the reliance on the assumption that pre-existing local cultural frames and practices are reconcilable with developmental aims.

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15 It is maybe important to underline here that despite the principles of ownership and accountability, democracy was not a key feature of the Paris Agenda and has not been a priority in the way development aid has been channeled (Kulshreshta, 2008).
In general, it is now possible to notice an adjustment in public sector reforms in Africa from almost strictly technical answers to now more adaptive approaches (Champagne et al., Forthcoming). In the same vein of the recent discourse on “policy ownership”, recent self-examination within the public sector reform community has produced a clear discursive shift away from the “best practices” and towards “best fit”. This recent approach aims no longer at good governance, but rather at “good enough governance”: that is not which models are better, but which forms are more likely to succeed in practice (Grindle, 2004; 2007). Grindle argues that governance reforms in developing countries should aim not for a comprehensive idealized version of good governance, but rather for a selected set of changes that are good enough to create critical improvements in political and administrative systems and that fit the country’s context.

In addition, another approach called “Problem-Driven Iterative Adaptation” (PDIA) was brought by the Centre for International Development of Harvard University. This approach basically engages local actors to solve problems through experimentation and the iterative feedback of lessons into the new adoption of ‘best practices’ from successful case studies (Manning et al., 2013). PDIA can be summarized with four main components. The activities should (1) aim to solve particular problems in particular local contexts, which are prioritized by local actors, (2) through the creation of an “authorized environment” for decision making, which encourages experimentation. (3) This allows for an active, on-going, and experiential learning and iterative feedback of lessons into new solutions. However, (4) engaging a broad set of actors is also important to ensure that reforms are viable, legitimate, and relevant. They have to be politically supported, and practical in nature (Pritchett, 2014).

In sum, these new approaches to public sector reforms in Africa indicate a change in development strategies: the trend has been away from a techno-rational, universalist public sector administrative model towards a context-specific, politically infused, multi-sectoral and multi-organizational model (Brinkerhoff and Brinkerhoff, 2006). Today,
these new discourses—still not yet completely emancipated from the Washington Consensus—are present in many Western-funded reforms in Africa but as said before, with the influence of the West potentially regressing in some African countries, the paths of reforms are less and less dependent to Western conditions. This analysis brings us closer to the subject of this thesis that is the advent of an alternative model of governance and economic development to Western’s: the East Asian developmental states. However, before going into detail of the developmental state model, a small detour towards the central and key issue of the role of the state is needed. The next section will explore the history and theories of the role of government in economic development that has shaped past and present model of development.

2.6. The Political Economy and the Role of the State in Economic Development

As seen before, along with the evolution of the concept of governance and development, many changes have occurred in the thinking of development but also—and most importantly—regarding how to achieve it. Overall, it has passed from “centrally planned, state-dominated strategies to market-led polycentric approaches with the state as coordinator and regulator rather than as the sole or dominant actor” (Brinkerhoff and Brinkerhoff, 2006:836).

Since the independence era, most African countries have been regularly affected by one of the key issues of political economy research: the role of the state in the economy. Indeed, up to today much of donor-sponsored reforms in Africa have been encouraging the reduction of the state apparatus as well as the privatization of state companies in order to leave all the room for the "invisible hand" to maneuvering over the market. While economists and development researchers usually agree on the regulatory functions of the state, the question of whether the state should take an active role in promoting economic growth and development has been much more controversial (Chang, 1999; 2003; Bardhan,
Indeed, the contrast between the neoclassical paradigm defender and the state-centrist development theorists has been deep. In general terms, it is possible to establish two dominant paradigms that have dominated the debate since World War II: the Neo-classical principles and State-centrist Institutional economics (industrial policy).

The neoclassical principles which have dominated the debate from the late 1970s up to recently have for core assumptions that markets develop naturally; that a healthy economy depends on the ability of individual economic actors to pursue their self-interest; that competition among private actors is the central source of economic innovation and growth; and most importantly that government intervention is ineffective, if not counter-productive and undermines efficient market activity (Campbell, 1998).

State-centrist institutional economics and industrial-policy, on the other hand, called for the government to help in the creation of new markets and facilitate the competitiveness of private corporations by providing considerable assistance through the provision of research and development funds, technology, tariff protection, worker-training programs, and infrastructure (Best, 1990). They also suggested that a healthy economy must involve long-range investment strategies that necessitate corporation to focus on long-term plan instead of immediate profitability. Industrial-policy supporters also put emphasis on key economic actors such as trade unions, business associations, and networks of firms to cooperate and compete in ways that would improve the economy, as long as the government creates proper incentives instead of simply relying on the self-interested individuals (Best, 1990; Campbell, 1998). One of the most crucial aspects of industrial policy’s strategy is to develop specific industrial sectors, traditionally through such support as cheap credit or subsidies or through state management of development banks to accelerate economic development.
As seen before, the Bretton Woods institutions have espoused the neoclassical paradigm and consequently have viewed the state involvement in the economy as negative, against the belief of the "institutionalists" or state-centrist who contend that market failure is responsible for underdevelopment and so that the state should play an important role in enhancing development. For Adelman (1999:1), "no area of economics has experienced as many abrupt changes in leading paradigm during the post-World War II as has the field of economic development". These changes, she adds, "have had profound implications for the way the role of government has been viewed by development practitioners and their advisors in international organization" (Adelman, 1999:1). It is said that there have been three phases in the dominant views concerning the ideal role of the state in development. The first phase is called "the government as prime mover phase" (1940-1979); the second "the government as a problem phase" (1979-1996); and the third "the rehabilitating government phase" (1997-today).

In the context of this dissertation, the most recent phase “the rehabilitation of the state” is the most important to understand. In addition to Adelman, a great majority of researchers have observed a re-evaluation of the optimal role of the government in economic development. Although the Washington Consensus is far from gone, today’s developing countries operate in a more competitive international economy that makes industrial policy even more necessary (Chang, 2011). The rehabilitation of the state emerged from several factors. First, policy-makers came to realize that the social and economic growth in the great majority of developing countries during the 1980s have been disappointing and the cumulative evidence of the 20 years of structural adjustment revealed large gaps in the expected results (Leipziger and Thomas, 1993). Second, the experience of East Asian and some South East Asian countries, in which the state has demonstrated it could be effective in promoting development, had been exceptionally good. Third, OECD countries backlash against the neo-liberal philosophies of the
eighties\textsuperscript{16} has slowed down its appeal to other countries in addition to the increased international influence of Japan, whose government had played an especially active economic role (Adelman, 1999). At last, the decision by Western government affected by the 2008 financial crisis to bail out the private banks have had an immense impact—symbolically at least—in other countries about the proper role of government, public institutions, such as oversight committees and increased controls in which the public sector is necessarily involved. As said by De vries and Nemec (2012: 8), "entering the second decade of the millennium the problems and pitfalls of a free market without a proper institutional control cannot be denied anymore". In other words, the global financial crisis and its bailout have put the free-market/neo-classical model of development on trial and delegitimized its core principle.

Therefore, by the 1990s the problematic shifted in international development circle from the state as the problem to the state as the solution and towards making government more effective and eventually with a better capacity. Following the same reasoning, in the last fifteen years, the thinking converged around a reviewed stance that positioned the state as the best-placed provider of core public goods. This perspective has now become reasonably more implanted in today’s thinking about what the state should be doing and how the state should be managed (Brinkerhoff, 2008). It is possible to say that a "revisionist" school of economic development has emerged and some have called it the "Post-Washington Consensus School" (Adelman, 1999; Fukuyama and Birdsall, 2011; Hibben, 2016). This still-in-the-making school seems to advocates a dynamically changing mix of state-market interactions where governments play a significant role in investment, finance, human capital formation, acquisition of technology, and the promotion of institutional reforms. It also seeks to increase the capacity of governments to formulate development policy and implement it through a capable and honest bureaucracy (Adelman, 1999). In academic circles, many scholars and theorists have informed this shift towards the centrality of the capacity of the state to fulfill its developmental role but

\textsuperscript{16} This backlash is said to originate from the slow growth and high unemployment that has put into power more activist government in the Democrats in the US and Labor-Government in the UK (Adelman, 1999).
also the shifting expectations of the state involvement in the economy. This shows a gradual transition from decades in which promoting efficiency and minimizing government has been the response for all problems in the public sector towards a period in which governments in different parts of the world seek their own way out of the neo-liberal ideal. In fact, recent labels such as the ‘new’ state, good enough governance, a neo-Weberian state or Developmental State are more and more used globally today (De Vries and Nemec, 2012). All in all, with a view of this dynamic, it is hard to ignore the imbrications of donors and new players in the top-down state-directed development enterprise. Unquestionably, there has been a shift in the global political economy of development away from structural adjustment policies urging the scaling back of the state to the renewed approval of the state as the leader of socio-economic development.

In conclusion, with the possible regression of the influence of the West in Africa and other regions, and the advent of new industrialized and emerging powers, developing countries now have more options to tackle economic challenges. As we turn our focus towards one of these en vogue approach, the developmental state, it is important to notice that the institutionalist framework underlying the developmental state thesis also provides a serious critique of the one-dimensional, universalist logic of neo-classical development theory, with its emphasis on a specific set of appropriate policies, intended to establish a free market, regardless of the historical, institutional, and political context (Onis, 1991). As we will see in the next section, the developmental state theory offers a different reading on the neo-classical policies described earlier and fits quite well with today’s debates on the proper way to improve economic development in developing countries.
Chapter Three: Literature Review—
the Concept and Theory of
Developmental State

As the field of study that bridges the disciplines of politics and economics, political economy is especially concerned with the interaction between "the state" and "the market". In this sense, the state is mostly associated with the political pursuit of power, and the market with the economic pursuit of wealth: both central for the understanding of public sector reforms. As it was explored in the previous chapters, there exists an inherent tension between the state and the market. While the state is generally concerned with preserving national sovereignty and unity, the market is associated with economic openness and the breaking down of state barriers (Gilpin, 1987). However, despite this tension, the state and the market also have a complementary relationship. To be fair, the impressive economic growth rates of some Asian states seem to be closely related to their success in promoting a symbiotic relationship with the competitive marketplace (Cohn, 2008). Accordingly, recent researches in international political economy have been significantly penetrated by the debate on the changing role of the state.

Indeed, in the last decade, strictly market-based reforms seem to have slowly lost traction to the advantage of reforms with a rather different nature. The analysis of the recent generation of public sector reforms has shown a slow progression towards the reaffirmation of the role of the state as the main generator of solutions to new problems. Consequently, in the last few years many governments around the world—especially in developing and emerging economies—have indeed strayed from neoliberal prescriptions to get closer to a model originating from East Asia: the developmental state. These East Asian countries—Japan, Taiwan, South Korea, and Singapore among others—instead of
just regulating market mechanisms, have exercised complete control over their economies. A great majority of scholars argue that the East Asian experience cannot be understood without acknowledging the critical role played by the state in planning or coordinating the path of economic development (Johnson, 1982; Amsden, 1989; Wade, 1990). They have been called "developmental states" because of their ability to design long-term economic and social development programs and to implement them in partnership with the private sector (Woo-Cumings, 1999). In other words, the state stood out not only by its autonomy from external pressure but also by its ability to lead the industrial sectors in order to catch up with developed countries (Wade, 1990; Chang, 1994). It is necessary to recall here that the stress on the crucial role of the government in economic development is at odds with the neo-classical model still dominant in the field of political economy despite the recent movements pushing for the rehabilitation of the state (Friedman, 2009; Plant, 2009). In sum, the developmental state offers a different look at the proper role of the state to ensure rapid development and poverty reduction. Needless to say, this revisionist nature has allowed many observers to doubt the continuing validity of developmental state theory, especially in today's highly globalized world and in perceived underdeveloped African bureaucracies. In the context of globalization, many scholars have doubted the possibility for the state to continue to lead the country’s economic development, or even whether the developmental state is still possible (Low, 2004). It was also argued by some that the state is being forced into retreating by processes associated with globalization (Strange, 1996). However, while it is undeniable that in today’s world dominated by neo-liberalism and globalization it is more difficult for states to intervene in the markets, it is still claimed in both policy and academic circles that many of the developmental state’s features and techniques are still relevant (Beeson, 2004b; Kelsall and Booth, 2013).

In this chapter which explores an important section of the history of the political economy discipline, we will view the literature on the concept and theory of the developmental state by starting with the early authors that have touched in one way or
the other at this concept. The second section will look at the seminal works on the developmental state theory and will be followed by the important debate around the state-market relations. The fourth section will look into details of Peter Evan’s account of the concept embedded autonomy present within the developmental state; and finally, the fifth section will focus on the journey of this concept from Asia to Africa with the democratic developmental state and developmental patrimonial state approaches.

### 3.1. The Roots of the Developmental State Concept

Over the last fifty years, many scholars have tried to explain the spectacular economic transformation that happened in East Asia. In order to do so, some of them have come up with the *developmental state theory* which was gradually elaborated in a sophisticated model. This theory was developed in the years following the “economic miracle” orchestrated by the state of Japan in the post Second World War period. Japan at the time made such an impressive development that a new school of thought emerged to study this unusual type of state. But before this theory was systematically described and theorized by Chalmers Johnson in the 1980s, a good number of authors had indeed paved the way to the study of the developmental role of the state. This section will explore some of these authors and their contribution to the theory of the developmental state.

#### 3.1.1. Nationalism and Economic Development Debate

Before it was meticulously defined and became extensively used as a category of state in the field of political economy, the developmental state or states with developmental functions already appeared in some European nations. For instance, it is said that Britain from 1560 to 1851 and Germany from 1850 to 1914 could be considered as a developmental state at least in certain aspects (Bagchi, 2000; 2004). Scholars like Friedrich List (1841/2011), an early development economist explored the fact that the contemporary
advanced nations had already used protectionist measures to develop their economy and raise their competitiveness to a level where no one can catch up, and later—*reductio ad absurdum*—tried to convince other states of the inexistence of ladders of development and the benefits of free trade (Anson-Meyer, 1982; Chang, 2002). Following nationalist economic policy or a protectionist approach to development, List believed that protection should be used to develop “infant industries”, but in a selective matter by greatly protecting the most important branches and to a more moderate degree for other ones. For List (1841/2011), it was important for less advanced nations to use “artificial means” like commercial restrictions to enable them to catch up with advanced economies.

Karl Marx can also be considered as an early writer with developmental state ideas. His work in the second of his major theories of the state could be interpreted as having treated some sort of early notion of the capitalist developmental state when referring to France’s state under Louis Bonaparte that had a "completely independent position" which had thoroughly been strengthened against the civil society (Marx, 1852/2008:238). Even though such a state developed from the balance of class forces in society, and might have been able to break free from specific class interests, it was not fully independent as its fundamental objective was the advancing of the capitalist interests in general (Leftwich, 2000:155). The influence of Marxism is especially relevant in this research since socialist views were quite popular in Africa in the 1980s and were often the claimed ideology for many rebellions. As we will explore later, the party that has been in power in Rwanda since 1994, the Rwandan Patriotic Front, was originally considered as a socialist rebel group and is said to have, in some regards, followed such views up to today.

Another important economic historian can be considered as a pioneer theorist of the developmental state: Alexander Gerschenkron. In his book *Economic backwardness in historical perspective* (1962), he notes a different route for “backward countries” to development. While not explicitly referring to the idea or concept of developmental state, after the Second World War he recognized the necessity for a state in the context of late
development to have developmental functions. He opposed the then-popular Rostow's (1960) notion of "stages of growth" that sees the path towards the advanced industrial economy as one that follows the same stages for every country. For Gerschenkron, it is thus the institutions and the strategies that matter the most (Selwyn, 2011). The main approach of this prominent author stresses the importance of building new institutions and to develop new strategies based on the particular situation of the country in question. In other words, countries of different degrees of backwardness would also have different processes of industrialization and development (Jomo, 2005). It is, therefore, these authors that could be considered as putting the first bricks into the foundation of the larger developmental state concept and theory.

3.1.2. Towards a Clearer Concept of the Developmental State

If early scholars like List and Gerschenkron have mostly concentrated their analysis to the European countries, other authors have rather focused their attention on the economic achievements of emerging economies in East Asia. With their notion of "bureaucratic polity", Riggs (1966) and Huntington (1968) could easily be considered as precursors of the developmental state theory. The term bureaucratic polity that was later refined by Jackson (1978:3) refers to a "political system in which power and participation in national decisions are limited almost entirely to the employees of the state, particularly the officer corps and the highest levels of the bureaucracy, including especially the highly trained specialists known as technocrats". This concept was notably used to describe some South East Asian states like Indonesia and Thailand. Samuel Huntington (1968:167) also had praise for the possible developmental use of the concentrating power associated with the "bureaucratic polity" that he considered as a modernizer and innovator in socio-economic development. For him, in order to be successful, it is necessary for the state to strongly control the prevailing social forces and institutions that could slow down development and modernization (Huntington, 1968:141; Leftwich, 2000). A decade later, Cardoso and Faletto (1979) described the Mexican and
Chilean states by using the term "developmentalist state", for the first time to describe their similar economies during the inter-war and immediate post-war to fast-track their attempt at industrialization. Other authors are also worth mentioning for their research on the possible conditions and characteristics needed for effective developmental actions by the state. It is the case of Ellen Trimberger (1978) with her comparative analysis of Japan, Egypt, Turkey and Peru that attempted to explain how autonomous and developmental bureaucratic state emerged in developing countries. Her account provided some insights on the historical and structural condition of developmental states to successfully achieve relative autonomous bureaucracy. A year later, A. J. Gregor (1979) stated that the Italian fascist state was a "developmental regime" because of its modernizing role that established as their central aim "the rapid modernization and industrialization of a retarded socioeconomic system" and by seeing the state "as a centralizing, integrative and managerial agency" (Gregor, 1979:311,304).

Even with this relative clarification of the idea of the "developmental state", at the end of the 1970s, no theorist had conceptualized in a systematic matter the developmental state, but many authors had analyzed and studied the developmental roles and functions of the states in different countries. Overall, at this period no other theorist had clearly mentioned the concept of developmental state or described the preconditions or characteristics of a developmental state. Although many studies have mentioned the centrality of the state in the pursuit of economic development and transformation, none has identified the necessary conditions to ensure such a role effectively. As we will see in the next section, the unparalleled economic development of Japan in the post-war period has pressed some authors to push further their questioning to find a way to explain it.
3.2. The Emergence of the Developmental State Theory

As we have seen previously, the issue of the role of the state in economic development has stimulated much attention in the literature in the past; however, no study had arrived at the developmental state concept. It is only in 1981, in his book *MITI and the Japanese Miracle: The Growth of Industrial Policy* that Chalmers Johnson formally introduced the term and concept of "developmental state" on his seminal work on Japan. In the following years, some authors scrutinized the cases of Taiwan and South Korea under the Developmental State prism in order to understand these countries' socio-economic growth. Most of these early authors did identify the same commonalities as basic features of a developmental state, but each developed its own view on the essential state-market relations. For example, different terms have been used to describe that relation: "market-conforming" in Japan (Johnson, 1981; 1982); "guided market economies" in Taiwan and South Korea (White and Wade, 1985); "market augmenting" in South Korea (Amsden, 1989); or "governed market" in Taiwan (Wade, 1990). The same was done with the concept of the autonomy of the bureaucracy but was finally meticulously described by Peter Evans with his concept of embedded autonomy. This section will review these important works in order to provide a comprehensive and detailed view of the developmental state theory.

3.2.1. Johnson and the Concept of Developmental State in Japan

In 1982, Chalmers Johnson proposed a third category of state model to the political economy of the time with the term “developmental state” that comes to complete the previous characterization that included liberal and Stalinist models. For Johnson, the previous explanations of the Japanese success that focused on Keynesian policies or “anything-but-politics” approach were not enough and misunderstanding the reality on the ground (Johnson, 1982:7). As an alternative to explain the “Japanese miracle”, he puts the emphasis on the role of the developmental state and its industrial policy.
By using the American economy as a contrasti ng model of development, Johnson describes the developmental state as a “plan-rational system” in opposition to the American “market-rational system”. For him, in recently industrialized states, it was not the market but rather the state itself that led the industrialization drive and therefore took on “developmental functions” (Johnson, 1982:19). In the market-oriented or regulatory system, the regulatory mechanism is oriented towards the strong dominance of economic activities were the state mainly focuses on creating an environment favourable for economic competition. On the other hand, on the plan-rational system, the state mainly undertakes the task of identifying and implementing large-scale socio-economic objectives, but in a different matter than the command economy that he characterizes as a “plan-ideological” system.

Moreover, in the developmental state, the “industrial policy” is central. The state pays special attention to the identification and promotion of the most rational structure of its domestic industry in the hope of increasing its international competitiveness (Johnson, 1982). Where the developmental state is especially different is in the fact that while an industrial policy is crucial to its development, it does not replace the market as every action made by the state to intervene in the economy must be "market-conforming". In this sense, Johnson (1999:48) says that the state "intentionally alters incentives within the markets in order to influence the behaviours of civilian producers, consumers, and investors". As for the relationship between the state and the private sector, the developmental state differs by having a mutually beneficial relationship between the state and the business in order to achieve the state developmental goals and enterprise international viability (Johnson, 1982). It is also said that this cooperation is a difficult task, but in the long run it can produce exceptional economic transformation that helps both the state and the private sector (Johnson, 1982).
3.2.2. Wade and the Developmental State in Taiwan and South Korea

Not so long after Johnson’s analysis of the Japanese developmental state, Robert Wade and Gordon White (1985) also described South Korea and Taiwan as “developmental states”. In the same vein, a few years later Wade (1988), wrote a book chapter entitled “State Intervention in ‘Outward-looking’ Development: Neoclassical Theory and Taiwanese Practice”, where he argues against the misconception in the literature about the neoclassical origin of South Korea and Taiwan’s economic growth often explained by a strategy of liberalizing investment and shifting from import control to export promotion. On the contrary, he states that one central and unavoidable aspect that was ignored by this analysis is the contribution of the state and the impacts of its promotional policies.

In their research, White and Wade (1985) describe South Korea and Taiwan as “guided market economies”. They found that rather than following the usual direct regulation these East Asian countries dynamically influenced the market by modifying the profitable incentives and organizing private actors to implement their designed projects (White and Wade, 1985). South Korea and Taiwan used the priority of industrialization to constrain market rationality because they considered the industrialization of their country as their highest goal and not simply the maximization of profitability. They have decided to aggressively intervene in the sectors of the economy that they considered important while leaving the non-strategic sector to the “rationality” of the market. For Wade (1985:28), these “non-liberal” characteristics have had a more outstanding effect on Taiwan’s success than what neoclassical advocates advance. It is thus this proactive and selective developmental nature that is now considered one of the important features of the developmental state.

Looking back at these three early case studies on East Asian developmental states (Japan, Taiwan, and South Korea), one aspect stands out from the other: these three states all had a long-term strategic vision that did not look logical for short-term development. They
basically guided the investment designs in accordance with their long-term national logic plan and directed the market to make sure it followed the "right" direction. Private companies were asked—if not obliged—to respond to this pre-established government’s plan. As noted by Johnson in 1982 for Japan since the post-war period, and later by Wade and White (1985) for South Korea and Taiwan, these states had given their first priority to economic development coupled with a clear and urgent ideology of industrialization. This shared characteristic is said to be generalizable for a developmental state, notably because the nature of a state is often defined by its first priority (Johnson, 1982:305). The next section will focus on another shared characteristic but described and explained in a different way depending on the author: the state-market relation.

3.3. The State-Market Relation Debate

The early literature on the developmental state shows many commonalities between the analyses of the first three successful East Asian economies. Nevertheless, the authors had different opinions on one important aspect of the developmental state: the state-market relation. In Japan, Johnson (1982:317) saw this relation as one of “market-conforming methods of state intervention”; Alice H. Amsden (1989) in her analysis of the development process of South Korea and its public-private relation had described it as a “market-augmenting paradigm”; and Wade (1990) has developed a more generalizable view called “governed market theory” mainly based on his study of the development process of the state of Taiwan but was also compared with the cases of South Korea and Japan. While some scholars have tried to explain the domestic sources of East Asian economic success through the neoliberal lens, most authors have used a statist position. Yet, the statist position has never disregarded the relevance of market mechanism. In general, it is assumed that the essence of the developmental state model is the state-led industrialization in which it is not the market but rather the state that assumes a central role in mobilizing economic resources and initiating industrialization. However, depending on the author, the mean to achieve such a developmental objective vary. In
this section, we will explore some of the most important work on the important state-market relation in developmental states.

3.3.1. Market-Augmenting Paradigm

Amsden’s *market-augmenting paradigm* explains that South Korea’s industrial development can be explicated by the prominent role of government in the economy. As stated by Johnson, Amsden stated that it was the South Korean government and not the market that made almost all pivotal decisions in allocating resources and guiding private companies (Amsden, 1989). Where she has a different view is on the state-market and the public-private relationship. Amsden’s paradigm premises on policies are that they are markets augmenting (for example state intervention and controlled markets) rather than market conforming (that is liberalizing the markets from state control). In her book, she argues that the Korean state distorted relative prices when it used subsidies to promote economic growth (Amsden, 1989:153). In doing so, the government did not conform to the market. She adds that the business environment in South Korea was not competitive, but rather closely controlled by the state, notably to protect domestic firms against foreign competition. The nature of the public and private sector relationship in Korea is depicted as "reciprocal" especially because, in exchange of subsidies from the government, private firms had to follow certain performance requirements or be sanctioned (Amsden, 1989:146). Of course, it is that large use of subsidies by the state to control the production and then decide all major matters of the economy instead of using market mechanisms that stands out in South Korean governance. One of the characteristics of the public-private sector’s relationship in East Asia’s late industrializers like Japan, Taiwan, and South Korea is that the relationship was not cooperative but disciplinary since state subsidies were not giveaways. Amsden also adds that this is the key difference with the unsuccessful cases of India and Turkey that were not able to fully discipline businesses.
3.3.2. The governed market theory

On the other hand, Wade’s governed market theory advances that there is a distinction to be made between "leading the market" and "following the market". The central economic mechanism of the developmental state for him is how the state both governs and steer market forces. The strategy is to create incentives and provide protection in order to steer investment into the pre-established strategic industries according to the long-term development plan. Later, following the maturity level of the economy the developmental state would gradually reduce the protection over the new industries to allow more competition in its economy to enhance the competitiveness of its private firms (Wade, 1990). For Wade, it is thus how the state is actively leading market forces towards its aspiration and plan instead of responding and following the market that makes the governance system different. Analyzing the Taiwanese export-centred rapid economic development, Wade argues that the state guided market forces and concentrated most of the resources into strategic areas. In his study, he shows that public enterprises were used as a tool to influence the fast growth in key sectors as well as its strong guidance of private enterprises. In other words, the economic development in Taiwan was, in fact, a state-led top-down approach that followed inescapably government preferences. As said before, the governed market theory was also tested by Wade on Japan and South Korea. This showed that these three countries did share the most crucial features even though each case had their particularities. In the end, South Korea and Taiwan always followed the "textbook" developmental state of Japan while looking at each other for inspiration on policies (Wade, 1990:326).

In retrospect, the early development experience of Japan has most probably served as a model for Taiwan and South Korea in order for them to catch up with other industrialized countries around the world. With the success of these three countries, many other developing countries have tried since then to follow their path of economic development and governance. For this reason, by following the work of Johnson, Amsden and Wade
other scholars have continued to test and refine the developmental state theory to understand and explain other emerging cases elsewhere in the world. The next section will extend on these other studies and development of developmental state theory.

3.4. The Embedded Autonomy

In the last 30 years, the experience of new emerging economies in East and South East Asia outside of Japan, Taiwan and South Korea have continued to draw a lot of attention from scholars and observers trying to understand and explain the nature of their governance systems. These researchers have greatly helped to add on the work done by early developmental state theorists like Johnson, Amsden, and Wade and thus perfected the developmental state theory by using different approaches. One important approach was developed by Peter Evans in his book Embedded Autonomy: States & Industrial Transformation published in 1995. In this book, he suggested the notion of “embedded autonomy” to describe the all-important relationship between the state and the economy by comparing successful state (Japan, South Korea, Taiwan), less successful state (Brazil, India) and their public and private sectors. Previous developmental state theorists (Johnson, Amsden, Wade) have mostly explored the question of the relationship between the state and the private sector to conclude that state and businesses cooperated for the development of the country but the state leads the way on how they should do it and in which sectors they should concentrate. Evans (1995), in his study, goes beyond and offers a more exhaustive attempt at building a conceptual framework which includes the determinants of developmental states’ effectiveness.

Among them, he states that a state, to be successful, must have developmental autonomy, which includes capable technocrats and an effective and sustainable institutional structure. A developmental autonomy is thus “an autonomy embedded in a concrete set of social ties that bind the state to society and provide institutionalized channels for the continual negotiation and renegotiations of goals and policies” (Evans, 1995:59). It
describes a situation where the state bureaucracy is not adversely influenced by interest groups but also remains connected enough to society to be able to act to ensure growth and (to an extent) redistribution (Evans, 1995; 1998). This goes in contradiction with Weber’s view that sees the insulation from society as a necessary precondition for a working bureaucracy. At the same time, the developmental state autonomy differs completely with the incoherent despotism of the predatory state (i.e. Mobutu’s Zaire), and "is not simply the ‘relative autonomy' in the structural Marxist sense of being constrained by the generic requirements of capital accumulation" (Evans, 1995:59). In this study, developmental autonomy is also considered a necessary condition for the emergence of a successful developmental state. The other important concept, "embeddedness", is defined as “a concrete set of connections that link the state intimately and aggressively to particular social groups with whom the state shares a joint project of transformation” (Evans, 1995:59). This concept is also considered a necessary condition for the emergence of a successful developmental state.

In his research, Evans also brought new theoretical impact that was often missing in previous studies on developmental states. His approach allows researchers to categorize states as predatory state (Zaire), intermediates (India and Brazil), and "ideal-typical" developmental state (Japan, South Korea, and Taiwan). This categorization is based on the score on both embeddedness and developmental autonomy; and to be considered as ideal-typical developmental state, a state is required to possess both embeddedness and developmental autonomy that is quantified according to which complements each other. In sum, Evans categorization of states is an important framework that helps researchers to analyze and assess how developmental a state is.
3.5. The Developmental State Model’s Journey from Asia to Africa

The concept and model of a developmental state that was developed in 1982 by Chalmers Johnson still appear to be tenacious but has evolved. The richness of the debates between researchers and policymakers since the 1990s on the developmental state ability to address current challenges of public governance testifies to the tenacity of the subject (Fine, 1999; Woo-Cumings, 1999; Fritz and Menocal, 2007; Glassman, 2011; Routley, 2014; Schneider, 2015; Chan et al, 2016). The focus of these discussions is notably on how much states can increase their ability to accelerate and support economic and social development. Among international political economy and development scholars, in a lapse of a few years, the focus has shifted from the need to determine the "proper" role of the state—a vital issue in the 1990s (World Bank, 1997)—to the issue of the commitment and capacity of the state (Fritz and Menocal, 2007; Routley, 2014). As a good number of researchers and economic development organizations recognized (Woo-Cummings, 1999; Norman and Stiglitz, 2012; Booth and Golooba-Mutebi, 2012; Fine, 2013), the way to operate the state is more and more considered as one of the crucial factors to ensure development in the poorest countries. One of the central premises of these authors is that the role of the state—and their political economy—is central to economic and social development. Even historically conservative international institutions have changed their discourses: the World Bank, the United Nations Development Programme (UNDP) and UN Global Compact now increasingly stresses business-oriented thinking, pushing governments to adopt technocratic strategies to promote small and medium enterprise development, encourage the improvement of private sector associations, and promote property rights and extended access to credit (Taylor, 2010; Harrison, 2010). This debate on the role of the state in the economy serves as motivation to fuel our research objective about the role of the state in different governance models for development. Recently, the concept of developmental state has been greatly discussed within international development experts’ circles in Africa, as demonstrated by the numerous conferences and
publications on the subject (see Edigheji, 2005; 2010; Meyns and Masamba, 2010; Fourie, 2011; Schneider, 2015; Mann and Berry, 2016). Indeed, there have been numerous suggestions in the recent literature urging African states to learn from the East Asia model of governance but some have said that it is impossible because of the lack of appropriate ideology and commitment to guide development. According to this view, African states cannot be developmental because of the dependent nature of their governments; the lack of state capacity; and the different global environment in which the protectionist approach adopted by most Asian countries is no longer tenable (Mkandwire, 2001). That been said, the literature on the developmental state in Africa has certainly pullulated in the last decades but if such states are emerging, of what types are they? The next sections will discuss two important concepts developed over the last decade that links the developmental state model in the African context: the democratic developmental state and the developmental patrimonial state.

3.5.1. The Democratic Developmental State

Just like the overall debate on African governance, the literature on the developmental state in Africa has mostly been dominated by the issue of democratization. Indeed, in the recent past scholars have often debated on the likelihood of the emergence of a democratic developmental state in Africa. This literature has mostly focused on the association between developmental state and authoritarianism from the previous analyses of the East Asian developmental states.

For some developmental state scholars, there is a possible positive relation between authoritarianism and the emergence of a developmental state. Johnson (1987:143) for instance has advanced that an authoritarian government seems to be more able to achieve political stability and long-term predictability of the system, therefore enabling leadership to take a long-term view on development. Others have said that democracy could be seen as problematic in regard to the emergence of a developmental state notably
because of the often short-termism that electoral politics can produce or encourage (Kelsall and Booth, 2010). Also, concerning the necessary bureaucratic autonomy of developmental states, Wade (1990:374-5) said that the authoritarian developmental state is in a better position to suppress or simply ignore interest groups demands enabling thereby their autonomy and pursue long-term plan. However, although "the association between the developmental state and authoritarianism seems historically to be stable", if not a necessary combination for some (Schneider, 1999: 298), others think that a sharp distinction between an authoritarian and a democratic state might be too simplistic in many senses (Routley, 2014). Johnson, for instance, described Japan as "soft authoritarianism" despite its formally democratic institutions (Johnson, 1982). This situation brings to mind some African states that are sometimes considered as formally democratic and developmental such as Botswana, Ethiopia, and Rwanda but in which one party is, in fact, dominating the polity. Looking back at his decades of studies on the developmental state, Johnson (1999) said that he “den[i]es any necessary connection between authoritarianism and the developmental state but acknowledge that authoritarianism can sometimes solve the main political problems of economic development” (Johnson, 1999:52). Although, he adds that “to think of such a regime (Japan) as authoritarian is to both miss the point and fail to recognize real authoritarianism when it occurs” (Johnson, 1999; 53-54).

In short, the debate on the concept of democratic developmental state in Africa has put under the spotlight a real tension between democracy and developmental states and more precisely on the balance between autonomy and embeddedness. It is mostly the nature of the coalition of embeddedness that is important in this debate, and more precisely how broad-based or narrow it is.

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17 One should note here that the domination of one party is not necessarily a result of an authoritarian regime. The domination of the African National Congress (ANC) for the last 23 years in South Africa is a good example as it is widely and undisputedly considered a democracy. Should it be added here that the ANC in South Africa recently used the developmental state concept in its election platform (Meyns and Musamba, 2010)
3.5.2. A broader-based coalition or embeddedness

As it was convincingly pointed out by Peter Evans, the autonomy of the bureaucracy should also be “embedded”, thus remaining closely attentive and linked to major groups of businesses (Evan, 1994). As seen before, East Asian developmental states are often seen to have rested on a solid but narrow coalition between the public and the private sectors and this cooperation is considered as vital to the success of developmental states (Vu, 2007; Routley, 2014). However, in a democratic context it has been said that it might be necessary to have a broader-based coalition (Evans, 1995:17; Edigheji, 2005:5). This was especially important for Edigheji (2005) on his account of the democratic developmental state in Africa, where he stresses the relevance of Evans' concept of embedded autonomy. To better fit in the democratic context, he, however, advocates its extension beyond government-business relations to integrate popular organizations that are especially concerned about the reduction of poverty. For him, this would thus increase the participation of the society in the state affairs. Edigheji (2005:9) also adds that "the key point is that state autonomy is complemented by a set of concrete relationships with particular interest groups, while at the same time being insulated from direct pressures". As the like of Evans (1994), Edigheji (2005: 18) believes that the democratic developmental state shares the essential set of features of the archetype developmental states except that the democratic developmental state "is one that forges broad-based alliances with society and ensures popular participation in the governance and transformation processes". For him, this is the best way to reduce what he calls the biggest weakness of the developmental state: the fact that it "paid no attention to the nature of the political regime" (Edigheji, 2005:10).

In addition to his previous work on developmental states, Evans also studied in more detail the concept of democratic developmental state. In a more recent work, Evans (2010) develops on the issue of the broader coalition arguing that the integration of a broader segment of the society into the originally narrower coalition might actually be
not only possible but also desirable in newly emergent developmental states. He adds that the 21st-century developmental state will, in fact, need to develop and maintain interactive ties and be embedded in a much broader cross-section of the civil-society rather than focusing simply on the industrial elites (Evans, 2010a; 2010b). For Evans, this "twenty-first-century developmental state" is not really diverging from the East Asian developmental state model. The most noticeable divergence is the broader coalition because he sees the "twenty-first-century developmental state" as mostly a capability-enhancing state that focuses greatly on the promotion of its citizenry by means of the provision of goods such as education and health (Evans, 2010a:5). Within Evans' framework, enhancing human capabilities is in fact the fundamental goal of the 21st-century developmental states. This investment in education and the focus on human capacity development was also quite present in East and Southeast Asian developmental state (Castells, 1992; Woo-Cumings, 1999; Ayee, 2013). Nevertheless, developing citizen's capabilities in democratic term also mean that "the need for information and engagement from societal partners is even greater, but the interlocutors and the character of the networks are more complicated [notably because] information must be gathered from the constituencies that are more numerous and less organized [than the industrial elite]" (Evans, 2010b:49). Consequently, this means that the policies cannot be created only by technocrats but must correspond to the collective preferences of the communities being served. In doing so, policies must be the result of "democratically organized public deliberation" (Evans, 2010b:43). In other words, "deliberative development" should be considered as the foundation of efficient economic strategy as well as effective public policy (Evans, 2010b:49; Evans, 2004).

In his study of Ethiopia’s democratic developmentalism, Kenichi Ohno (2009) described the most significant political coalition of this country as based not on the relation with major industrialists, but rather on the strong relationship between smallholder farmers and the developmental bureaucracy. Democratic developmentalism seems to follow the logic of East Asian developmental states but under the rules of democracy rather than
authoritarianism (Ohno, 2009). The strategy of the ruling party is thus to have for main political base the smallholder farmers who account for 80 percent of the population and launch an "Agricultural Development Led Industrialization" (see Adelman et al, 1989; Alemu, 2013). Consequently, small farmers are the most important partner in their political coalition. While Ohno (2009) have expressed doubts about the real participation of the small farmers in the negotiation for policy formulation, it is, however, interesting to observe a model of governance that place small farmers in the middle of their strategy to implement their developmental goal.

Amy Poteete (2009) also worked on the centrality of the broad-based political coalition in the democratic context of Botswana’s democratic developmental state. In her article, Poteete (2009:565) argues in favour of the broad-based political coalition to explain the success of Botswana’s “pro-development government”. She also adds that “when coalitions are broad or encompassing, politicians may use earnings from valuable natural resources to provide public goods”, including the adoption of pro-growth policies and democratic institutions (Poteete, 2009:549). In sum, she argues that the pattern of coalition building in Botswana was all but easy and inevitable; nonetheless, at the end, it enabled the government and bureaucracy to focus on countries’ economic performance.

3.5.3. The Developmental Patrimonial State

Two of the arguments often brought by authors who do not believe in the possibility for African states to become developmental are the absence of state capacity and developmental commitment. Indeed, conventional and predominant analysis of Africa’s economic difficulties regularly points to the authoritarian, personalistic, opaque and corrupt nature of its governance to explain low growth and continuing struggle. Others have also used the term "neo-patrimonial" features to explain it (Musamba, 2010; Mkandawire, 2010). On the other hand, two authors have strongly challenged the assumption that clientelist behaviours and neo-patrimonial regimes automatically
undermine bureaucracies. In their study, David Booth and Tim Kelsall\(^{18}\) (2010) coined the term *developmental patrimonialism* to describe patrimonial state systems that have developmental impacts due to *the leadership’s centralized control of rents and its adoption of a long-term view* (Kelsall and Booth, 2010). In their analysis, Kelsall and Booth (2010:3) use what they call an "Asian lens" to analyze some African state's regimes. For them, the conventional analysis of Africa should look at Asian countries since many of them including Indonesia, Malaysia, Vietnam, Thailand and even South Korea had the same characteristic before and even during their phase of rapid growth (Khan, 2000; Kang, 2002; Kelsall and Booth, 2010). With their study of Asian cases, they argue that "[...] Asian states have not necessarily been less patrimonial, rent-seeking or corrupt than their African counterparts" (Kelsall and Booth, 2010:5). This line of thinking brought them to develop a category of regime that seems to share both developmental and patrimonial characteristics. They are thus categorizing existing regimes according to two different dimensions of the rent relationship: the degree of centralization and the length of time-horizon. According to their definition, rents are centrally managed when "there is a structure in place that allows an individual or group at the apex of the state to determine the major rents that are created and to distribute them at will" while the leadership is farsighted "when it limits the rent-collection by itself and others with a view to maximizing rent-collection in the long-term" (Kelsall and Booth, 2010: 8).

In their case studies that include Côte d'Ivoire (1960-75), Malawi (1964-78), Kenya (1965-75), Rwanda (2000-2010) and Tanzania (1967-1978), they demonstrate that when centralized, long-horizon rent-seeking is combined with broadly pro-capitalist policies, it can generate dynamic growth for a long period of time. They call this institutional arrangement "developmental patrimonialism" and add that the major difference with these regimes in comparison to other is that they have only allowed pro-capitalist policies where they were able to get the rent relation under control. In other words, even with sound policies, a state can easily get undermined by short-termism and/or economically

\(^{18}\) Booth and Kelsall are part of a research program that works on developmental patrimonialism, under the larger group Africa Power and Politics.
damaging competition for rents. They, however, add that these processes were not sufficient on their own, pointing out other significant elements required such as a skilled leader and a competent bureaucracy that goes alongside long-horizon centralized rent processes in order to achieve economic growth.

3.5.4. The developmental regimes in Africa in the literature

There are in the literature a number of prescriptive work presupposing that a developmental state could exist in Africa, showing which type of policy, structure, and relationships could make this transformation possible (Mkandawire, 2001; Routley, 2014). Moreover, Botswana and Mauritius Islands are often described as key examples of African developmental state (Meisenhelder, 1997; Taylor, 2005; Meyns, 2010). A number of African states have also shown, according to some authors, the potential to have the capacity and the appropriate will/vision to be part of the discussion. That list includes Tanzania, Ethiopia, South Africa and Rwanda (Lockwood, 2005; Kelsall and Booth, 2010; Edigheji, 2010; Gebremichael and Vaughan, 2011). Booth and Golooba-Mutebi (2011) have also applied the developmental patrimonialism framework to Rwanda specifically to investigate the nature of its rent-seeking and its developmental tendency but without really looking at the developmental state features outside of long-term horizon rent or leadership.

To be fair, while some studies have dealt with the issue of developmental states in Africa, very few have really looked in depth at their characteristics, as well as their possible adaptations and innovations. Some authors noted the existence of potential developmental state models on the African continent (Meisenhelder, 1997; Edigheji, 2005; Meyns and Musamba, 2010; Mkandawire, 2010; Kelsall and Booth, 2010), but their researches were done in a much broader perspective and on a large set of countries without really capturing the whole essence of these features or by confirming or infirming the presence of a developmental state in Africa.
3.5.5. A developmental state in Rwanda?

It is to overcome these shortcomings in the literature that this research focuses on a single case study of an African country that seems to show some potential characteristics of a developmental State: Rwanda. In fact, while many authors have loosely called Rwanda a developmental state, none have done so by following a really systematic or comprehensive theoretical framework. Some have written on these signs of developmentalism in Rwanda. Purdekova (2011; 2012), for instance, wrote on how development has become the "overarching goal" with everything in Rwanda and how development has become a legitimizing discourse of political leaders to stay in power and to keep political control (2012: 197). In addition, the strong relationship and cooperation between the state and the private sector had been explored by scholars in the Africa Power and Politics Programmes, who have studied in particular the strong role played in the economy by major private companies entirely or partly owned by the ruling party the Rwandan Patriotic Front. According to these authors (Booth and Golooba-Mutebi, 2012; Kelsall, 2013; Booth, 2014), the Government of Rwanda (GoR) has used these companies to concentrate investment in areas it prioritized to boost development. As for the new institutions established by the GoR to ensure economic development, it has created the Rwanda Development Board (RDB), a pilot agency potentially modeled on Singapore’s Economic Development Board and the Private Sector Federation to develop the capacity of the private sector and improve the business environment (Mann and Berry, 2016; Biedermann, 2016). Although these studies have produced interesting findings on Rwandan governance features, these are still part of a minor and disparate discussion on the subject. This research intends to move further in order to fill an important niche by investigating Rwandan governance with a developmental state framework to see if this country can be considered as a developmental state, and also to investigate the distinctive features of this East African state.
Through this case study, it is possible to better understand the features of an ideal-typical developmental state model and potentially a variant of it in the African context which could, in turn, provide developing countries with alternative public sector reform options which are better adapted to their contexts and history. If the issue of developmental states in Africa has spilled much ink in recent years, it is however very difficult to find a complete and comprehensive academic analysis on the specific features of an African developmental state. As of now, very few have actually looked at the specific characteristics of Rwanda’s governance model other than a few papers that focused specifically on the role of RPF’s owned companies and their part in the financing of Rwanda’s development goals for what they call "developmental patrimonialism"; a recent study by Mann and Berry (2016) on the "political motivations" that shape "Rwanda's emergent developmental state" with a focus on the "institutions of power" and the social control exerted by the Rwandan government but without using the developmental state framework; and an article by Ansoms and Rostagno (2012) titled "Rwanda's Vision 2020 halfway through: what the eye does not see" that argues against the development strategy of "maximum growth at any cost" and its negative effect on poverty reduction. To our knowledge, no comprehensive study on Rwanda in the last 20 years has been focusing on the governance model of Rwanda with a political economic and public administration focus and a developmental state lens: it is thus this shortcoming that this research attempts to overcome.
Chapter Four: Theoretical and Analytical Framework—Building a Developmental State model and Analytical Tools

As we have seen earlier, the primary question of this research seeks to compare Rwanda’s governance reforms since 2000 with the principal features of an ideal-typical version of the developmental state model. In light of the literature review on the developmental state, there are only a few theoretical frameworks that could be taken to study such political-economic system of government, and one of them especially stands out to guide researches on the developmental state: the political economy. Indeed, it is hard—if not impossible—to dissociate the concept of developmental state from the discipline and theory of political economy. In order to understand a governance model or an economic system such as the developmental state there are various angles that can be used, but in order to obtain a comprehensive perspective of a development experience and the role of the government it is important to use a theoretical framework which is interdisciplinary and focus its attention on politics, sociology, and economics. Whether one focuses on state-market, state-multinational corporation (MNC), or power-wealth interactions, there is a general agreement within academics that political economy is interdisciplinary and draws on contributions from political scientists, economists, sociologists, anthropologists, historians, and geographers (Cohn, 2008). In general, political economy theorists seek to overcome limitations imposed by the current disciplinary boundaries. At the same time, political economy theory examines international influences and accounts for social, cultural, economic, political, and developmental variations across nation-states. In other words, the political economy perspective employs a macro-level analysis that examines the importance of historical processes, structural forces, and institutions in shaping
economic outcomes (Jansen, 2013). In order to develop such a broad and holistic perspective of Rwanda’s development experience, the political economy theoretical framework has been developed to guide this research.

The expression "political economy" over its extended lifetime has had countless meanings. For Adam Smith, it was the science of managing a nation’s resource in order to generate wealth while for Karl Marx it was how the ownership of the means of production influenced historical processes. In its current version, it refers mostly to the interdisciplinary studies which bring politics, economics and sociology to explain how political institutions and the economic system—which often include capitalist, socialist, communist, or mixed economy— influence each other (Weingast and Wittman, 2006). Most of the time, political economy theory points to an issue which is central in public administration and development studies: economic growth. In fact, political economy aims to explain how governments frame their economic challenges of today and tomorrow. Indeed, for political leaders, there are usually two major issues: what makes a nation wealthy and how can government design policies that make the nation wealthier than it currently is. From the perspective of scholars and political leader alike, to answer the question of the proper role of government in economic activity has been at the center of the discussion (Newman, 2016). Political economy theory thus provides different ways to answer these questions. As we have seen in section 2.6, in political economy, there are two different paradigms regarding the role of the state in the economy which are the neo-classical principles and the state-centrist institutional economic approach. These two paradigms are also often described as the liberal strategy (open market integrated within the world economy) and the nationalist strategy (with protectionism of local businesses). While there are a few potential models of development, for this research, we are mostly interested in the East Asian developmental state model that is considered as a sophisticated mix of these two strategies.
As we have seen in section 1.2, the primary research question of this thesis seeks to understand what is the political-economic model of development followed by the Rwandan state and more precisely how it compares with the East Asian developmental state. Given that the literature on Rwanda’s economic development experience is usually one-dimensional, this multi-level and multi-perspective framework will enhance and facilitate our study, and help to understand the nature of Rwanda’s governance. To be sure, a political economy perspective has the particularity of being concerned with "the balance between capitalist enterprise and public intervention", and sees economic development and transformation as interconnected with society, culture, and politics, not as separate domains (Golding and Murdock, 2000: 61). Therefore, by referring both to the market and the state, political economy lies at the junction of economic and political problems over the comparative transformations of public action. In general, it is based on a model of explanation that is either formal, in the rational choice sense, or ideal-typical, in the Weberian sense (Brouard, 2014). This model or characterization is then confronted with empirical data to appreciate its validity. In the case of this dissertation, the model under study or the analytical framework is the ideal-typical developmental state which will be confronted, in the results section, with empirical data on Rwanda.

It is thus essential to precisely identify the ideal-typical framework of the developmental state to enable a comparison with the state action in Rwanda. For Johnson (1999), the concept of the developmental state does exist as an abstract generalization. This abstraction has usually been synthesized from East Asian experiences to form a model, or in other words to form an ideal-typical developmental state. Given the diversity of experiences, it is only logical that scholars have had different opinions on the precise composition of the traits they attribute to developmental states and the conditions which allow them to emerge. For the purpose of this thesis, we developed an ideal-typical model of developmental state by following the Weberian ideal-type method. This method aims at defining a concept by including the most important aspect of it. It outlines a three-step procedure (Gerhardt, 1993; Oakes, 1998). The first step is to collect historical material on
the subject on as broad a scope as could be managed. Then, as many “facts” as possible are to be documented and compared in order to see how they are related to each other and where they differ to each other. The second step includes the two criteria of validity for ideal type constructs. The first criterion of validity is to make sure “that no available knowledge (preferably scientific knowledge) contradicts the hypothetical assumption about a phenomenon contained in its conceptual representation as an ideal” (Gerhardt, 1993:87). In other words, knowledge must be based on a comprehensive effort to obtain every available evidences in the literature. According to Henrich (1952:85) it is knowledge in itself that limits the arbitrariness of the formation of ideal types. The second criterion for ideal-type construct validity concerns its composition, i.e. its features. It implies making sure that the ideal-type notion contains only elements proved to be indispensable as proven through the think-away test (mental experiment). Therefore, each element should be tested separately to see whether or not it is indispensable for the development of the phenomenon under investigation. Only the defining elements of the type concept which are vital for the phenomenon should be kept. Finally, the third step is the verification with the case at study which is done through juxtaposition between the formulated ideal type and the reality as shown by social-science data and statistical data.

It is thus by following the Weberian method that we were able to come out with four pre-conditions and five main features of the ideal-typical developmental state. In this chapter, we will showcase these nine characteristics of the ideal-typical developmental state which will be used as the analytical framework for the empirical research.
4.1. Developmental State’s Preconditions and Contexts

One important aspect of the developmental state that has especially attracted the curiosity of researchers over the last two decades is the essential pre-conditions that allowed the emergence of the developmental states. Since the developmental state model originates from East Asia and has later spread into Southeast Asia, some authors have explored the reasons why this has happened in this particular region and—apparently—not elsewhere. This question has allowed scholars to target four unavoidable contextual pre-conditions that have allowed the emergence of a developmental state.

4.1.1. The four Pre-Condition of the Developmental state

In his study on the successful developmental states, Adrian Leftwich (2008) underlined a series of "contingent historical factors" that could be considered as necessary pre-conditions for the emergence of the developmental state. For him, meeting the following four conditions greatly increase the chance for the emergence of a developmental state. Based on Leftwich’s work and a review of developmental state scholars work, four pre-conditions were identified in order to describe the ideal-typical developmental state model. These pre-conditions are the presence of an external threat; the coherence of a coalition of internal elites; the concentration of power and continuity of policy; and a favourable international context.

The first pre-condition that is said to facilitate the emergence of a developmental state is the presence of external (and internal) threat. This threat provides a "powerful incentive for concerted policy with a large cooperation amongst elites and the development of a nationalistic ideology" (Leftwich, 2008:12). This situation of uncertainties was present in all East Asian developmental states. This precondition has also been confirmed by many other authors who have stated that this constant security threat has played a crucial role.

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19. Leftwich study draws on various countries which he considers developmental states: South Korea, Japan, Taiwan, Thailand, Indonesia, Malaysia, Singapore, Botswana, and Mauritius.
in the establishment of developmental states and has notably been used to explain the single-minded commitment of the state elites to growth, productivity, and international competitiveness (Onis, 1991; Woo-Cumings, 1999; Doner et al., 2005). For Weiss and Hobson (1995:185), in the cases of South Korea and Taiwan, the threat of aid withdrawal and regional insecurity played a major role in their "will to develop". This precondition was later formalized with the concept of "systemic vulnerability" that explains the transformation of the state towards a developmentally oriented commitment when they face vulnerabilities such as the "threat of any deterioration in the living standard", a "need for foreign exchange for war material induced by national insecurity" or the "budget constraints imposed by scarcity of easy revenue sources" (Doner et al., 2005:328). This "systemic vulnerability" thus presses leaders to build bureaucracies and forge a public-private coalition to secure political survival. Central to their model is "side payment 20", investments in education, health, and infrastructure that buy the acquiescence of the population and develop their long-term capacities.

The second pre-condition is the political settlement or what Leftwich (2008:12) calls "the coherence of a coalition of internal elites". This kind of coalition is either based on a dominant player—such as the military or a single party rule— or on "broad coalitions" of competing elites ready to compromise around a new set of rules. Under this situation, the radical opposition can be effectively neutralized in order to limit internal conflicts and threats (Doner et al. 2005; Leftwich, 2008). This can be exemplified by the South Korean military coup of 1960, or in a more democratic context where rival elites or interests are able to find compromise around a new set of political or socio-economic rules that enable growth promoted by the state but without threatening dominant interests (Leftwich, 2008). This pre-condition has strong affinities with the descriptive concept of political settlement that characterizes the nature of the arrangements among these elites to

20 Side payment in this context refers to “two parties involved in a transaction exchange money that is not part of the transaction itself, the exchange is a side payment. It is typically made to induce the recipient to take part in the transaction” (Hooker, 2008).
manage this conflict (Parks and Cole, 2010). The political settlement also refers to the idea of a tacit agreement among the most powerful that include elite bargain or elite coalition often used in conflict studies (Lindermann, 2008; Khan, 2010; 2012; Call, 2012).

The third pre-condition is the “concentration of power and continuity of policy”. In all the major cases analyzed by Leftwich, there was a "substantial concentration of political, military and ideological power under the control of the state, at least in the formative stage of the transformation of the state" (Leftwich, 2008:13; Onis, 1991; Douglass, 1994). This power concentration and policy continuity have often been achieved with the support of the military or the continual grip on power by a dominant political party. The continuity of policy and the developmental state "commitment to growth and equity, whether their reasons were ideological or based on political pragmatism" is therefore considered as necessary conditions for large-scale economic transformation and for the establishment of political stability that ensure it can happen (Leftwich, 2008:13).

Finally, the last pre-condition is the presence of a favourable international context. This pre-condition is often stated as the missing piece and potential reason why a developmental state could hardly emerge in today’s international political economy (Wade, 1990; Pempel, 1999; Hayashi, 2010). For most scholars working on East Asian developmental state, including Johnson (1999:55) "the developmental state is unthinkable apart from its relationship to the external world". Indeed, most developmental states enjoyed considerable moral, diplomatic and material—and often military—support from Western powers in the context of the Cold War (Castell, 1992; Onis, 1991; Pempel, 1999; Johnson, 1999; Leftwich, 2008). For Ziya Onis (1991: 116-117), East Asian developmental states have "benefited disproportionately in term of trade, capital, and technology" from Japan and USA—notably including full access to Japanese and US markets. The external aid and support, especially from the US were also fundamental to the economic success of
Japan, South Korean and Taiwan\(^2\) (Goldfrank, 1983; Cumings, 1984; Castell, 1992; Pempel, 1999; Johnson, 1999). In addition, the ability to export goods almost without conditions to the US and other advanced industrialized countries, coupled with the "capacity to maintain protected manufacturing and capital markets at home, was vital to the economic success of Japan, South Korea, and Taiwan" (Pempel, 1999:176).

In sum, when looking at these four necessary pre-conditions that should allow the emergence of a developmental state, one detail is important to notice: they are all strongly interrelated with each other. It is thus possible to say that these four preconditions are all necessary criterion for the emergence of a developmental state. Although, when these pre-conditions are obtained, there are still some important and distinctive characteristic that needs to be met in order to qualify as a developmental state. The next sections will explore these important components that make this type of governance unique.

### 4.2. Building a Model of Developmental State

The father of the concept of developmental state, Chalmers Johnson, has developed a basic model of developmental state based on the Japanese experience that consists of four elements: technocratic/capable bureaucracy, bureaucratic autonomy, the pilot agency, and the market-conforming approach. Since his account of the features of the developmental state in 1982, much of the literature on the subject has agreed at least in general with these elements, but in addition, some have added other characteristics to the model in order to refine the theory. This section will explore the most important characteristics of the developmental state model which are unavoidable to investigate the presence and emergence of a developmental state.

\(^2\) For instance, between 1945 and 1984 South Korea has received 13 billion in American assistance ($600 per capita) and Taiwan has received about 5.6 billion ($425 per capita) (Cumings, 1984).
4.2.1. The Developmentally Oriented Leadership and Public Administration

In Adrian Leftwich’s work, the “developmental vision” of the bureaucracy and leadership is the central feature and the starting point of the developmental state. Indeed, Leftwich’s research has shown that in all developmental states studied, the period of rapid growth has usually been led by what he calls a "determined developmental elites" (Leftwich, 2000:160). The emphasis on the role played by the elite and political leadership instead of on the bureaucracy is, in some way, “bringing politics back” in the developmental state discussion and theoretical development. However, the developmental elite must possess a certain number of characteristics to support the emergence of a developmental state.

One of the critical points in the transformation of the economy is political leadership and commitment. In the literature, there is a broad agreement around the idea that the key to the emergence of a developmental state is the single-minded adherence to growth and competitiveness at the expense of other objectives. Indeed, such a transformative project requires a worthy leadership and appropriateness of visions and principles to guide this transformation. This powerful leadership has the capacity to impose or negotiate a set of developmentally driven rules because of the particular context in which it finds itself as seen in the previous section on developmental pre-conditions. It is these rules that enable the government to pilot the economy and the polity in order to protect and promote national interest, if not the survival of the state. This strong leadership is also able to enjoy strong influence over the elites and motivate the bureaucracy towards more productivity. The participation and cooperation of the elite with the state's developmental project is crucial for the success of the developmental state and to avoid the patrimonial trap leading to crony capitalism, a path followed by many developing countries. Consequently, politics are developmentally-driven and state development is politically driven since growth is the essence of national autonomy and defence. In more concrete terms, the developmentally-oriented leadership is characterized by a remarkable
"developmental determination", an overwhelming "commitment to economic growth and transformation, [and a] capacity to push it through" (Leftwich, 2000:160).

There are two elements to evaluate the presence of this feature in a country. The first element is the presence—or absence—of developmentally-oriented leadership. This should be assessed through a comprehensive study of policies and reports—with their implementation—such as long-term planning documents and their performance objectives along with their evaluation and evolution over time. The second element is the nature of the public administration, whether it is capable and meritocratic or not. The meritocratic nature should be evaluated by looking at government policies in term of recruitment and competition mechanism in public institutions. These should be clear, open, and fair. To assess the actual implementation of these policies a review of independent evaluations, citizen surveys and their evolution over time should be done thoroughly.

The next section will look into the all-important feature of the developmental state which is related to the “capable and meritocratic public administration”.

4.2.2. A Capable and Meritocratic Public Administration

Another central characteristic of a developmental state is the nature of its public administration. According to Johnson (1982) and Evans (1995) but also almost the entire scholarship working on developmental state, the achievements of the developmental state depend in great part on the presence of a capable and meritocratic bureaucracy. Indeed, in a developmental state, the quality of the bureaucracy is directly related to the “extremely meritocratic form of recruitment” which is designed to attract the best managerial talent available to the ranks of the bureaucratic elite (Onis, 1991: 114). Therefore, the successful developmental state should be able to select the most talented members of the society for their ministries and agencies with the help of “rigorous and
hard to pass civil service examinations” (Johnson, 1982:51). Onis (1991:114) also argues that it is the rigorous standards of entry which "ensured a high degree of bureaucratic capability as well as a sense of unity and common identity on the part of the bureaucratic elite". This high-level selection and the long-term career paths with a strong promotion mechanism within the bureaucracy make the careers in civil service the most prestigious in the society. The goal was the construction of an efficient, technocratic state apparatus with a high level of efficiency, served by well-trained civil servants and organized on flexible lines that changed according to the needs of each stage of development. Also, according to Castells (1992:64), "overall, these states were more technocratic than bureaucratic, since their apparatuses were set up to implement a strategic, historical project, and not only (but also) to reap the benefits of dictatorship". In other words, a developmental public administration "involves managing the balance between building a professional public service that serves the government of the day, but that is at the same time sufficiently autonomous and insulated from political patronage and unproductive interference" (Ayee, 2013:270). Overall, it is this bureaucratic capacity and growth that enable the state to undertake many more economic activities which contribute to socio-economic growth.

The main dimension for this feature is the nature of the state’s bureaucracy, if it is effective and capable. To evaluate this it is essential to look nature of public sector reforms aiming at transforming the public service and make it more efficient. It is also important to use domestic and international indexes including World Bank’s World Governance indicators project and the Mo Ibrahim Governance index—which uses data from the AfDB, OECD, UNDP, UECA—in order to assess the effectiveness of the state and its capacity to implement policies.
4.2.3. Industrial Policy and its Institutional arrangement

The third feature of the developmental state is related to the delicate topic of state intervention in the economy. As seen in section 2.6, over the last half century there has been an ongoing debate in the political economy literature on the proper role of the state in the economy to accelerate development. Indeed, in the 1970s and 1980s, state intervention was stigmatized by a majority of scholars notably for its assumed relationship with wasteful rent-seeking (Krueger 1974; Posner 1975; Buchanan 1980). It is, therefore, this paradigmatic option that has dominated the policy recommendations by the world’s great Western powers for many years. However, despite that pressure from the West, East Asian developmental states did not accept the suggested policies but decided instead to allocate rents to productive domestic enterprises thus orienting their activities towards the selected strategic sector. For Johnson (1982:314), the developmental state bureaucracy has to perform mostly three fundamental duties to fulfill the "market-conforming" duties through industrial policy. The first one is to identify and choose the necessary industries in order to implement the industrial structure policy. The second one is to identify again and choose the right means to develop, in a rapid fashion, the chosen industries. And thirdly, supervise competition in selected strategic sectors in order to enable their development. In sum, these three tasks summarize the industrialization process of the country that is essential for the emergence of a developmental state.

The theoretical justification for industrial policy is that the economy is always affected by market failures which slow down the diversification, and for this reason, the state intervention must overcome these market failures to stimulate the diversification of the economy. It is thus on this point that the developmental state offers an interesting alternative to the liberal strategy but without completely detaching itself from it. For Johnson (1999:48), the debate on state intervention has mostly been an ideological one as "the very contrast between industrial policy and market forces is false and probably
ideological, [...] industrial policy is not an alternative to the market but what the state does when it intentionally alters incentives within markets in order to influence the behaviour of civilian producers, consumers, and investors". Some of the functions of the state in a developmental state aim at "altering market incentives, reducing risks, offering entrepreneurial visions, and managing conflicts" (Ha-Joon Chang, 1994; Johnson, 1999:48). In other words, “industrial policy” can be described as government measures aimed at improving the competitiveness and capabilities of domestic firms and promoting structural transformation through diversification into new sectors. Industrial policy strategy involves a combination of selective interventions aimed at propelling the development and growth of part or all of the manufacturing sector as well as other specific sectors of the economy (Lall and Tuebal, 1998; Rodrik, 2004; UN, 2011b: 34). The government is, therefore, protecting some selected industries in order to give time to learn by trial and error to domestic firms with the hope to create national champions. Later, once the firms are competitive enough the restrictions are lifted in order to expose the selected industries to the international market.

That being said, even though the state has played an active role in planning and implementing its industrial policy, it is clear that all state actions still had to "conform to the market" (Johnson, 1982:317). For instance, the intervention of the Japanese state in the economy generally ranged from direct monetary motivations to more indirect supportive measures with the help of new public financial institutions. Also, the state piloted the economy with the widespread use of tax incentive and with the use of license and approval ability in accordance with the market mechanism (Johnson, 1982). In parallel, in order to implement its industrial policy strategy, the developmental state also has to

22 While industrial policy has historically been associated to the manufacturing sector, for Dani Rodrik (2004:2) today the term should be used in a more extended fashion in order to include “more dynamic activities generally, regardless of whether those are located within industry or manufacturing per se. Indeed, many of the specific illustrations [...] concern non-traditional activities in agriculture or services".

23 For developmental state scholars such as Amsden (1989) and Wade (1990), East Asian states have pursued an aggressive state intervention mostly associated with "picking winners" in order to facilitate and accelerate the industrialization. The DS has thus developed an industrial policy to promote its domestic manufacturing sector but also the technology sector. For Amsden (2001), the developmental state also tied incentives to results in order to prevent wasteful rent-seeking behavior.
provide the necessary institutions to make it a reality. In fact, in a developmental state, the success of private companies also "depends on the construction of new institutional vehicles that allows for the realization of its vision" (Chang, 1999:195). This includes the creation of a special agency to accelerate the growth and transform the economy: the pilot agency. For instance, countries such as Japan, South Korea, and Singapore all had their corresponding pilot agency that was called the "Ministry of International Trade Investment" (MITI), the "Economic Policy Board", and the "Economic Development Board" respectively. It is these special agencies that were notably in charge of implementing the government strategy and navigate within the market to accelerate growth and transform the economy. In general, the small but powerful pilot agency provides important strategic guidance in the selection of key industries to be encouraged and also in the provision of a stable and predictable environment for private investors—as well as the public ownership—to undertake risky, long-term investment projects. In sum, a pilot agency, to follow the successful experience of Japan's MITI must have various roles and get involved in many areas including "planning, energy, domestic production, international trade, and a share of finance, particularly capital supply and tax policy" and these roles must be flexible and adapt to the needs of the moment (Johnson, 1982:320). Finally, to ensure proper development, the developmental state usually creates financial institutions to have direct control over financial resources and provide subsidies to influence investments towards strategic sectors.

There are two elements to assess this feature. The first one is the nature of economic policies and the larger long-term economic strategy notably in relation to industrial policy and the manufacturing sector but not limited to it. The second one is the existence of institutions such as a Pilot Agency and financial institutions which support the industrial policy and long-term strategic plan. These evaluations should be done with the study of economic policies, long-term plan, and reports/evaluations from international/local institutions.
4.2.4. Embedded Autonomy

Another key feature of the ideal-typical developmental state is the presence of an “embedded autonomy” in their governance system (Evans, 1995). Indeed, the fourth characteristic of the developmental state is the relative autonomy of the elites and the state institutions which they command (Johnson, 1982; Leftwich, 1995; Evans, 1995). While the concept of “state autonomy” has been explored in different theoretical and empirical contexts in the last decades, autonomy in the context of the developmental state means that the state is able to achieve relative independence or insulation from the demanding request of special interests (whether from social classes, regions or sectors) and that it both can and does override these interest in the presumed national interest (Nordlinger, 1987:361; Leftwich, 1995). However, contrary to the Marxist reading which considers state’s autonomy as separating itself from society and becoming a power over and above it, the developmental state’s autonomous ruling elites must still remain connected to the society. In other words, in a developmental state, the state’s elites should be enmeshed in social networks that put them in close contact with dominant players in the business communities that play a vital role for the development of the economy (Evans, 1995, 1998; Johnson, 1987). In the developmental states, it is through this network that the state has been able to coordinate the economy and implements developmental objectives. To describe this dual characteristic of state elites and bureaucracy, Evans uses the term "embedded autonomy" which is an autonomy embedded in "the concrete set of social ties which bind state and society, and provide institutional channels for the continuous negotiation and renegotiation of goals and policies" for a joint project of transformation (Evans, 1995: 59). In short, the presence of embedded autonomy means that there is a coexistence of autonomy and embeddedness within the state system. For Evans (1995: 50, 59), although embeddedness is “the key to the developmental state effectiveness”, it cannot work effectively without autonomy and vice versa. For instance, autonomy by itself does not necessarily predict interest in economic growth and development. In fact, either autonomy or embeddedness may
produce perverse results when used independently, therefore, the secret of the developmental state is found in the amalgam of both (Evans, 1995). In sum, the embedded autonomy is mostly based on the combination of bureaucratic autonomy with an “unusual degree of public-private cooperation” which has the advantage of “generating extraordinary degree of elite unity” (Onis, 1991:115). Indeed, at the heart of the embeddedness is the dialectical relation between the public and the private sectors and their institutionalized channels, but also the informal networks present in the organizational structure. These informal networks present in the bureaucracy are thus essential to the state's embeddedness and represent the cultural difference between countries. Among the many ways to form informal networks, Japan and South Korea, for example, have often done it through the best universities' alumni or through the agencies' alumni. This has, of course, contributed to the internal coherence of the elite and organizational identity of the bureaucracy.

The most critical aspect of embeddedness is the relationship between the public and private sector. This relationship often described as a close and mutually beneficial relationship, is also generally considered as a key feature of developmental states. While the actions of Western states such as the United States intends to regulate the operations of private companies in a free market, the operative mode of the developmental state is very different. In a developmental state, the relationship between the state and private corporations is part of the wider relationship between state and society where the state's objectives are more or less imposed on companies (Johnson, 1982; 1999). However, this close relationship between business and government is said to be at time exclusive and discriminatory in that it is building a network of relationships with some group while marginalizing and excluding others. In the end, this close relationship between bureaucrats and business people is the vital aspect of allowing the state to control and coordinate the private sector in order to achieve its economic growth objectives (Moon and Prasad, 1994).
Such a special relationship between government and business in the developmental state has, however, shown different types of relations depending on the country. For instance, Japan had a corporatist relation, while South Korea with its early military regime is characterized as disciplinary. The specific organizational culture and the nature of the relationship between the public and private sectors in developmental states are central to understand the nature of the state. In sum, the development state thesis suggests that strong states are typically characterized not only by the high degree of bureaucratic autonomy and capacity but also by the existence of a significant degree of institutionalized interaction and dialogue between the state elites and autonomous centers of power within civil society. It is this autonomy from pressure groups and its professionalism that allows the developmental state's bureaucracy to stay away from political storms and harmful pressure, and concentrate on social and economic development (Taylor, 2005; Meyns, 2010). According to that view, in the absence of bureaucratic autonomy, the state relation with the private sector easily degenerates into situations in which state goals are directly reducible to private interests. In short, the state must be autonomous enough in the policy formation and implementation process not to be overwhelmed by special interest groups. For Johnson (1982:316), the autonomy of the bureaucracy is the most surprising characteristic of the developmental state as summarized in the now famous expression “the politician reign and the bureaucrats rule”. Leftwich (2000:160) also adds to Johnson's view by saying that the autonomy was led by a "determined developmental elites" which offer a larger vision and include more specifically the unavoidable role of the leadership in creating a positive environment for bureaucrats to perform successfully. In sum, the bureaucracy of the developmental state "involves managing the balance between building a professional public administration that serve the government of the day, but is at the same time sufficiently autonomous and insulated from political patronage and unproductive interference" (Ayee, 2013:270).

In order to measure this feature there are two dimensions. The first one is the presence of a united and autonomous leadership. The autonomy of the state in a developmental state
should be assessed according to the nature of the developmental elite which should be characterized by an intimate linkage between the top levels of the bureaucracy and high profile politicians. These characteristics are to be observed through the study of primary sources such as the constitutions and secondary sources with deep understanding of formal and informal rules in the country. Also, the instrument that allows the state to gain autonomy should be evaluated. This instrument should be either linked to the dominance of a single party or from the seizure of state power by a modernizing leadership. The second element is the nature of the relation between the state and the business community. It should show that the state closely partner with the private sector to accelerate the socio-economic development within the selected strategic sectors of the economy. This should be done through strong and powerful private conglomerates closely linked to power.

4.2.5. Performance-Based Legitimacy

The fifth and last feature of the ideal-typical developmental state is the legitimacy and socio-economic growth performance nexus. This feature is related to the fact that people in a developmental state seem to be willing to accept the downsides of a weak civil society and poor human right—at least by Western liberal standard—in exchange of socio-economic growth. Indeed, a developmental state is usually a strong—if not authoritarian—state which is not only able to resist lobbying from unproductive private interests but can also "actively shape the economy and society" in line with their vision and transformational project (Wade, 1990: 337). To do so, developmental states have commonly used “internal security legislation and agencies, secret police and party organization” (Leftwich, 1995:415). Consequently, civil societies in developmental states are often weak and subordinated, at least by western liberal standards (Leftwich, 1995; 2000). While a strong state and a weak civil society almost inevitably result in poor human right record, in reality, the developmental state distinguishes itself from despotic states. Despite poor records of repression and limited human rights, the developmental
states have been able to gain popular support and significant legitimacy for their regimes. While some developmental regimes have faced persistent or even violent internal opposition, the developmental states' legitimacy has rarely been truly threatened mostly because their regime was able to produce high socio-economic growth—and sometimes exert strong control over society (Leftwich, 2000). The reason for this paradox of legitimacy and poor human rights records is related to the successful socio-economic transformation and the relatively inclusive ways of distributing these outcomes. To be fair, developmental states normally arise from difficult developing countries' situation where citizens always want to firstly increase their living standards, which are what the developmental state offers to raise in the first place (Beeson, 2006).

That being said, while there are many ways to define and measure legitimacy, for most developmental states scholars it is necessary to specify the meaning of legitimacy in a given historical or cultural context and resist the ethnocentric conception of legitimacy related to the liberal democratic state. For Johnson (1999), the legitimacy of developmental states cannot be explained simply by using the Anglo-American state-society categories that include civil liberties. Adding to Johnson’s point, Castells (1992:56) says that there is a gap between the Western understanding of legitimacy and the way it was practiced in East Asia. Indeed, while the liberal democratic definition consider a state legitimate only if it can establish some form of consensus in relation to the representation of the civil society through political election and constitution; in a developmental state legitimacy is achieved by being able to define societal goals and demonstrate its ability to achieve these goals. Therefore, successful developmental states have been quasi-revolutionary regimes in which whatever legitimacy their ruler possessed did not come from external consecration or some formal rules whereby they gained office but from the overarching social projects or goals their society endorsed and they carried out (Johnson, 1999:52). For instance, this overriding social project24 was present among the Japanese people after the war, as it was the case for the Korean, Taiwanese and Singaporean people

24 Johnson (1999:53) adds that “what distinguishes these revolutionaries from those in the Leninist states is the insight that the market is a better mechanism for achieving their objectives than central planning. The market includes people who want to work for a common goal; central planning excludes them”.
in their respective troubled time (Johnson, 1999). Also, in a developmental state, the source of authority is not classified within Weber's "holy trinity" of traditional, rational-legal, and charismatic authority but rather as a "revolutionary authority" which is the authority of a people committed to the transformation of their social, political and economic order. In that sense, legitimacy occurs from the state's achievements and results, not from the way it came to power. In sum, it is possible to say that along with the other developmental features, to be considered developmental, a state must “establishes as its principle of legitimacy its ability to promote and sustain development, understanding by development the combination of steady high rates of growth and structural change in the productive system, both domestically and in its relationship to the international economy [...]” (Castells, 1992:56-57). Therefore, ultimately for a developmental state, economic development is not only a goal but a means.

There are two elements to measure this feature and the presence of developmental state-type legitimacy. The first one is the presence of a quasi-revolutionary regime in which whatever legitimacy possessed by the rulers does not come from external sanctification or some formal rule whereby they gained office. This “revolutionary authority” implies the presence of an overarching project or “social engineering” project endorsed by society in general and carried out by the government which can be observed with public policies and state transformation aiming at implementing such a project. Therefore, the second element is the gradual implementation of this project and the associated improvements of economic conditions and living standards. These are to be assessed by the presence of substantial investments in social services coupled with improvement in the education sector, poverty reduction, health sector, and social security. To do so, it is necessary to look at social policies and their performance through the evolution of indexes’ scores in these sectors such as NDP’s Human Development Index, and other domestic and international accounts.
4.3. The Ideal-Typical Developmental State

The previous contraction of the ideal typical model of the developmental state following the Weberian method is used in this dissertation to study governance models in different countries. This model includes five central features along with four pre-conditions or contextual factors. The four pre-conditions are (1) presence of external/internal threat; (2) concentration of power and continuity of policy; (3) coalition of internal elite/political settlement; and (4) a favourable international context.

Table 1 The Pre-Conditions of the Developmental State

<table>
<thead>
<tr>
<th>Developmental State's Four Pre-Conditions</th>
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<tr>
<td>➢ Presence of External/Internal Threat</td>
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<td>➢ A coalition of Internal Elite/Political Settlement</td>
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<tr>
<td>➢ A concentration of Power and Continuity of Policy</td>
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<tr>
<td>➢ Favourable International Context</td>
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As for the five central features, they include: (1) Developmentally-oriented leadership and vision; (2) Capable and meritocratic public administration; (3) Industrial policy and its institutional arrangements; (4) Embedded autonomy; and (5) Performance-based legitimacy.
Table 2 The Central Features of the Developmental State

<table>
<thead>
<tr>
<th>Developmental State's Five Central Features</th>
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<tr>
<td>➢ Developmentally-oriented Leadership and Vision</td>
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<td>➢ Capable and Meritocratic Public Administration</td>
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<td>➢ Industrial Policy and its Institutional Arrangements</td>
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<tr>
<td>➢ Embedded Autonomy</td>
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<td>➢ Performance-Based Legitimacy</td>
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This ideal-typical model of the developmental state includes all essential elements of the developmental states that have emerged since the Second World War. While the nuances of these developmental states have varied over time, the features mentioned here are considered crucial to its high and sustainable economic growth. As every feature is interrelated, by lacking one or more of them, the state the result should show a lesser or unbalanced development outcome in comparison to the East Asian ideal-typical developmental state in their earlier time and therefore not qualify as a developmental state.

As seen earlier, the developmentally oriented leadership along with the capable and meritocratic bureaucracy should attempt to form proficient bureaucracies within which one or more agencies would assume the planning and financing role and thus "pilot" the development by using industrial policy method. In order to be successful, it is also important that the elite members are embedded in the whole social and business environments of the country to ensure their support and full cooperation. This whole governance system is also made possible thanks to a solid legitimacy which is directly
linked to the performance of the government. These features are indispensable parts of the developmental state, but in order to see the emergence of a developmental state, the other contextual elements are also important since they are all interrelated in one way or the other. Indeed, some pre-conditions are also necessary in order to witness the five central features of the developmental state. The presence of an external/internal threat is laying the ground for a serious sense of urgency and a nationalistic vision of development which is favoured by a concentration of power and continuity of policy and a solid coalition of internal elite/political settlement. At last, these contextual pre-conditions are also taking place in a global political economy which is favourable to the implementation of the transformational project of development.

All characteristics positively contribute to the effectiveness and success of the developmental state. Should a state possess the entire set of components (9), it can be considered an ideal-typical developmental state. We thus consider the entire set of features as necessary criteria for a state to be developmental. These necessary criteria are then a solid analytical framework to analyze any developing or emerging economies from the developmental state perspective. This analytical framework will be used to examine the specific case of Rwanda in the following results part of this doctoral thesis. But to better understand the future sections on Rwanda it is necessary first to discuss the methodology that will be used in this study.
Chapter Five: Research Methodology and Design

This research will be carried out by examining, qualitatively, how Rwanda is positioned in regard to the five selected most important and most cited features of the ideal-typical developmental state and the four pre-conditions. In addition, it will explore how Rwanda’s government strategic role was designed and have evolved over the years. To answer such questions, it is important to identify the methods to be used and the empirical field to be studied. The following section will go into details of the methods used to investigate the particular case of Rwanda and the political economic and administrative issues essential to our understanding of Rwanda’s governance and economic development.

5.1. Case Study method

In this research, the single case study format is used as it has been demonstrated to be highly relevant for researches in the field of public administration (Barzelay, 1993; Garson, 2002). According to Robert K. Yin (2014: 18), a case study is an "empirical inquiry" which "investigates a contemporary phenomenon in depth and within its real-life context". A case study research can mean single or multiple case studies and can include qualitative and/or quantitative evidence (Yin, 2014). In addition, a case study occurs over a "sustained period of time" (Creswell, 2009). It is, therefore, a time-honoured, traditional approach to the study of topics in social science and management (Garson, 2002). According to Jensen and Rodgers (2001), the case study research is a great methodology because it is a cumulative, generalizable, and a scientifically-sound form of investigation. Furthermore, for researches on international political economy, "case studies are generally better than the alternatives for documenting processes" and especially on issues such as "influence, institutional change and politics" (Odell, 2001: 170). To make sure to
use the highest levels of conceptual validity of the case study method, we will use of the Weberian ideal-type methodology to develop the analytic construct (Gerhardt, 1994; Gaudet and Robert, 2018). We will also particularly pay attention to the contextual factors and contextual refinements in order to avoid "conceptual stretching" (Collier and Mahon, 1993; George and Bennet, 2004). The

One of the advantages of the case studies is the fact that they give context to a given phenomenon enabling a deep understanding. As it is recommended, this research will use a multi-method approach (triangulation) by using multiple procedures (Garson, 2002). The data collection will proceed with multiple sources of data: a desk review, press review, speeches, archival data, and informal interviews (talks and chats) with targeted participants. By taking a broad approach to the collection of data and acquiring a variety of narratives regarding the governance model of Rwanda and the selected roles played by the government, this research will allow for the most appropriate sharing of information.

Since the strength of case study methods in exploring causal mechanisms is significantly used, the two effective methods of “within-case method of causal interpretation”, that is congruence and process-tracing, will be used in our qualitative oriented dissertation. The essential characteristic of the congruence method implies that “the investigator begins with a theory and then attempts to assess its ability to explain or predict the outcome of a particular case” (George and Bennett, 2004: 181). In other words, the congruence method will be used to assess the ability of the theoretical framework and the empirical generalizations of the previously described ideal-typical developmental state model to explain the economic development and transformation of Rwanda. The process-tracing method on the other hand “attempts to identify the intervening causal process—the causal chain and causal mechanism—between an independent variable (or variables) and the outcome of the dependent variable” (George and Bennett, 2004: 206). Process-tracing

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25 This research will follow Georges and Bennett’s (2004:137) definition of “causal mechanism” as an “ultimately unobservable physical, social, or psychological processes through which agents with causal capacities operate, but only in specific contexts or conditions, to transfer energy, information, or matter to other entities”.

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can be defined as the investigation of the “decision process by which various initial conditions are translated into outcomes” (Goerge and McKeown, 1985: 35). Process-tracing analysis consequently often requires detailed historical analysis and this historical understanding is complemented by an analysis of the actual impacts and evolution created by public sector reforms.

As it is advised when applying the methods of within-case analysis in a qualitative comparison—in this case, the State of Rwanda and other developmental states—a special consideration will be given to the contextual factors. This can be explained by the fact that each state has its own characteristics in terms of cultural, historical, political and socio-economic situation, and the features of states are not static but scalable over time. The case of Rwanda does not make an exception in this regard.

Our single-case study includes multiple observations and, for each of them, the process-tracing method is utilized. In order to avoid the sub-case selection bias, these observations include the great majority of political economic subjects and the main development sectors of the Republic of Rwanda. For this reason, we analyze the most important characteristics of the Rwandan government and its development process.

5.2. The principal sectors of investigation

As synthesized earlier, there are necessary preconditions that should be met in order for a developmental state to emerge. It is thus important to begin the research by analyzing the actual situation in Rwanda in regard to its political, cultural and social histories and traditions by taking into consideration these preconditions discussed in the previous chapter. This will help to see whether the particular preconditions of Rwanda come in line with ideal-typical developmental state preconditions. Afterward, the Rwandan state itself and its institutions will be anatomized and scrutinized in terms of the five essential features framework of the ideal-typical model of developmental state described earlier.
This qualitative comparison between the Rwandan state and the ideal-typical developmental state will provide a general portrait of the Rwandan governance through the lens of the developmental state.

In addition to this general picture of the Rwandan governance under the developmental state standpoint, the section dealing with the industrial policy and its institutional arrangements will allow us to identify the role of the Rwandan state over the course of its economic development. It will thus be appropriate to explore and analyze the prominent mechanism of state intervention in order to identify the causal mechanism of economic development in Rwanda since 2000. It will be interesting to see how the Rwandan Patriotic Front’s (RPF) government along with its new institutions and tools has implemented their socio-economic plan and if their intervention can be considered as following the developmental pattern of other developmental states. This investigation will show the logic behind the Rwandan governance model and state intervention.

To understand and scrutinize the role of the Rwandan state in economic development, two central economic sectors will be studied: the service sector and the manufacturing sector. To do so, we will mostly focus on the state strategy and priorities, policies and programs, the key players and the specific role of the state to fulfill the development objectives. This investigation will allow us to understand the role of the state and the governance system in these two sectors.

The observation of these two important and prioritized sectors of the Rwandan economy, services, and manufacturing, along with the four developmental state contextual preconditions and the five ideal-typical developmental state features will all be part of the major observations of this dissertation. According to George and Bennett (2004:33), by using multiple process-tracing observations in our case study, we will "greatly reduce the weaknesses of this method notably the risk of indeterminacy". Overall, our research design will help us make benefit of the strengths of the single-case study while
overcoming its weakness to enable us to explore and investigate the nature and characteristics of the Rwandan governance model. The next section will focus on the case study and the relevance of its choice for the research.

5.3. Case selection

To address the shortcomings in the literature on the emergence of developmental states in Africa, this study will look at an African state that stands out for its recent socio-economic growth and its growing influence on the continent development: Rwanda. Apart from the fact that various authors have considered Rwanda as a developmental state—often using the term as a buzzword—this African country appears to meet the developmental state criteria established earlier; and is known to have produced good economic and social results in the past fifteen years (Kieh and Agbese, 2014; Lagarde, 2015). Among the developmental state criteria established in the literature the strong developmentally-oriented leadership and performance-based legitimacy seems to be present in Rwanda according to Perdekova (2012: 197) who wrote on how development has become the “overarching goal” with everything in Rwanda and how development has become a legitimizing discourse to stay in power and to keep political control. In addition, the close and mutually beneficial relationship between the private sector and the public sector (embeddedness) had been explored by scholars in the Africa Power and Politics Programmes (APPP), who have studied in particular the strong role played in the economy by major “private” companies entirely or partly owned by the ruling party RPF. According to these authors (Booth and Golooba-Mutebi, 2012; Kelsall, 2013), the Government of Rwanda (GoR) has used these companies to concentrate investment in areas prioritized by the state—such as agro-business and telecommunication sectors for instance—to enhance development. As for the institutions generally created by developmental states to ensure economic development, the GoR has created the Rwanda Development Board (RDB), a pilot agency explicitly modeled on Singapore’s EDB and the
Private Sector Federation (PSF) to develop the capacity of the private sector and improve the business environment (Mann and Berry, 2016).

The relevance of the comparison is notably explained by the well-known aspiration of Rwandan government to become one of the “African lions”, drawing inspiration from the Asian tigers, and the very frequent comparison made in the media and by several observers based on their similar political trajectories and long-term economic planning (Kinzer, 2008; Magistad, 2011; Collier, 2011a; Straus and Waldorf, 2011; The Economist, 2012; Seay, 2016; Honeyman, 2016). Furthermore, Rwandan President Paul Kagame has frequently repeated in interviews and speeches that he was inspired by the "Asian tigers" (Kinzer, 2008; Kagame, 2014a)26.

Indeed, most "Asian tigers" and Rwanda have a number of common points. For example, they are all small countries in size and limited in natural resources; they share a history of being colonized by an imperialist state; most of them had to deal with a security threat, in addition to a history marked by ethnic and political violence (Huff, 1995a; Vasil, 2000; Booth and Galooba-Mutebi, 2012). It is thus for these reasons that the case of Rwanda is interesting to compare to East Asian developmental states. In addition to this, the case of Rwandan governance is often cited as a model for other African nations (Chu, 2009; Birdsall, 2011; Crisafulli and Redmond, 2012; Kulish, 2014; Shyaka, 2014; Soudan, 2016;) as well as often vehemently criticized by others for its authoritarian and top-down governance (Reyntjens, 2011; Ansoms and Rostagno, 2012; Seay, 2016; Mann and Berry, 2016; Thomson, 2018), but too rarely authors are willing to remain dispassionate by showing both sides. This research is planning to do this.

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26 For instance, in 2009 when discussing the “changing political economy in the world” and the role of emerging Asian players Kagame said: “the fact that new key players [in Asia] have emerged – and are actively engaging Africa – is both timely and welcome. Such countries bring more to Africa than trade and investments; they constitute role models as they have made admirable socioeconomic breakthroughs” (Karuhanga, 2009).
5.4. Data Gathering Sources

In order to study institutions and institutional development in East Asian developmental states and identify the ideal-typical characteristics of the developmental state as well as for the study of Rwanda’s institutions and governance model, a comprehensive desk review has been done. In general, this desk review allows us to situate this research in the academic literature and reflect on government published data.

A few examples of academic literature surrounding the central theme of developmental state include the work of Chalmer Johnson (1982; 1995; 1999); Peter Evans (1995; 2010); Adrian Leftwich (1995; 2000; 2008; 2010); Ha-Joon Chang (1999; 2000; 2002); Linda Weiss (1998; 1999a; 2000; 2003); Onis (1991); Castells (1992); White (1998); Wade (1990); Fine (1999; 2010); Mkandawire (2001); Edigheji (2005, 2010); UNECA (2011); Meyns and Musamba (2010); Routley (2012); Vu (2007); Kelsall and Booth (2010); Woo-Cumings (1999); . As for the governance model of Rwanda, even if not so much has been written precisely on this theme, the work of a few authors is interesting to begin the understanding of some aspect of Rwanda’s governance, including: Ansoms (2008; 2009); Ansoms and Rostagno (2012); Booth and Golooba-Mutebe (2012; 2014); Crisafulli and Redmond (2012); Fox (2013); Straus and Waldorf (2011); Campioni and Noack (2012); Mann and Berry (2016); Newbury (1988, 2011); Perdukova (2011, 2012); Reyntjens (2011); Thomson (2013; 2018); Verwimp (2013); Biedermann (2016); and Behuria (2015; 2016b; 2017). Finally, a desk review on the material related to African reforms and their political economy—including the role of the state in the economy—has been conducted on sources including: Chang (1994; 1999; 2011); Harrison (2010); Herbst (2000); Hibou (2004); Thies (2007); Skocpol (1985); Wade (1990); Ayee (2008); Caiden (2007); Olsen and Peters (1996); Omoyefa (2008); Politt and Bouckaert (2004); Haque and Aziz (1999); Olowu (2004; 2010).

In the analysis of Rwanda’s governance and to see whether a developmental state is currently emerging in this country, this research has focused mainly on the reform
process that has begun in 2000 with notably the long-term planning document Rwanda Vision 2020. To determine the position of Rwanda on the five main developmental features, a large set of primary sources was used. One of the main reform documents is the long-term development planning document called “Rwanda Vision 2020”—the government program of economic and social development launched in 2000 by President Paul Kagame (MINECOFIN, 2000). This document is a clear demonstration of the main objectives of the government which to transform the country into a knowledge-based middle-income country, thereby reducing poverty, health problems and making the nation united and democratic. This document clearly cites the goals of good governance, efficient state apparatus, the vibrant private sector, world-class physical infrastructure, and modern agriculture. Vision 2020 is central to assess government's vision characteristics as well as its realization/legitimacy in comparison with today's results. Contrary to some other long term plan in developing countries, Rwanda Vision 2020 has the instesting characteristic of being rigorously linked to principles of results-based management and performance management. Another important government document is Rwanda's constitution adopted in 2003. This document informs precisely on the political and economic institutions developed in Rwanda and thus enlightens details on the bureaucracy and the relationship between private and public sectors. To complete Vision 2020 and Rwanda's constitution, some documents published by the ruling party RPF-Inkotanyi was also used. Among these, there is the constitution of the party; the manifesto that shows clearly the objectives as well as the performance contract on such subjects as social welfare and economic development performance; and many publications and speeches from different officials of the party.

In regard to public service reforms, one document was used, among others, to comprehend its evolution: Reconfiguration and transformation of Rwanda's public service: Programme strategic and implementation plan (2004). This public service reform encompasses the government in general and all socio-economic actors to follow this
reform. This reform which was subsidized by UNDP is especially useful to understand the potential presence of an "embedded autonomy" in Rwanda and the general relationship between society, government, and the private sector. Concerning the potential presence of developmental institutional arrangements such as "pilot agency", many official documents of the Rwanda Development Board and the Ministry of Trade and Industry (MINICOM) was used to evaluate the organization’s structure, vision/goals, and policies. In a more general purpose, other documents of the GoR were used to understand sectorial development strategy: Poverty reduction strategy paper (2002), Strategic plan for agricultural transformation in Rwanda (2004a), National land policy (2004b), Economic development and poverty reduction strategy (2007), The evolution of poverty in Rwanda from 2000 to 2011: results from the household surveys (2012). The good majority of these documents were found on the government websites and others were found in Kigali, Rwanda in different governmental ministries during the field research. In total, this thesis was formed by using 116 primary sources from the government including speeches and discourses (Appendix A), and 68 primary sources from international institutions (Appendix B).

5.5. Field Research

This thesis draws in part from fieldwork that allowed the investigation of the political/economic system and the developmental policies and institutions in Rwanda. From December 2015 to June 2016, I was able to conduct fieldworks in Rwanda. Throughout that period I was an “Invited Scholar” at the Rwanda Governance Board (RGB) under the supervision of the Head of Governance, Research and Monitoring

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27 Note here that I also traveled to Rwanda in 2009 and 2012 and was able to gather information notably on the relations between the private and public sectors. These previous visits have had the benefits of providing information on the evolution of the country’s socio-economic development in that span, between 2009 and 2016.

28 The Rwanda Governance Board (RGB) is a public agency with legal personality, administrative and financial autonomy. Its mandate includes promoting the principles of good governance and decentralization in the country, conducting research and policy analysis related to governance, monitoring the practices of good governance, coordinating and supporting media sector development, documenting and assessing homegrown initiatives as well as
Department Dr. Félicien Usengumukiza and with the close collaboration of the CEO of the RGB, Prof. Anastase Shyaka. This opportunity allowed me to easily access many governmental policy documents and consultants’ reports related to Rwandan governance, public administration and service delivery. While a good number of government documents are quite easily accessible on the internet, some are only accessible in Rwanda and with government officials blessing. I have been able to collect many reform documents while at the RGB or at different ministries and at the Rwanda National Archives Service in Kigali. In that six months period, I have travelled to every province of the country and visited many municipalities and industries.

In January 2016, I was a member of a Canadian Business Investor Mission in Rwanda in partnership with Export Québec and Foreign Affairs Canada (Global Affairs). In this context, I had extraordinary access to many private, international and national institutions which I was able to visit. Along with a group of Canadian investors and consultants, I participated in many meetings on the political economy and business environment of Rwanda with the Heads and other High Levels officials of international institutions including within the Offices of the IMF in Rwanda; the World Bank Group; the African Development Group; and the Food and Agriculture Organization of the United Nations. In the same context, I also visited and participated in many meetings with High-level Rwandan government officials of many Ministries or Agencies including the Rwanda Development Board; the Ministry of Agriculture and the Ministry of Trade, Industry and East African Community Affairs. I also met with a few representatives of the all-important and RPF-owned private holding Crystal Venture Corporation. In addition, I visited one of the most important government industrial projects and central within its long-term planning vision, the Special Economic Zone, and a few Chinese and Rwandan manufacturing businesses established there along with their management teams.

Of course, these visits and meetings have been highly useful to understand and gather information on the reality on the ground and the real nature of the governance model of registering and monitoring civil society and political organizations. It also includes monitoring service delivery by the private sector, registering international non-governmental organizations (NGOs) (RGB, 2017; Kwibuka, 2017).
the country. I was also able to analyze the narrative of the Rwandan government when addressing the business community and international investor groups. Most of the members of the international institutions and business community were especially open to give their honest and sometimes blunt opinions on the government policies and implementation of these policies. As for the meetings with the members of the Rwandan government, they helped me to understand not only the way the government operates and think but also their level of expertise and their capacity.

Throughout this six months stay in Rwanda (2015-2016) but also from 2013 to 2018 in Canada, I was able to conduct many informal discussions and interviews on the subjects of my thesis that were highly enlightening. These were conducted with high-level policymakers in Rwanda, members of the RPF, retired policymakers and military members, as well as with more average Rwandan citizens within the middle class or lower economic classes. I was also able to informally interview and chat with other members of the Rwandan elite active in the business sector of the country and other diaspora members offering differing views of the government policies.

In general, all these experiences allowed me to build my thesis on solid fieldwork material. As part of my 6-month fieldwork in Rwanda, I was systematically taking notes in order to remember my timely observations but also to remember the sometimes overwhelming information given by informants. Following my stay in Rwanda, I have placed my notes in nine different sections according to my analytical framework which corresponds to the developmental state pre-conditions and features. The scholarly

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29 The choice of not making formal interviews is based on a long cogitation regarding the usefulness of making such interviews with Rwandan officials. I was advised by multiple experienced researchers—local and international—to avoid such interviews because of the lack of potential original information that result from that. A few academic writings on the challenges of making research and interviews in Rwanda have also drawn similar conclusions (King, 2009; Jessee, 2012; Leegwater, 2015) The unique post-genocide environment of Rwanda with the omnipresent suspicion by Rwandan towards any outsiders let alone Westerners make formal interviews difficult to achieve with government officials and members of the elite. This context will be explained thoroughly in chapter 6. My personal experience—previous to the beginning of this research—with Rwanda officials or citizens close to power have also confirmed these observations. However, the informal interviews and chats that I have been able to achieve have proven to be much more useful and brought many insights on the nature of the public administration, the political economy and the informal rules in the system.
comments in this thesis are thus linked to these various observations noted during fieldwork in Rwanda but also in Canada and the USA.

5.6. Limitations

However valuable and relevant for the field of political economy, international development and public administration, this research also contains a certain set of limitations. The first limitation of this thesis is related to the nature of the study itself. Indeed, the research methodology previously described has been shaped by the theoretical framework. This sort of research has the advantage of offering the researcher a look at the data with an informed understanding, but at the same time, it almost surely causes the researcher to have a strong bias towards the expected finding of the research. To be fair, in this setting scholars could be more likely to find evidence—or look for evidence—that is corroborating, rather than contradicting the theoretical framework used in their study (Alvesson and Skoldberg, 2009; Cresswell, 2009). Also, putting too much emphasis on theory can drive away the researcher from the contextual aspects of a possible alternative phenomenon which were not considered in the first time. This concern is obviously present in this research but is nonetheless addressed by the application of a theoretical framework—political economy—which uses a large and multidisciplinary approach.

In term of data gathering, because the author of this research only masters French and English languages, the large desk research was limited to the literature within these two tongues without systematically covering the literature in the Kinyarwanda language. To address this limitation, the author has regularly used the services of a few Kinyarwanda translators to understand some potential useful documents and speeches. However, while a full understanding of Kinyarwanda would be of tremendous help to understand some informal aspect of Rwandan culture and governance, the fact that almost all government
policies and publications are produced in either French or English has greatly decreased this limitation.

In addition, doing a desk review in a developing country such as Rwanda which doesn't possess strong institutions yet, also brings a good number of possible limitations. Indeed, it is possible that the statistics published by the government are not always exactly representing the reality on the ground. This means that some statistics might not always be factual, but part of a narrative decided by the highest political authorities. However, as a major recipient of international aid, Rwanda has had to develop its indicators in order to satisfy the international standards, and therefore it has diminished the risk of statistical manipulation. While such a limitation might have a large impact on many types of research, in this thesis, we have reduced this potential limitation by coupling most domestic data with one from international institutions, allowing a more objective and comprehensive view of the data. Plus, the field research made in Rwanda has allowed the author of this thesis to make his own observations regarding some data and statements by the government. In the following part, we will present the results of the thesis categorized according to the ideal-typical developmental model, but these results will be preceded by a comprehensive description of the context in which today's Rwandan governance takes place.
Chapter Six: The Rwandan Context

The literature on developmental states often lacks an essential aspect to understand any country’s political economy and public administration: historical depth. In fact, rapid and large-scale processes of socioeconomic transformation often tend to display long historical continuities. While some development scholars have often assumed that the explanation of why some countries experience different paths of development than others is due to the establishment of sovereignty or the end of a major war as a “new beginning”, it is rather most likely that a significant explanation may lie in their pre-colonial history or colonial history (Kohli, 1999: 135). In this vein, we believe that there is much to be learned about the Rwandan model of governance since 2000 by adopting a longer historical perspective. It is thus important to recognize that the political history and culture of Rwanda are at the roots of the idea of a powerful and interventionist state.

As we will see, the advent of the present day regime in Rwanda is the result of a series of extraordinary historical events that brought the Rwandan Patriotic Front (RPF), a party of Rwandan refugees, to power in 1994. The key to understanding today’s state-society relations in Rwanda and the RPF regime’s governance lies in the very peculiar nature of the Rwandan people and of its history since the end of the colonial rule, but also the pre-colonial and colonial era.

That being said, one needs to begin by acknowledging that the historiography on Rwanda is marked by the heavily ideological and sometimes emotional context of the country. Each author that writes about this country is closely monitored by the different parties involved trying to detect the slightest sign and code of his sympathies for one side or the other. Achieving unanimity in this context is virtually impossible. This chapter aims at providing a short background to the reader in order to better understand the specific context within which today’s Rwanda exists without taking any side or favoring any party.
involved. Of course, the biggest enemy of an impeccable or almost impeccable historical study is space, and since this thesis’ focus is on today’s Rwandan political economy and governance, this section will only be an introduction to Rwandan history. This chapter will be separated in four sections of the Rwandan history, starting with the geographical and ethnological context, including the origin of the Tutsi and Hutu; followed by the pre-colonial and colonial era; the first and second republic including the genocide; and the post-genocide Rwanda up to today. This chapter will enable the reader to understand where Rwanda comes from and will allow the reader to be better equipped to understand the governance culture before analyzing the East African country through the developmental state lens.

6.1. The Geographical and Ethnological Context

Like any country in the world, its geographical context is inseparable to its socio-economic system. In this matter, Rwanda is both blessed and cursed. Neither a luxurious jungle nor a typical African bush, the country enjoys a temperate, mild and humid climate. The relief is mostly mountainous with the entire country above 1000 meters of altitude and half of it between 1,500 and 2,000 meters. Agriculture has always been really successful and the relief has played a natural role of protector against malaria and tsetse fly. The other unavoidable characteristic of Rwanda is its size and general location on the map: Rwanda is above all a very small country, with no more than 26,338 square kilometres and most importantly in today’s globalized economy, landlocked between Tanzania in the East, Uganda in the North, Democratic Republic of Congo (DRC) in the West and Burundi in the South. Pre-colonial was a subsistence economy using the hoe as the main tool. It is under-endowed with natural resources and an especially unfavourable person-land ratio. With that very dense population, Rwanda is the most densely populated country in Africa with a population of almost 13 million (CIA, 2017). The
addition of all these characteristics makes Rwanda a country that is difficult to compare to other African states and its unique history makes it a distinctive case.

To the first European explorers, this apparent geographical uniqueness and the perceptible cultural and linguistic homogeneity of the population coupled with an apparent population subdivision between Hutu, Tutsi, and Twa “peoples” appeared extremely surprising. These features have long impressed foreigners, and have contributed to serve as a basis for a variety of naturalists or culturists approaches (Guichaoua, 2015). The first western explorers also observed the existence of a centralized form of political authority dominated by a Tutsi King with a high degree of social control over the population. These explorers, including the Germans and the Belgians, were all struck by this organization of power and the generosity of the agricultural land. In their views, the social groups of Hutu, Tutsi, and Twa were quickly considered as “races” or “tribes” following the "science" of the time. This characterization and construction of new cultural mythology around the superiority of the Tutsi have undeniably had many effects on the Rwandan society up to today.

Indeed, when studying the history of Rwanda, one theme emerges without exception: the importance of ethnic identities. Like many aspects of Rwandan history, the questions related to identities are highly sensible and quite often approached by observers with bias or unnecessary obstinacy. While the goal of the following section is not to discuss in large this subject, one has to understand at least how these identities, in their recomposed mythical form, had become operational factors in the historical development of Rwanda in the 1950s, in the last breath of the Belgian colonization, up to 1994.

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30 With historical perspective we now know that these groups did not correspond to the definition of “tribes” or micro-nations.
6.1.1. The Origins of Hutu and Tutsi

There are many diverging views on the Tutsi and Hutu identities. The origins of Hutu and Tutsi (and Twa) and their single cultural and linguistic community have attracted the interest of many historians and scholars that have brought their own theories. It is important to say here that in our view none of these theories or hypotheses offers strong enough evidence to support their claims and the most serious of them is sometimes based on questionable data\textsuperscript{31}.

That being said, one discourse—notably based on the Hamitic hypothesis\textsuperscript{32}—that has been widely believed in the past and especially in the period between the first phases of the independence (1959) up to the genocide against the Tutsi in 1994 has been brought by the European colonizers. This view places the three groups according to the temporality of their assumed migration, in Rwanda. According to this view, the Twa, a pygmy people, were the first inhabitants of the region and were later followed by the Hutu who were Bantu-speaking agriculturalists. Thirdly, the pastoralist Tutsi were said to have arrived in the area at some time before the 15\textsuperscript{th} century (Codere, 1962; Lemarchand, 1970). Others, more contemporary historians have found the analysis of the origins of the Rwandan groups as a more complicated task. For Mamdani (2002), Tutsi may have migrated from outside Rwanda but they do not claim any foreign origin in their royal myth. Vansina (2004) for example, stresses that it is most likely that the term Tutsi referred to a social class and political elite among pastoralists and that it would be only by the end of the 19\textsuperscript{th} century that the ruling class started to call all pastoralists Tutsi in opposition to farmers.

\textsuperscript{31} This applies to the issue of Hutu-Tutsi origins but also to the pre-colonial history. This is partly due to the difficulties of recreating the history of oral societies, and also the distortions introduced by the Eurocentric and often clearly racist accounts of the first colonizers, missionaries, and ethnographers (Uvin, 1998).

\textsuperscript{32} This approach, highly contested today, was more or less following the logic of Joseph Arthur de Gobineau (1816-1882) that, probably to preserve the dominance of the white race, had imagined a first "descent" of the Caucasian race from Mesopotamia to Africa, five thousand years before the Christian era. The historiography afterward added the work of German and French linguists claiming that the Hamites—an alleged branch of the Caucasian race—were “non-negro” Africans, the Aryans of Africa. Through this series of manipulations, the Tutsis were classified as Hamites from Ethiopia or Egypt. They also ended up being referred to as the “Jews of Africa”. The decisive “evidence” of this was brought by anthropology which identified the races by the size, color of the skin, hair and skull shape (Ternon, 1995: 326).
that later were labelled as Hutu. However, in another publication he argues that while the use of the term to differentiate the groups might be recent, his archeological research on ceramic, he says, indicated that Tutsi migrated from northern Tanzania around the 8th century; and analysis of biological data shows that Tutsi are a distinct biological group (Vansina, 1993b). Other scholars such as Lemarchand (1966) and Codere (1962; 1993) believe that the use of the term “cast” might be more justifiable because of the Tutsi dominance over other groups, their occupational specialization, cultural differences, racial distinction and the lack of intermarriage between the three groups. This last point has been highly contested by other authors stressing the possibility at the time to change groups on both sides depending on the ownership of cattle (the measure of wealth at the time) or the fairly extensive intermarriage between the groups (Mamdani, 2002; Strauss, 2006). Also, many authors have contended that the Hutu, Tutsi, and Twa are socio-economic divisions, akin to caste perhaps, or even classes (Lemarchand, 1966; Maquet, 1969; d'Hertefelt, 1971; Vidal, 1974; Chrétien, 1985; Newbury, 1988; Prunier, 1997). While other authors have extended the debate, it is important to note here that there is no agreement on the origin of these groups and those affirming one hypothesis or the other often rely on questionable data taken in troubled times such as oral sources making any “scientific” claim dubious. While there is no agreement on the origins—or even the existence—of actual ethnic groups in Rwanda it is still important to recognize that these theories of identities and especially the Hamitic hypothesis were central in the historical development of Rwanda in the 1900s. In fact, the colonial governments in Rwanda were able to modify the way Rwandans perceived themselves. To use the words of Gerard Prunier (1998a: 51): “an ancient society, rich and complex was modernized, simplified and hardened, on the basis of an ideology rather than a scientific evaluation”. As we will see later, the most devastating consequence of this misreading was that the Rwandans began to follow suit and started reading their history along racial terms too (Braeckman, 1996; Prunier, 1997; Chrétien, 2000a; Rusagara, 2009).

33 As Vansina (2004:10) himself noted, one has to keep “the imperfection of the sources in mind, since in the last resort none of them are really beyond suspicion”.

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6.2. The Pre-Colonial and Colonial Era

As said before, when the first Europeans arrived in Rwanda at the end of the 19th century they found a quite well organized monarchic administration under the dominance of a Tutsi king (Mwami). According to oral data, this Kingdom of Rwanda is said to have become a more or less unitary state around the 15th century under the reign of the King Ruganzu Bwimba and the kingdom was transformed over the next centuries in a much bigger territory, as big if not bigger than today’s Rwanda (Kagame, 1943; 1972; Lemarchand, 1970; Newbury, 1988; Vansina, 2004). The King was surrounded by a large court and was considered of divine essence and placed at the top of a complex pyramid of interconnected political, cultural, and economic relations. After the King there were chiefs that took on the role of administrators on the hills (musozi) to “control and collect” (Prunier, 1998a:22). In general, the control was centralized but often flexible since closer to the heart of the kingdom the control was tight but in peripheral areas, it was much looser. In a typical communitarian fashion, neither obligation nor taxes were based on the isolated individual, and the chiefs normally established the global norms of work for the hills and the family or kinship would organize freely to meet the requirements of the government (Maquet, 1954). As we will see in the next section, the Belgian colonizer, instead of keeping the more flexible collective responsibility in accordance with the tradition, hardened the system by forcing any valid individual to pay or work following the European tax model and put a great deal of importance on “ethnic” schemes. Among

34 However, some historians place the birth of the Kingdom in the 11th century under King Gihanga Ngomijana (Rusagara et al., 2009)

35 In every sector, there was a triple chieftaincy system of traditional administration, made up of chiefs of the soil, pasture, and army chief (Ndahiro et al., 2015; Rusagara et al., 2009; Lemarchand, 1970).

36 While the transformation from a communitarian system to a more individual system is difficult to dispute, it is nonetheless important to consider the nature of the governance system that was not so strongly egalitarian when the Europeans arrived. Indeed, a few years before Rwanda’s colonization it is said that the system has already been hardened. Under King Rwabugiri’s administration (1853-1895) the system became especially rigidified and violent and included social distinctions that were more visible in ethnic terms. This engendered a process of ethnic self-consciousness among some groups of Tutsi. Nonetheless, Belgian colonialists greatly contributed to the building of the Tutsi self-consciousness with their explanation of the physical difference in terms of ancestral migrations—for which there was no firm empirical basis—and they made all Tutsi superior, and all Hutu inferior. This hierarchy became fixed in the 1930s when Belgium introduced ID cards (Pottier, 2002). According to Pottier (2002:112), “the intervention was racist, but the seeds for a racialized ethnic division had well germinated by then”.

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many other formal institutional features, the pre-colonial Rwandan kingdom established a system of formalized education for its administrators called *itorero*\(^{37}\) which was training its members in warfare, dance, poetry, and other arts. The *itorero* was hosted by local chiefs and at the King’s court where disciplinary codes were present in every aspect of the *itorero* including military exercises, and the learning of poetry and dynastic recitation (Codere, 1973; Erny, 2005; Honeyman, 2016). The perfect usage of difficult vocabulary and proverbs, along with the memorizing of extended official accounts of history were highly valued. While generally offered to people already with high social status, the *itorero* offered possibilities for social status advancement among the youth based on capacity and merit measurement (Maquet, 1954). Following Max Weber’s logic, the *itorero* was thus a bureaucratic institutional innovation comparable to any bureaucratization process happening in the world at the same time by rationalizing social hierarchies through a more externalized system of evaluation and discipline—while at the same time instilling a sense of honor and respect for authority (Weber, 1978; Honeyman, 2016). Later, with the arrival of the European missionaries, the *itorero* slowly changed vocation at the profit of Christian values and in the interest of the colonizers.

### 6.2.1. The Colonization Era

The Germans arrived in Rwanda in 1887 and established a colonial policy of indirect government leaving much room for the Rwandan monarchy and helping the King accelerate the centralization of the government and the annexation of quasi-independent principalities in peripheral zones. Only nineteen years later, in 1916, colonial political control changed hands to the Belgians following the loss of the First World War by the Germans. The Belgians, like the Germans, used the Tutsi elite to establish their authority while considering them as superior people in comparison to Hutu and Twa\(^{38}\). In a 1920

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\(^{37}\) The word *itorero* means “the place where one is chosen” (Bale, 2002:36).

\(^{38}\) As seen before, the Belgian administration—following the Hamitic hypothesis—was buffered by pseudo-scientific theories that identified the Tutsi minority to be descendants of the biblical figure Ham, and therefore more
directive, the Belgian Minister of the Colonies, Louis Frank, stated that the administration “must be composed uniquely of the Tutsi, in accord with the *Mwami*” and the aristocracy (cited in Rusagara et al., 2009). On this basis, the colonial administration and the Roman Catholic Church in Rwanda decided to favour the Tutsi as they were said to be “best for command” and were destined to benefit from the colonial education in preparation for taking over administrative posts (Linden and Linden, 1977). In doing so, they eliminated all possible paths to power for the Hutu and removed all existing Hutu or Twa chiefs to replace them by Tutsi (Rusagara et al., 2009; Jessee and Watkins, 2014). The Belgian also reformed the "public service work" that was previously mostly communal work into an individual obligation extended to every man and not only at the discretion of the kinships (Newbury, 1980). In addition, the traditional conception of private land property was changed in favour of the European law following a more individual private ownership logic that eventually favoured the Tutsi and allowed them to buy many properties previously owned by other Hutu kinships. Overall, the Belgian reforms from 1926 to 1931 created a "modern" Rwanda that was "centralized, efficient, neo-traditional, and Catholic, but [also] brutal" (Prunier, 1998a:50). Moreover, these reforms considerably increased the burden of taxes and forced labour for the population.

While the traditional governance was certainly not perfect before it was flexible and more or less egalitarian, and by moving the responsibility of compulsory work and contributions from the families and kinship of the hills—as was the case traditionally—to the individual person, the Belgian had, perhaps unintentionally, strongly shaken the traditional structure of the Rwandan society and governance (Vansina, 2004; Rusagara et al., 2009). The neo-traditional unpaid “public service work” and other measures aiming at

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39 The “superior” perception of the Tutsi is best described in the words of Governor-General Ryckmans: “The Batutsi were designed to reign over their people. Their fine presence alone already insured them considerable prestige over the inferior races surrounding them; their qualities, and even their defects enhanced them even further. Proud, distant, in total control of themselves, rarely blinded by anger, avoiding any familiarity, insensitive to pity, and with a conscience never touched by scruples: no surprise that the good Hutu, less cunning and simpler, let themselves be enslaved without ever attempting to rebel” (cited in Semujanga, 2003: 145).

40 To do so, they had to make an official classification of every individual Tutsi or Hutu, which came with the official census of 1933-1934 that arbitrarily identified Tutsi as separate from Hutu on the basis of the ten-cow rule. Meaning that whoever owned ten or more cows was considered Tutsi (Mamdani, 2001).
the transformation of the social structure have altered the collective relations into exploitative individual relations affecting in large part of the Hutu population. Over the years, this difficult situation for the Hutu was becoming less and less tolerable as the cultural legitimacy of the system was declining, leading slowing to a latent revolutionary atmosphere (Newbury, 1992; Prunier, 1998a).

It is in this social climate of progressive aggravation that the very powerful Catholic Church in Rwanda began to favour the emergence of new Hutu elite. This change of heart from the Church between the two world wars can be explained by the slow loss of power in favour of the Tutsi elite. Indeed, the Tutsi elite was becoming more and more autonomous and intellectually aware seizing the new ideas of racial equality before the clergy—along with nationalism and socialism. In other words, the Church was seeing its domination put into question in a more global movement directed against the colonial order. Slowly, throughout the country, the Hutu felt supported by one of the main institutions in the country and they began to organize themselves, creating societies of mutual security and cultural associations (Prunier, 1998a; Guichaoua, 2015).

6.2.2. The Revolution of 1959

At the end of the 1950s, there were two quite diverging views of Tutsi and Hutu identities. The Tutsi tended to downplay the weight of the pre-colonial and mostly colonial social inequalities that had favoured them to emphasize the various institutions which reinforced social cohesion and reduce group division like the plurality of the chiefly systems and other traditional practices. They also brought attention to the damaging role played by the Belgian ideology that reinforced “racial” stereotypes while denying the need for sociopolitical reform. They were in favour of the status quo and shared a more

41 It is important to say here that while it is mainly the Hutu population that was affected, the petit Tutsi (poorer Tutsi) were as much affected by this.
conservative and traditional view of social cohesion and harmony (Prunier, 1998a; see also Rusagara et al., 2009).

On the other side, the emergent Hutu ideology strongly emphasized the alleged “racial” heterogeneity of the Tutsi, “practically describing them as ‘foreigners’ who had ‘conquered’ the ‘genuine’ (Hutu) Rwandan nation, and exaggerated the degree and manifestations of pre-colonial Tutsi domination. It denied the idea that the pre-colonial society had any redeeming cohesive features” (Prunier, 1998a: 120; Rusagara et al., 2009).

At the time, there was also a clash between the two groups along the line of the Cold War ideological polarization with the small emergent Hutu elite following the anti-communist discourse of the Catholic Church while the Tutsi intelligentsias were considered at the time as “pro-communist”. In other words, in the context of the Cold War the Hutu neo-elite were considered as the “moderate” pro-West wing while the Tutsi were vaguely categorized as atheist-Marxist wing, putting Rwanda in some sort of geopolitical limbo (Lemarchand, 1970; Linden, 1977; Prunier, 1998b; de Forges, 1999; Gourevitch, 1999).

This puzzling situation has pushed the Belgian officials that have favoured the Tutsi from day one to completely switch their support to the Hutu in the mid-1950s by playing the “majority card”. This change of state created an open confrontation between the “good” pro-Western Hutu and the “bad” Tutsi communistic aristocrats (Prunier, 1998a). It is thus possible to say that the 1950s’ bizarre political climate in Rwanda was influenced by both the racialist approach and the international Cold War polarization.

This confrontation paved the way to the so-called 1959 Rwandan (Hutu) “social revolution” where a group of Hutu intellectuals asserted that they were the natural spokespersons of all Hutu, a view they displayed in a document known as Le Manifeste des Bahutu (Ndahiro et al., 2015). The Manifeste des Bahutu written by nine Hutu intellectuals described the humiliation and socioeconomic inferiority of the Hutu community and called for the “statistical law” advantaging the Hutu to be respected. At this point, the colonial authority started to bring the idea of a “social revolution” for the majority Hutu. This confirmed the schism between the Belgian authority and the Tutsi
elite now considered as a dangerous mix of traditionalist and communist revolutionary. The social revolution that the Belgian wanted to enforce was, in fact, more of an ethnic transfer of power. This new idea of the ‘rule of the majority’ (rubanda nyamwinshi) slowly took effect when in 1959-1960 the colonial government began to replace most Tutsi chiefs by new Hutu chiefs. At this moment, the introduction of competitive, adversarial, multi-party politics gave rise to the formation of prominent ethnicity-based parties including Grégoire Kayibanda’s Movement for the Emancipation of the Hutu (MDR-PARMEHUTU), the Rwandan National Union (UNAR) and the Association for the Social Promotion of the Mass (APROSOMA). The Rwandan National Union, led by Tutsi traditionalists and monarchists, was hostile to the Belgians and claimed to oppose to discrimination whereas pursuing exclusionist agendas; while supporters of the ethnicity-obsessed APROSOMA purported that Rwanda was a colony of the “Ethiopian Tutsi” whose dominance was to be terminated, even if it came to their extermination; the PARMAHUTU on their side clearly expressed their central objective as the “Hutu emancipation” (Murego, 1975; Newbury, 1992; Golooba-Mutebi, 2013).

Fortifying the movement, the colonial authorities installed new administrative cadres—mostly Hutu—chosen notably among the two new political parties supported by the Belgians: the Parti du Mouvement de l’Émancipation Hutu (PARMEHUTU) and the Association pour la Promotion Sociale de la Masse (APROSOMA) (Guichaoua, 2015; Ndahiro et al., 2015). This new administration immediately organized the persecution of Tutsi on the hills, killing many and causing the exodus of about 130,000 Rwandan Tutsi in the neighbouring countries. In September 1961, the Belgians organized the elections and the results confirmed the ethnic separation with the PARMEHUTU winning the election with 78% of the votes and the UNAR with 17%, almost exactly following the ethnic lines. At this moment, the trap of ethnic division was officially set. The elections accelerated the

42 In French, Mouvement démocratique rwandais/Parti du mouvement et de l’émancipation hutu (MDR-PARMEHUTU)
43 In French, Association de la Promotion Sociale de la Masse (APROSOMA).
44 The UNAR was politically divided with some militant more traditional monarchists while others were motivated by more progressive left-leaning ideas of African leaders like Patrice Lumumba or Kwame Nkrumah (Fontanellaz et al., 2015).
takeover of power by the upcoming Hutu elite and the consecration of a new social order using the Tutsi minority as the scapegoat (Prunier, 1997; Guichaoua, 2015). These elections were quickly followed by the first pogrom against the Tutsi thereby killing thousands and the removal of almost every Tutsi (and Hutu moderates) in a position of power in the country. In the aftermath of this "revolution", the Hutu elite gained power and proclaimed themselves to be democratic given the simple reason that a Hutu government was in power even without any democratic life accepted in the country (Prunier, 1998a). Their ethnicized strategy to secure state legitimacy, based on the so-called “social revolution” that legitimized Hutu majority rule against the so-called Tutsi “foreigner” directly contributed to the institutionalization of discrimination and pogroms (McDonough, 2008). It is thus under this volatile context that Rwanda’s independence was granted by the colonizers on July 1st, 1962.

The 1959 widespread killings of the Tutsi population and their continued harassment had resulted in the flight of a large number of Tutsi into exile in neighbouring countries. This also pushed the vanquished Tutsi extirpated from their political rights and now in exile, to attack Rwanda from outside the country for a few years—the so-called Inyenzi raids (Prunier, 1998b; Rusagara et al., 2009; Guichaoua, 2015). The small portion of the Tutsi that had remained in Rwanda was forced to settle into some form of second-class citizenship while the refugees were neither integrated locally nor allowed back home (Prunier, 1998b; Jessee and Watkins, 2014). Needless to say, this refugee problem remained a persistent political problem which eventually extended to the whole region.

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45 According to the UNHCR, by 1964, 336,000 Rwandan Tutsi had fled their country to seek refuge in neighboring countries including 200,000 in Burundi; 36,000 in Tanzania; 22,000 in Zaire (DRC); and 78,000 in Uganda (UNHCR, 1964 cited in Waugh, 2004). However, the numbers were certainly higher when adding the unregistered refugees.

46 In Kinyarwanda, inyenzi means cockroach. It was a derogatory term—or dehumanization strategy—used to describe the Tutsi guerilla attacks from the Congo and Burundi. The Inyenzi sought help from the socialist states that had supported UNAR in their struggle for independence. They were, however, splintered and disorganized due to their different political aims and rivalry between leading figures, resulting in a non-unified chain of command or cohesive strategy (Waugh, 2004; Fontanellaz, 2015).
6.3. Rwanda’s First and Second Republic (1961-1994)

After the “social revolution” of 1959, the elections and the formal independence of Rwanda in 1962, the Hutu-Tutsi swap was effective. Under the First Republic with the leadership of the PARMAHUTU and their new president Gregoire Kayibanda the “Hutu Power” ideology became the state ideology claiming the right of the majority to rule (rubanda nyamwinshi). In fact, the granting of the independence made on the basis of the majoritarian rule was destined to lead to a "dictatorship of the majority" (Golooba-Mutebi, 2013:6). The result of the election that gave 78% of the vote to PARMAHUTU evolved rapidly into a one-party state or in the words of Scott Straus (2006:182) a "one-party racial dictatorship". The immediate post-colonial political settlement was thus built around ethnic solidarity and the concept of numerical superiority as legitimacy to exclusive access to power (Golooba-Mutebi, 2013). For Prunier (1998a), post-independence Rwanda was an ideological state in which the government played with the ideological construct of the Tutsi who were labelled as foreign invaders and excluded from citizenship.

Meanwhile, the “Inyenzi” guerilleros continued their sporadic—and much disorganized—attacks up to 1963 into Rwandan territories from neighbouring countries but finally lost a crucial fight around Kigali. In the following months, the government took advantage of this situation to launch a massive wave of repression. An estimated ten thousand civilian Tutsi were massacred and every surviving politician in Rwanda were executed (Prunier, 1997; Waugh, 2004). In 1964, the political impact of the exiled was reduced to nothing. In the end, the Inyenzi attacks had the sole consequence of enhancing the personal power of the President. According to many authors (Prunier, 1997; Reyntjens, 2005; Guichaoua, 2015), Kayibanda’s presidency was following the same pattern of governance as the previous Rwandan kings with a narrow circle of leadership recruitment, regionalism, lineage competition, and favouritism; a leadership role mixing paternalistic protection and profit while expecting from his subject a dependence and inferiority attitude. As the last few kings, it was the President that was in charge of all appointments even at the
lowest levels of the administration, a practice that was also followed by the President of the Second Republic, General Habyarimana (Prunier, 1997). In the 1960s, on the African continent there were debates around the ideas of socialism, revolution, and development but in Rwanda, any anti-colonialist ideas were banned since the Belgians had assisted and helped the "democratic revolution" and were considered heroes. In general, Kayibanda’s years were marked by an elitist and secretive authoritarian government which was based on a racist ideology (Prunier, 1997).

In terms of administration, after independence, the state embarked on major programs designed to further increase its control over its territory, and simultaneously increase the centralized nature of the bureaucracy. The country included ten provinces with centrally appointed prefects, followed by 143 communes with burgomasters appointed by the ministers. Each commune included around ten sectors subdivided into ten cells. In general, each hill and extended family was constantly surrounded by centrally appointed administrators, chiefs, security agents, policemen, and local party cadres of all kinds (Uvin, 1998). The cells and sectors had elected representatives often chosen by the single party officials. The state was in charge of all aspects of the citizens’ life and all sectors of the economy: including subsidizing prices, allocating jobs, funding research, building hospitals, schools etc., and prescribing social behaviours. No activity was left to the market. In fact, until 1990, there were no other political parties, no independent unions, no human rights organizations; and later, in the 1980s, all large cooperatives were under state control (Uvin, 1998).

Over the years, this heavy atmosphere along with strong regionalism privileging the President’s fellow southern Hutu ended up being too burdensome for the Rwandan elite. The tensions between the northern and southern Hutu politicians were at its highest. In 1972, aware of the situation, Kayibanda tried to refocus the attention on the Tutsi issue by putting more emphasis on the respect of the ethnic quotas in the schools, universities, 

47 Since the independence, Rwanda applied a policy of ethnic quotas of 9% of Tutsi maximum (the presumed official percentage of the Tutsi in the Country) allowed in schools, public service or any professional sectors
public services, and private companies. However, this tactic did not work politically and the northern elite marginalized by the President began to support one of their own from the north: General Juvenal Habyarimana. He took power with a nonviolent coup d'état on July 5th, 1973, which was greeted by a popular relief, including the Tutsi who were told by the new regime that their security was assured (Prunier, 1997).

6.3.1. The Rwandan Refugees Issue in Uganda and the RPF

As a northern neighbour of Rwanda, Uganda received many Rwandan Tutsi refugees into their territory in the early 1960s. In their new land, the Tutsi had quickly learned that they were not really welcome. In 1982 the persecution of the Rwandan refugees in western Uganda became much worse when an area where they had been settled for 20 years was destroyed by civilians and the Ugandan army. The Rwandan refugees were beaten up, raped and sometimes killed and 35,000 head of cattle were confiscated from them. Following this event, many tried to move back to the Rwandan borders but were stopped by the Rwandan Border Guards and pushed back to Uganda (Otunnu, 2000a; Waugh, 2004; Fontanellaz, 2015). This event is a good example of the reality that was faced by the Rwandan refugees in Uganda. For the young Tutsi men who were especially targeted by the raids, the logical option was to join the “anti-tribalism” Ugandan National Resistance Army (NRA) of Yoweri Museveni instead of remaining powerless victims of violence (Prunier, 1998b; Otunnu, 2000b). Around the same time, the Tutsi community of Uganda decided to create the Rwandan Alliance for National Unity (RANU) to look after the welfare of the Rwandan refugees and also to put some emphasis on one key element of “Tutsi ideology”: the unity in opposition to the divisive politics of the Hutu movement (Rusagara et al., 2009). Although the Rwandan exiles remained a minority in the NRA, they played a key role in the guerilla fight against the Ugandan government. In January

(Chrétien, 1985). This was defended as an affirmative action but in fact, these quota systems and ethnic IDs served as the tool to keep the distinctions alive.

While considered a non-violent coup, almost one hundred former leaders were either killed or imprisoned. As for Kayibanda, he died in detention a few years later.
1986, the Museveni rebels were able to take Kampala and seized power over the country with an estimated 4000 Rwandan exiles in their ranks (Prunier, 1998a). Among them, two Rwandan leaders who fought with Museveni stood up to become important members of the interim government: Fred Rwigyema and Paul Kagame.

Soon after the “victory” in Uganda, in 1987, the RANU decided to change its name to the Rwandan Patriotic Front (RPF) showing a more militant turn in the organization which was considered half political party and half paramilitary group (Prunier, 1997; Prunier 1998; Mamdani, 2002). At that moment, an agenda was put in place that later came to be known as the Eight-Point-Programme. Among the eight points, the first three were forming the core. The first one was to keep “Rwandans united as one people”; the second was to “ensure peace and security” for all Rwandans; and the third point that was going hand-in-hand with the other two was the further centrality of “development”49. This new political organization was more offensive and devoted to the return of the exiled into Rwanda, peacefully or by force (Prunier, 1997). From an organizational perspective, the RPF was marked by a remarkable degree of coherence and operational and tactical skill notably acquired with their experience within Uganda’s NRA forces (McDonough, 2008).

Although the Rwandans were an integral part of the new government in Uganda, the public opinion soon started to put pressure on Museveni to part ways with Rwandan foreigners. Young Rwandan refugees quickly understood that the population with whom they have lived all their lives still despised them and considered them foreigners50. With the mounting pressure regarding the presence of Rwandans in the national government, Museveni finally caved into the pressure and ordered the removal of major General Rwigyema from his position as Army Chief of staff (Waugh, 2004). This was the beginning of a new era for the Rwandan refugees. Simultaneously, the rest of the diaspora were

49 More precisely, the Eight-Point-Plan called for the achievement of the following aims: national unity, democracy, the creation of a self-sustaining economy, an end to the abuse of public office, establishment of social services, democratization of the security forces, a progressive foreign policy and an end to the state-induced creation of refugees. (RPF-Inkotanyi, 2017; Waugh, 2004)

50 At that time, an anti-Rwandan lobby was gaining much support in the Kampala parliament. Kampala’s senior national legislative body, the National Ruling Council, sought to bar Rwandans from land ownership and attempted to remove them from the armed forces. In addition, opposition factions continued their campaign against what they saw as the excessive prominence of Rwandans in the national government (Waugh, 2004).
becoming more and more activists; the young RPF militants on their side advocated more direct action, with the help of the NRA if possible, by directly entering Northern Rwanda and rushing to Kigali. In short, despite the apparent favourable change for the refugees in Uganda, a new set of pressures pushed the Rwandan Tutsi community towards a return to their homeland by late 1989.

6.3.2. The Second Republic

When Juvénal Habyarimana took power in July 1973, the elite was frustrated and tired of the regionalism and political immobility of the Kayibanda regime. Under Habyarimana, the government of the majority Hutu was still the main ideology and Tutsi were still kept away from the political life. The policies of quotas were still in effect although it was implemented in a more flexible way. Overall, while they were victims of institutionalized discrimination, Tutsi’s difficult lives were somehow more tolerable (Prunier, 1997; Waugh, 2004; Guichaoua, 2015). Yet, President Habyarimana brought peace and stability but in a truly totalitarian way. After about a year in power, he prohibited political parties and created his own: the National Revolutionary Movement for Development\(^5\) (MRND) and every Rwandan citizen had to be a member including babies. In the name of "development", the administrative control of the population was also exceptionally high including limitations on travel from one prefecture to the next; taxation on all economic or financial transactions; and meticulous instructions for farmers.

With regards to the administration, during the First and Second Republic, Rwandan society was hierarchically organized into prefecture (provinces), communes (municipalities), sectors, cells, and, at the lowest level, nyambakumi (a group of ten household) (Ingelaere, 2011:68). For each commune, there was a mayor directly appointed by the president and for Lemarchand (170:183) and Reyntjens (1987), their position was similar to the chiefs who had existed prior to the 1959 Hutu social revolution. In general,

\(^5\) In French, Mouvement révolutionnaire national pour le développement.
the omnipresence of the state machinery and the symbiosis of the party-state achieved by politician-technocrats produced a civil service beholden to the state and its priorities (Guichaoua, 2015). This was all taking part in the broader clientelist system. Membership in the central bodies of the party was a strong sign of distinction to receive the coveted posts and access to the circles of influence. Mutual favours and exchanges among senior managers allowed them to cash in on the financial advantages of this system. Consequently, high-level corruption involved the appropriation of large amounts of public funds, which in turn could be reinvested in the creation and nurturing of a new batch of loyal clients (Guichaoua, 2015). In the words of Catharine Newbury (1992:199), in the second republic the “state structures have been permeated with a strong hierarchical ethos, patterns of top-down decision-making, and networks of client relationships. [...] The state serves as an instrument for domination and control; access to resources of the state, directly or indirectly, is important in shaping opportunities for people to become and remain wealthy or powerful”.

After eight years in power, Habyarimana finally created some sort of parliament that he named the National Council for Development where “there was no time for futile political debate” (Prunier, 1997:100). In this system, Habyarimana was the only candidate for the presidency and was re-elected in office in 1983 and 1988 with 99.98% of the votes. Also, before 1990 the government did not instigate or authorize the mass killing of civilians like the previous regime (Strauss, 2006; Guichaoua, 2015). But while the aggressive anti-Tutsi discourses and actions slowed, the President never allowed the Tutsi refugees to return home.

The obvious “centralized authoritarian patronage”52 was however coupled with a high-growth economy despite Rwanda’s inevitable disadvantage of being a landlocked, poor in natural resource and highly populated country (Uvin, 1998; Marysse, 2005). The

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52 This term is used by Guichaoua (2015:16) because “for the average citizen, there was simply no alternative to complete submission to authority nor any recourse in the event of some arbitrary turn of fate”. He also adds that “in the discourse of the educated elites, peasants were characterized as a mass that needed to be taught to work rationally. [...] The saying ‘father of the nation’, designating the President, illustrates quite well the nature of the bond between the authority and its subjects”.

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government was priding itself on the diffusion of a peasant ideology and prudent management of local resources, claiming other achievements including the lowering of the national debt, a balanced budget, monetary stability, and a relative food-sufficiency—at least up until the last part of the 1980s (Guichaoua, 2015). The agricultural sector that accounted for up to 80 percent of GNP in 1962 was lowered to only 48 percent in 1986, notably because of the development of the service sector from 8 to 21 percent, and manufacturing from 12 to 31 percent (Prunier, 1997:101). Between 1965 and 1985, Rwanda experienced a period of economic growth: despite the rapid population growth, income per head went up by about 1.89 percent each year (Uvin, 1998). Overall, even with a constant overpopulation, Rwanda was often cited as a “model” for African development (Uvin, 1998). These accomplishments explain its excellent reputation among bilateral partners, international donors, and NGOs.

Nonetheless, the growing disharmony among the elite took place in the late 1980s to a difficult period of economic crisis, notably because of the fall of coffee and tin prices (both central to Rwandan economy) internationally and the growing dependence on foreign aid that grew from 5 percent of GNP in 1973 to 22 percent in 1991. The crisis is also said to include the effects of land pressure, erosion, and poverty, combined with the exhaustion of a top-down, immobilizing development model that had been followed for decades. Another structural factor to be considered is Rwanda’s nascent industrial sector, which was mainly mismanaged and very expensive (Uvin, 1998). In 1990, in order to get $216 million from the World Bank and the IMF, the government undertook a Structural

53 In fact, according to Hanssen (1989) Rwanda was hosted by more development workers per hectare than anywhere else in the world. For instance, “Rwanda was considered the jewel in the crown of countries receiving Canadian aid […] Rwanda was perceived by Canadian CIDA officials as incredibly stable with virtually no corruption [and] committed to the rule of law” (Adelman, 1999:188). This perception has led to Rwanda becoming the largest single recipient of Canadian aid in per capita terms. By the end of the 1980s, Rwanda was also the largest single recipient of aid from both Belgium and Switzerland (Uvin, 1998).

54 According to the World Bank Report 1991: the challenges of development (1991), the decline in the economy was due to more structural causes and dates back to the early 1980s. After 1980, Rwanda’s economic growth slowed down and became more erratic. Compared to an average yearly GDP growth of 6.5 percent over 1973-1980, 1980-1987 growth averaged only 3.1 percent. For the World Bank, the decline in the price of coffee was primarily due to a producer price policy that did not discriminate for quality. Furthermore, there was a loss of export competitiveness and a sharp decline in tax income on coffee exports accompanied by increased government expenditures beginning in 1981 that led to persistent budgetary deficits (Adelman, 2000:204).
Adjustment Programme (SAP). One of the cornerstones of the SAP was to boost coffee exports and to reduce imports. With the devaluation of the Rwandan Franc, the country experienced sharp price increases, a reduction in social expenditures, and freezing of social service wages (Golooba-Mutebi, 2013). Also, one needs to keep in mind that the early success of the regime and its social development were only made possible by its heavy dependence on foreign donor money.

In 1989, the budget was reduced by 40 percent. To compensate, the government decided to suppress social services, a decision that was not popular with the peasants already concerned with the high taxes and contributions (water, health, school, etc.) and unpaid public work (umuganda) (Guichaoua, 1992; Marysse, 2005). In addition to the “ruriganiza” famine that starved and killed a few hundred and provoked the displacement of thousands to Tanzania, the general popular support of Habyarimana was especially low and other corruption scandals also added to the disenchantment of the population with their President.

At the same moment, the pressure on Habyarimana to democratize his country was mounting. In April 1990, at the Sommet franco-africain in La Baule, French President François Mitterrand announced his intention to link financial aid to the efforts of democratization and advised Habyarimana to introduce multiparty politics in Rwanda. That pressure from Rwanda’s most important international partner was soon followed by a statement from President Habyarimana declaring himself in favour of multiparty politics (August 1990). While his personal conviction was at least questionable, his declaration enabled the opposing elite to stand up. The following month, a group of 33 intellectuals signed a manifesto demanding immediate democratization. Soon after, violent student demonstrations took place in the South and elsewhere and were followed by the attack on many opposition members. At the beginning of the fall season of 1990, a deep crisis was slowly taking roots in all regions of Rwanda.
6.3.3. The RPF as an Unavoidable Actor

This domestic crisis in Rwanda was a wakeup call for the RPF. Surprisingly, a few influential men in the Rwandan opposition started to discuss with the RPF in Uganda about the inevitable fall of the Rwandan political system and the potential triggering effect an external intervention could have on the regime (Otunnu, 2000b). On July 1990, the attack on Rwanda was decided. The first attack was made on the 1st of October by the Rwandan Patriotic Front with between 2,500 and 4,000 soldiers. On this day, Rwanda entered into a civil war that would only end in 1994.

While the first waves of attacks surprised the Rwandan Armed Forces (FAR) (*Forces armées rwandaises*), the situation worsened quickly. Fred Rwigyema, the uncontested charismatic leader of the RPF was killed on the second day of the attacks. The death of Rwigyema was a hard blow to the RPF offensive and they began to retreat into a more guerilla-style warfare. Paul Kagame who was in the USA for military training with the Ugandan army was called to take charge of the Rwandan Patriotic Front and came back in a hurry to stop the confusion within the Rwandan Patriotic Army. In the following weeks, the Habyarimana regime announced that the “war is over” (Otunnu, 2000b; Waugh, 2004). However, Kagame in a typical Maoist fashion called for the start of a “prolonged popular war”. This fight would indeed last for four years; it would see the death of Habyarimana and the fall of his regime; the accession to power of the RPF following an extraordinary succession of events including the second most important—but fastest—genocide since the Shoah and the exodus of a major part of the civil survivors of the country (Prunier, 1997).

On the same day of the first attack of the RPF, the French government sent troops to support the FAR followed by Belgian troops and Zairian Special Forces members. In the next few days, the government tried to take advantage of the new atmosphere of fear and launched an important wave of arbitrary arrests of educated Tutsi civilians and Hutu opponents and for the first time, some information was beginning to emerge of ethnic
massacres in the countryside (Prunier, 1997). This situation of fear would quickly be translated in aggressive recruitment by the army. In early October 1990, the FAR had 5,200 soldiers in its ranks and by the mid-1992 the FAR had more than 50,000 soldiers.

The RPF under Kagame was reorganizing. The first task was to strengthen the management of the organization including the inclusion of new higher ranking Hutu and other recruits of different horizons including many new Rwandan refugee recruits from Burundi, Zaire, and Tanzania. In early 1991, the RPF had 5,000 men, around 12,000 at the end of 1992 and about 25,000 when the violence unleashed in 1994 (Prunier, 1998b). With a more strategic perspective, General Kagame decided to bring his men to the volcanic region of Virunga in Northwest Rwanda, and after waiting a few months, he decided to attack Habyarimana’s birthplace region of Ruhengeri to liberate prisoners and take military equipment (January 1991). This attack showed a clear message to the government: the RPF was to be taken seriously, and any political reform would have to recognize its existence.

6.3.4. The Advent of Political Pluralism

If the domestic politics of Rwanda was already in turmoil, the RPF invasion accelerated everything. The waves of arrest by Habyarimana and his MRND party had pushed the growing opposition to organize and accelerate the pressure for political change before such arbitrary actions became the norm (Prunier, 1998a). Inside the MRND the radicals were starting to criticize the “weaknesses” of the President due to his actions towards the opposition which they called ibyitso (the accomplices) of the RPF.

Many parties emerged with the apparent horizon of political plurality in the Rwandan polity. Among them, there was the recycled MDR-PARMEHUTU that concentrated on an anti-Tutsi position and on the principles of the 1959 revolution; the PSD (Parti socialiste démocrate) which tried to position itself on the center-left political spectrum; the PL
(Parti liberal), an urban, business-oriented center-right-type; and the PDC (Parti démocrate chrétien), a typical Christian Democratic Party. At this point in Rwandan history, everything seemed to suggest that the country was about to follow the path of democracy.

With the growing contestation of the regime by both the racist extremists and the more liberal parties along with the international actors putting pressure on the government, Habyarimana accepted on March 14th, 1992 a historic compromise with the opposition: the creation of a coalition government. In this new coalition, the Prime Minister was from the MDR (the biggest opposition party) and there would be peace negotiation with the RPF. For the first time, the MRND had to share its power. However, the MRND kept nine ministries out of twenty, which included Defense, Public Services, Interior and Transportation. Outside of the Prime Minister's office, the opposition received some key ministries including Foreign Affairs (MDR), Education (MDR), Finance (PSD), Justice (PL) and Commerce (PL). Overall, MDR obtained four portfolios, PL and PSD three each and PDC one. Yet, these changes remained quite fragile with an extremely tense political climate. Public servants continued to follow orders from the MRND and often refused to execute decisions from the ministries detained by the opposition (Prunier, 1998a). Also, clandestinely the secret services became radicalized and eventually created the “Réseau Zéro”, a death squad that will be of tremendous violence in 1994's genocide.

6.3.5. The Economy and Public Sector Reforms

In mid-1992 the economy that was already in crisis before the war was now at a new low. The trade balance was at a record deficit and the foreign exchange reserve was at $56.7 million in 1993 compared to 110.1 million in 1991. The foreign debt that was at 452.2 in 1986 was over one billion dollars in 1993 (Prunier, 1998a). While the war economy was degrading the country’s resources, the government was still engaged in following the Structural Adjustment Programme (SAP) imposed by the World Bank in 1990 (Storey,
The first measure of the Program forced the first devaluation of 40 percent of the national currency (Rwandan franc) just before the start of the war and a second devaluation of 14.9 in June 1992 to follow the growing inflation after the war. However, only a small part of the SAP as negotiated with the stakeholders was implemented. For instance, most of the decontrol measures including engaging the governments to free the markets for goods and services, exports and imports were never implemented. Also, given the circumstances, the reduction of the size of the administration was never respected notably because of the growing needs in the public services for the army (Uvin, 1998). However, in order to respect its engagements, Habyarimana’s regime decided to begin a new wave of privatization in early 1993, including Électrogaz, the electricity company (Prunier, 1997). Overall, this potential solution to the economic crisis of the late-1980s could have been a good idea in 1985, but in 1993 while the war was hitting Rwanda, it was hardly the right timing.


The cease-fire signed in Arusha in July 1992 was welcomed by the Rwandan population but violently criticized by the Hutu extremists inside the MRND and outside. The hardliners continued to suspect Habyarimana of betraying his people by accepting compromises to accommodate the “enemy” and keep his own selfish position (Marysse, 2005). The negotiations with the RPF were feeding the rise of extremism and some organized ethnic-based massacres were worrying international stakeholders with the exemption of France strongly supporting the government. Belgium Senator Willy Kuypers publicly denounced the creation of a death squad (Réseau Zéro) inside the military and some civil organizations that participated in massacres and political assassinations across Rwanda\(^5\) (Reyntjens, 1992).

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\(^5\) Indeed, nearly all major political parties had established their own armed wing often evolving from “youth groups” with the main purpose of creating a pool of young activists useful for the future of the party. The MDR
On January 9th, in an atmosphere of violence and massacres, negotiators agreed on a tentative power-sharing agreement where the future Government of Transition including the RPF in the government. Needless to say, this agreement was considered inadmissible for Hutu extremists inside the MRND and for other minor parties who quickly organized violent protests to contest the accord. In the following days, violence organized by extremist militias and civilians emerged in the Northwest killing hundreds. As previously warned in the case of a massacre, the RPF broke the cease-fire and successfully attacked Byumba in Northeast Rwanda closing on Kigali and seriously affecting FAR moral. On February 20th, RPF troops were at only 30 kilometres from Kigali when they decided to sign a new unilateral cease-fire and stop their progress. This attack unleashed the anti-Tutsi propaganda at a new level and the army was providing more and more weapons to the Réseau Zéro including the *Interhamwe* (those who fight together) militia (Prunier, 1998a; Jones, 2000). The concept of “ethnic cleansing” was gaining traction in Habyarimana circles and other Hutu extremist groups.

At last, in August 1993 the peace treaty of Arusha is officially signed and includes a Cease-Fire, the power-sharing agreement with a Transitional Government, a protocol for the repatriation of refugees, and the agreement for the integration of RPF within the FAR.

Two points were specifically contested by Hutu extremists: the agreement on the Transitional Government and the integration of RPF within the Rwandan Army. The Transitional Government is a coalition between the four largest opposition parties, the MRND, and the RPF. The new government would include five ministers from MRND; five ministers from RPF; four from MDR; three from PSD; three from Parti Libéral and one minister from PDC; and to make a decision this government would have to obtain support from two-thirds of the twenty-one ministers. In other words, any decision would need the support of the RPF (5 ministers), the MRND (5) and the MDR (4) to accumulate

militia was called the Thunder; the PSD was the Liberators; CDR was the *Impuzamugamibi* (those who share the same goal), and the MRND was the *Interhamwe* (those who fight together). By 1993 the *Interhamwe*—financed by public corporations and various businessmen—evolved into a paramilitary organization. *Interhamwe* and *Impuzamugamibi*’s militias were vastly expanded in late 1993 and armed with firearms and hand grenades with very limited training (Fontanellaz, 2015; Guichaoua, 2015).
fourteen votes. As for the integration of RPF forces within the Rwandan Army, the government agreed to divide the troops by 40 and 60 percent in favour of the FAR and to divide the officers by 50-50 (Jones, 2000). The former point was rejected by Hutu radicals notably because—apart from simply dealing with the Tutsi—it gave full decision-making power to the RPF and took power away from the President that leaving him powerless and without a veto. The latter point is considered an aberration since the FAR was previously strictly a Hutu army preventing its members even to marry a Tutsi and the new deal would now include “the enemy”. With the new agreement, the “Tutsi” RPF army would be an integral part of the army (Jones, 2000; Marysse, 2005).

After the signature of the Arusha Accords, the violence inside the country was rising along with the “Hutu Power” ideology as well as the Habyarimana regime which used different strategies to slow down the implementation of the Arusha Accords. On April 6th, Habyarimana flew to Dar-es-Salaam for a regional meeting and on his way back his plane was shot down by two missiles at the time of its landing in Kigali, leaving no survivors. The missiles were presumably launched from an area guarded by the presidential guards and the UN, but no proof was left as to the real author behind the assassination.

6.3.7. The Genocide against the Tutsi and the Moderate Hutu Massacre

Less than an hour after the assassination of Habyarimana, the Interahamwe—the civil youth militia of the MRND—and the presidential guards started installing roadblocks and searching houses for their "enemies" (Prunier, 1997). Radios controlled by “Hutu Power” ideologues like Radio-Television Libre des Mille Collines (RTLM) started to broadcast direct incitements to murder the minority Tutsi (Chalk, 2000). On April 8th, while most of the moderate ministers were being assassinated, a group headed by Hutu radical Théoneste Bagosora (Chief of Staff for the Ministry of Defense) proceeded to pick a provisional government. The interim government was a multiparty group, but all of the new Ministers came from the hardliner sections of their respective parties (Waugh, 2004;
Guichaoua, 2015). At this very moment, the new interim government members that had previously planned the “Final Solution” started to distribute a list of victims to the future killers. Almost all non-radical opposition parties’ members of the previous coalition government were killed and the systematic killings of any Tutsi men, women, child or babies were executed. Informed of the killings, the RPF began to descend to the South the day after. Around the same time, French and Belgian soldiers were sent to Kigali with the strict mission of evacuating all foreign citizens, but no Rwandan was allowed. This reaction characterized the reaction of the entire international community that refused to get involved or try to stop the massacres for the following months.

One or two days after the crash of Habyarimana’s plane, the systematic massacres of any Tutsi or suspected Tutsi had spread outside of Kigali and in the countryside with the coordination of the administration and political parties. On April 12th, large-scale fighting started in Kigali with opposing government forces and the RPF/RPA forces, scaring the interim government outside the capital to Gitarama in the countryside. While the RPF was slowly taking Kigali, the Tutsi-killing machine swept the entire country. Overall, the massacres began in most prefectures on April 8th and lasted for the next 100 days killing between 800 000 and 1 million people. Before the genocide was completely stopped by the RPF soldiers, more than two million Rwandans fled Rwanda in neighbouring countries, especially to the West in Zaire.

The refugee camps then become important institutions controlled by the ex-government and their militias that committed the genocide, taking control of the civilian population and rearming them with the support of Zaire’s President Mobutu and France (Prunier, 1997; Waugh, 2004; Guichaoua, 2015; de Saint-Exupéry, 2017). As we will see later in chapter 7.1.1, the ex-FAR continuous threat will have an important influence on the governance of the new government in Kigali.
6.4. The Post-Genocide Rwanda (1994-today)

The end of the genocide and civil war resulted in an ambiguous, probably even unprecedented, situation. The RPF victors took over Kigali and the great majority of the country in a military fashion while the genocidal government fled to Zaire with a large part of its population. On July 19th, 1994, in an atmosphere of apocalypse and total destruction a new government of "national unity" was formed in Kigali. Commenting the news with a journalist of Le Monde, the exiled ex-FAR Chief of Staff in Goma (Zaire), Augustin Bizimungu said: “The RPF will reign over a desert” (Fritscher, 1994:3). Indeed, the country is not only destroyed economically and materially but in human terms as more than 10 percent of the population was killed in the genocide, 30 percent has run away in exile and the great majority of the survivors are deeply traumatized (Guichaoua, 2015). In addition, around 750 000 Rwandan Tutsi refugees from Zaire, Uganda, Burundi, and Tanzania returned to Rwanda in a chaotic fashion to begin a new life in a country they only know through their parent’s stories or child memories (Reyntjens, 2005). Almost all facilities and infrastructures have been looted—from door frames and windows to the electrical outlets on the walls. Practically no vehicle is still operational except for those brought by the RPF; in the cities, there is neither running water nor electric power and in the countryside, there is no one to harvest crops (Prunier, 1997). In other words, the genocidal violence destroyed almost everything, discredited institutions (including political parties and churches), and destroyed the remaining bonds of social trust while leaving many fearful that genocide would recur.

In terms of the economy, when the genocidal government left the country, they brought all foreign currency reserves from the Central Bank and a large number of Rwandan Francs, taking virtually all public resources. Also, in order to leave nothing to the RPF, they destroyed everything they could not bring on the other side of the border in Zaire. In the aftermath, the private banks were all closed after they had been robbed of all their
money and the stores and industries had been looted. Infrastructure was destroyed; the
civil service, the judicial system, health care, and education services were in rubble. There
was also a huge need of a workforce since more than 40 percent of the population was
either dead or in exile. The economy was nonexistent and the international community
did not want to help outside of tiny contributions. The World Bank and the IMF refused
to lend money to Kigali because of the unpaid debt owed to them by the previous regime
delaying the lending of funds urgently needed to re-launch the Rwandan economy.

It is in this disastrous situation that the new government found itself. The RPF-led
government, however, was able to succeed despite the difficult task of rapidly
reconstituting a functioning bureaucratic state. In the words of Filip Reyntjens (2005:39)
generaly a devoted critic of the post-genocide regime:

“A mere two years after the extreme human and material destruction of
1994, the state has been rebuilt. Rwanda was again administered from top
to bottom, territorial, military, and security structures were in place, the
judicial system was re-established, tax revenues were collected and spent.
The regime was able in a short time to establish total control over state
and society. [...]While many other African countries tend towards state
collapse, the Rwandan state has reaffirmed itself vigorously”

Surprisingly, despite the severity of the general environment, the RPF moved quickly to
re-establish a functioning government involving—especially in the first few years—the
Hutu moderate representatives based on power-sharing arrangements. The new
government was instituted along the lines established in Arusha in 1993 with the

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56 Only the European Union approved 300 million ecus (euro predecessor) in emergency aid for Rwanda, but with
France’s pressure almost all that money went to fund NGOs setting up in the country. Then later, in September
1994, after long negotiations, international donors accepted to release the $6 million needed to resolve the blocking
of assistance due to the non-payment of the Habyarimana government's arrears of debt to the IMF. This allowed
Kigali to borrow money to international institutions. Things were improving in January 1995 when a group of
donors accepted to give $700 million for the "Rwandan Emergency", however, this money—as well as the other
funds took more than a year and a half to be disbursed to Rwandan government (Waugh, 2004:95). Also, the
international community at this point was more concentrated on helping the refugees in Zaire and other neighboring
countries than helping the new government and its survivors. However, in December 2000, Rwanda became eligible
for Heavily Indebted Poor Country relief which alleviated its external debt estimated at $1.32 billion or 73 percent
opposition parties keeping the same portfolios. For the ministries intended for the MRND, the RPF decided to keep them because of the role of MRND in the genocide; and they created a new position, the Vice-President, attributed to General Paul Kagame allowing him and the RPF to oversee the government. Pasteur Bizimungu, the ex-MRND turned RPF in 1990, became President. In terms of ethnicity, the Hutu were the majority with 16 ministries out of 23 including the President and the Prime Minister.

With the very tense situation following the disastrous genocide and the security threat pending over the new government’s head, the inclusionary process constructed along the Arusha model (characterized by competitive, adversarial multi-party politics) proved to be relatively short-lived and was marked in 2000 by a certain number of resignations of senior politicians from all parties including the Speaker of the National Assembly (Joseph Sebarenzi57), the Prime Minister (Pierre-Célestin Rwigema58), and the President (Pasteur Bizimungu59) (Reyntjens and Vandeginste, 2005:18; McDonough, 2008). In the following month, Vice-President Paul Kagame was selected to be the Interim President, starting a new era that will last up to today. While the RPF held 8 of 21 portfolios in the 1994 government, it provided eleven of the twenty ministers in 2000. The departure of these important politicians indicated a serious political crisis and a lack of shared vision between the stakeholders. To improve the situation, the government organized local and presidential elections and started the constitution-making process based on previous popular consultations (Urugwiro Consultation).

57 Joseph Sebarenzi was a Tutsi Genocide survivor who joined the RPF in 1992.
58 Pierre-Célestin Rwigema was a member of the MDR party. He replaced his colleague of the same party, Faustin Twagiramungu, when he resigned in August 1995.
59 Pasteur Bizimungu resigned but was quickly accused to have committed tax fraud, illegally disposed farmers, and opposed parliamentary inquiries into corruption for fear of being investigated.
6.4.1. Towards the Establishment of Today's Regime (2000-today)

The Urugwiro consultations had mainly aimed to build a consensus among the population ahead of the end of the transition period established in the Arusha Accord. In 1998 and 1999, the government under the leadership of the RPF conducted discussions and consultations at the offices of the President (Urugwiro Village) in order to establish a “sustainable transformation agenda for Rwanda” and “develop a common vision for the future of the country” (Ndahiro et al., 2015:99). From the process emerged some key recommendations including strengthening national unity and reconciliation; the establishment of democratic governance; and the establishment of a new justice system based on traditional justice (Gacaca) to reconcile Rwandans (Ndahiro et al., 2015).

With the end of the transition period approaching, the regime set out to embark on a democratization process. In March 2001 local elections were held throughout the country where candidates did not run under a party label (political parties were barred from campaigning). On May 26, 2003, Rwandans participated in a popular vote on a parliament-supported draft constitution which was approved by 93%. On June 4, 2003, the new constitution was signed into law ending nine years of transitional rule. The constitution of 2003 provides a legal basis for power-sharing and a multi-party system but does not allow for a "laissez-faire approach" where political parties exist without "certain restrictions" (RoR, 2010a:128). Indeed, Article 54 states that “political organizations are prohibited from basing themselves on race, ethnic group, tribe, clan, region, sex, religion or any other division which may give rise to discrimination” (RoR, 2003). In addition to this legislation, in 2008 the government also ratified laws criminalizing genocide ideology, which can include intimidation, defamatory speeches, genocide denial and mocking of victims (RoR, 2008). These laws have enabled the restriction and

60 This included the need to establish the “correct” version of the history of Rwanda that concentrates on unity and the creation of a National Unity and Reconciliation Commission (NURC) with the main mission to explain to Rwandans the origins of their disunity and what needed to be done to restore it and to fight against anything that would obstruct reconciliation efforts (Ndahiro et al., 2015).

61 This law, while criticized by many (see Roth, 2009; Amnesty International 2015), is a response from the government to the “revisionist” tide among the Hutu opposition in exile—but also within the country—that was
banishment of new pre-established parties on the basis of protecting national unity. It was thus the case for the party PDR-Ubuyanja and the MDR that have been eliminated on the charge of divisionism (promoting pro-Hutu ideology) and its leaders were expelled or imprisoned (Waugh, 2004). In the following months of the vote for the constitution, presidential and parliamentary elections were held and led to an overwhelming election victory for Paul Kagame as the president—who ran on a platform of increased justice, economic growth, national unity, and good governance—and subsequently led to the dominance of the RPF within the National Assembly. Paul Kagame has also been reelected in 2010 and 2017 and the National Assembly has more or less followed the same pattern ever since then.

Regarding administrative divisions, the government embarked on a decentralization reform process. In the Urwigo consultations, some participants identified the centralized state structures as a major factor in facilitating the genocide and proposed decentralization for future conflict prevention (Kimonyo, 2017). Decentralization was also a central part of donor priorities for good governance (UNDP, 2005).

In 2000, the government adopted a decentralization policy that abolished the sous-préfectures and replaced communes with districts (MINALOC, 2012). The administrative structure reform was materialized in January 2006 reducing the number of provinces (from 11 to 5), districts (from 106 to 30), sectors (from 1,545 to 416), and cells (reduced from 9,201) (RoR, 2005 cited in Ingelaere, 2011).

The previous divisions were “simplified” into provinces (intara), districts (utorere), cities, municipalities, towns, sectors (imirenge), cells (utugari), and villages (imidugudu) (RoR, 2003: article 3). The present divisions were drawn in 2006 with the objective of creating a dangerous source of distortion and potential insecurity. These oppositions had a tendency to minimize the number of deaths of Tutsi during the genocide and to “exaggerate” the deliberate killings of Hutus by the RPF during the civil war (Waugh, 2004:150).

For example, in 2003, the opposing presidential candidate, Faustin Twagiramungu, returning from eight years in exile, had to form a new party before the elections because his former Mouvement Démocratique Républicain (MDR) that was said to be the most popular was banned. He finally ran as an independent and lost.
accelerating the decentralization of power and to remove any negative associations with
the old system and the genocide. The previous structure of twelve provinces associated
with the largest cities was replaced with five provinces based primarily on geography,
which are the Northern Province, Southern Province, Eastern Province, Western

These five provinces act as intermediaries between the national government and their
constituent districts to ensure proper implementation of national policies at the district
level. As stated in the “Rwanda Decentralization Strategic Framework”, provinces are
responsible for "coordinating district development planning with national policies and
programs, supervising implementation of the national policy in the districts within the
province, coordinating governance issues in the province, as well as monitoring and
evaluation" (MINALOC, 2007:8). There is a governor for each province appointed by the
President and approved by the Senate. The districts, on their part, are responsible for the
coordination of public service delivery and economic development (MINALOC, 2007:9).
The districts and sectors have directly elected councils and are run by an executive
committee selected by that council (MINALOC, 2004a). As the smallest political units,
the cells and villages, they "provide a direct link between the people and the sectors"
(MINALOC, 2007:9). Finally, the all-important city of Kigali is granted with a provincial-
level authority, which coordinates urban planning within the city (MINALOC, 2007:8).

The 2006 reforms also introduced new accountability norms into local governance which
is also a central priority for the donors’ agenda on development and good governance. For
instance, Rwanda introduced a neo-traditional variant of accountability which was named
Imihigo after the traditional public vowed to honour the community with one’s bravery.
Today’s Imihigo is a mechanism of downward accountability towards citizens inspired by
traditional customs. It refers to a well-known ancestral ritual in which a group of people
engages publicly in specific accomplishments to test their bravery. It connotes positive
Rwandan attitudes such as a competitive spirit, bravery, courage, and admiration.
Nowadays, Imihigo is seen as a modern results-based management tool that enhances not only good governance and social accountability but local ownership (Champagne, 2008; Scher, 2010). Indeed, neo-traditional Imihigo inspiration is “performance-based financing” in the public sector. It thus partly remunerates staff based on the services they deliver and empowers them to search for innovative solutions to improve service provision. Imihigo is an approach that assists local governments in their decentralization initiatives aimed at improving efficiency by summoning a practice and a value based on Rwandan culture. These tasks are generally evaluated according to specific human development targets in a given time period.

In reference to economic development, Rwanda since 2000, in contrast to many other African countries, has had a clear vision of how it wants to achieve economic transformation and poverty reduction (RoR, 2000; 2002b; 2007; 2013). The aim of the RPF administration is to transform Rwanda from a low human development to a medium human development country, as defined by the UNDP’s Human Development Index. In order to accomplish this goal, the government has developed a strategy that includes the transformation of the agricultural sector into a professionalized sector to a driver for economic growth, and a transformation of the country into a target-driven administration and society. According to Ansoms (2011:240), “these goals fit within a top-down developmentalist agenda where the state plays a central role [...].” This ambitious vision has generally been combined with an impressive and speedy reconstruction and has provided enhanced service delivery in education, health, and infrastructure.

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63 As a results-based management tool, Imihigo encompasses the following phases: identification of priorities; identification of targets backed by measurable performance indicators; performance monitoring and evaluation; and integration of an effective accountability and incentive mechanism. The mayors who represent their constituents and the President of the Republic, who represents the government and all Rwandans, are the parties to the Imihigo contract (Champagne, 2008).

64 Rwanda has also implemented several performance-based plans in the health sector, which is said to have increased services while also introducing new norms (Meessen et al., 2006).

65 In addition, individual households have to sign an Imihigo contract with their local authorities promising progress in their human development. Progress on meeting these development targets is periodically measured, and an annual, evaluative ceremony is held. Officials who fail to deliver and live up to their vow are often replaced (Ingelaere, 2011)
From 2000 to 2016 the average annual growth has been at 7.8%, reaching a high of 13.2% in 2002 (World Bank, 2016; Uwiringiyimana et al., 2017). Since the genocide, many international institutions including the IMF, the World Bank, and the UNDP have hailed Rwanda’s economic recovery, and the country is often considered a "donors darling" for its "efficient" use of foreign aid (Marysse et al., 2007; Faujas, 2012). According to the World Bank (2017a), Rwanda ranked second in Africa on the ease of doing business in the country (behind Mauritius) and 41 in the world in 2018. Rwanda is also the 50th least corrupt country in the world and 3rd in Africa (behind Botswana and Cape Verde) according to Amnesty International (Amnesty International, 2017a). In addition, Rwanda's life expectancy has grown from 49 years in 2000 to 60.1 in 2016 (CIA, 2017). Indeed, since the genocide, the country has been stable and showed a strong commitment to development and results. In 2000, the government set out an ambitious set of goals called "Rwanda Vision 2020" aiming to drive the country into the international middle-income range by the year 2020. This transformation is to be accomplished mainly through education and the transition to an economy driven by high-value service sectors such as ICT (information and communication technology), tourism, and superior health and education services (RoR, 2000; Ndahiro et al., 2015). The goal is also to increase per capita incomes from $290 (in 2000) to $900 (in 2020) and to increase life expectancies from 49 years (in 2000) to 55 years (in 2020). The government project is also closely tied to national pride/self-respect and a desire to move on from a painful past and international interference. However, one has to acknowledge that, while quickly improving in term of socio-economic growth, Rwanda still depends heavily on foreign economic aid. Nonetheless, Rwanda has shown "undeniable accomplishments [in terms of] visionary leadership, political stability, economic growth, pro-business environment, relative transparency, a high proportion of women in parliament, and improved education and healthcare" (Straus and Waldorf, 2011:7). Overall, the economic progress in Rwanda is encouraging—and notable—while still very challenging.

66 Of course this notable development is not without its challenges as many—including the Rwandan government itself—have pointed out that poverty and inequality are still serious concerns (see Ansoms, 2011; Desrosier and
### Table 3 Key Dates in Rwanda’s History

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>15th century</td>
<td>The Kingdom of Rwanda become more or less a unitary state under King Ruganzu Bwimba</td>
</tr>
<tr>
<td>1887</td>
<td>German arrives in Rwanda; Beginning of colonization era</td>
</tr>
<tr>
<td>1916</td>
<td>Rwanda becomes a Belgian colony</td>
</tr>
<tr>
<td>1959-1963</td>
<td>&quot;Social revolution&quot; followed by pogroms against Tutsi. Hundreds of Thousands flee to neighbouring countries</td>
</tr>
<tr>
<td>1962</td>
<td>Independence from Belgium, Grégoire Kayibanda elected first Rwandan President</td>
</tr>
<tr>
<td>1973</td>
<td>Juvénal Habyarimana takes power in a coup: Second Republic</td>
</tr>
<tr>
<td>1981-1986</td>
<td>Museveni and Rwandan exiles win “War of Liberation” in Uganda</td>
</tr>
<tr>
<td>1987</td>
<td>Creation of the RPF with the goal to have “Rwandans united as one people.”</td>
</tr>
<tr>
<td>1990</td>
<td>France and Rwandan intellectuals demand democratization; violent student demonstration</td>
</tr>
<tr>
<td>1990-1994</td>
<td>RPF attacks Northern Rwanda; Civil War in Rwanda</td>
</tr>
<tr>
<td>1992</td>
<td>Habyarimana accepts to create a coalition government without the RPF</td>
</tr>
<tr>
<td>1993</td>
<td>Arusha Accord is signed including a cease-fire, power-sharing agreement, repatriation of refugees, integration of RPF within the Army; Agreement rejected by the radical Hutu</td>
</tr>
<tr>
<td>6-7 April 1994</td>
<td>Assassination of Habyarimana and beginning of the genocide</td>
</tr>
<tr>
<td>July 1994</td>
<td>End of the genocide; RPF takes Kigali; Around 2 million Rwandans flee to Zaire</td>
</tr>
<tr>
<td>1996-1997</td>
<td>The launch of FDLR rebellion in Zaire/Congo; Counter Attack by RPF; Kinshasa falls in May</td>
</tr>
<tr>
<td>1998-1999</td>
<td>Public consultation at Urwigo Village</td>
</tr>
<tr>
<td>2000</td>
<td>President Bizimungu is replaced by Paul Kagame</td>
</tr>
<tr>
<td>2000</td>
<td>Government produces its long-term strategic plan Vision 2020; Government</td>
</tr>
</tbody>
</table>

Thompson, 2011). Indeed, in a government report reviewing the period from 2001 to 2006, it is acknowledged that “because growth over this period has been accompanied by increasing inequality, this has reduced its impact on reduction of poverty levels” (RoR, 2006:7). A UNDP report in 2007 also expressed strong concern over Rwanda’s achievements in poverty reduction (UNDP, 2007) but the following reports were much more positive and focused in great part on what they considered as Rwanda’s “tremendous steps” after the genocide without mentioning the issue of inequality any more (Marijnen, Esther and Jair van der Lijn. 2012:22).
adopts a decentralization policy

2003 A popular vote approves the new constitution

2003 Presidential and parliamentary elections: Paul Kagame and the RPF win

2006 Administrative structure reform is adopted

2008 Government ratifies laws criminalizing “genocide ideology.”

2010 Presidential elections: Paul Kagame is re-elected

2017 Presidential elections: Paul Kagame is re-elected

6.5. Conclusion

As we have seen, the history of Rwanda has been marked by tumultuous and violent episodes and by the presence of often negative external forces. It is also a country with a rich culture and long history. When the first Europeans arrived in Rwanda at the end of the 19th century, they found a quite well organized and centralized monarchic administration under the dominance of a Tutsi King. The Belgian colonizer, instead of keeping the traditional governance characterized by more flexible and communitarian practices, further hardened and centralized the system. In addition, the Belgians used the Tutsi elite—instead of the majority Hutu—to establish their authority while considering them as a superior people and "best for command". This characterization—and division—of Rwandan identities have played a central role in the historical development of Rwanda in the 1900s. Later, in the mid-1950s, the emergence of powerful Tutsi elite focused on new ideas of independence and socialism pushed the Belgian officials—among other factors—to completely switch their support to the Hutu in the mid-1950s by playing the "majority card". As we have seen, this new reality has later allowed the establishment of a new government that institutionalized the discrimination of Tutsi under a "one-party racial dictatorship" that sent thousands of Tutsi refugees abroad. Under the second republic, President Habyarimana brought peace and stability but still in a truly totalitarian way. In the name of “development”, the administrative control of the
population was also exceptionally high with the omnipresence of the state machinery in every sector. Nonetheless, the growing disharmony among the elite made place in the late 1980s to a difficult period of economic crisis while the pressure on Habyarimana to democratize his country was mounting. Also, we have seen that in 1990 the Rwandan Patriotic Front, a party of refugees, attacked Rwanda in order to put pressure on the government and force their way inside their country of origin. This attack started a civil war and the establishment of multi-party politics that ended with the genocide against the Tutsi that killed between 800,000 to 1 million people and was stopped by the RPF. It is in this disastrous situation that the new RPF government found itself, and despite this total destruction the new regime has been stable and shown a strong commitment to development and results and overall a solid and encouraging economic progress. Nonetheless, Rwanda is operating in a very challenging environment. Rwanda is a poor, land-locked, aid-dependent country with few natural resources, surrounded by unstable neighbours, and with a post-genocide legacy of physical and psychological damage. This unique context coupled with these achievements and efficient management of aid has won praise and trust from its donors.

As we have seen, despite the extreme destruction of the genocide on the society and economy, the post-genocide government has been able to grow the economy at notable rates since 2000. However, Rwanda’s rapid and large-scale process of socioeconomic transformation since the genocide must not be seen solely as a “new beginning” or a total reboot but also as part of a long historical continuity including their pre-colonial history or colonial history. Indeed, the historical perspective shows that a strong, centralized state presence—and often associated with social control—has been a constant feature of Rwandan regimes and scholars which traced this statist tradition as far as the pre-colonial period. Also, the RPF experience of violence and discrimination cultivated a core belief among the leadership that ethnicity is dangerous, and that a strong state is necessary to

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67 Rwanda’s dependency on foreign aid is another important challenge to Rwanda’s development notably because it makes it vulnerable to fluctuation in aid flow. In 2017, foreign aid represents 30% to 40% of the budget (World Bank, 2017b). However, it is important to note that this percentage has reduced from 50% in 2008 (Zorbas, 2011).
maintain security and development—and that ultimately Rwanda cannot rely on the international community for support. It is thus important to recognize that the political history, culture, and institutions of Rwanda are at the roots of the idea of a powerful and interventionist state. For this reason, throughout this dissertation, we will follow a longer historical perspective in order to truly understand the Rwandan model of governance since 2000, as governance and public administration are always contextually developed, culturally rooted and socially embedded just like any institution (Cheung, 2013). In the case of Rwanda—as it was the case in East Asia—it seems that the government still follows a paternalistic, hierarchical, authoritarian and centralized brand of governance culture. In the next chapters, we will see how exactly Rwandan governance fits today when analyzed through the East Asian developmental state lens. The next chapter will explore the four developmental state preconditions in the Rwandan context: the presence of external/internal threat; the coalition of internal elite/political settlement; the concentration of power and continuity of policy; and the favourable international context.
Chapter Seven: Rwandan State
Characteristics from the Developmental Standpoint: the Four Contextual Pre-Conditions

In 2015, at a conference on development in Africa, Rwandan President Paul Kagame said that “every developed economy, without exception, is the fruit of free market, and a strong developmental state, working in tandem. The orthodoxy of shrinking the state to the bare minimum, and replacing it with externally-funded non-state actors, left Africa with no viable path out of poverty” (MINAFFET, 2015; Dogbevi, 2015). This discourse on the important role of the state in development and the developmental state has been clear in the last decades where Paul Kagame has often said that he considers some East and South East Asian countries as inspirational for Rwanda’s transformation (Soudan, 2015; Cary, 2015; Blair and Uwiringiyimana, 2015a; 2015b). That led many observers to compare the Singaporean’s experience with Kagame’s Rwanda. The comparison between the two countries has indeed become part of the public’s imagination within Rwanda and also abroad. Comparisons have also been facilitated by the narrative which says that Rwanda’s history and culture reflect that of East Asia. Indeed, if the history of Rwanda is often polarized or contested, there is one aspect of its history that is largely accepted across the board: the embedded nature of values such as obedience, hierarchy, and respect for authority (MINALOC, 2001; 2004a). Of course, this type of affirmation and generalization on the cultural features of a nation are never to be taken too simplistically. The respect for hierarchical authority along with the high level of effective state power was a major feature of pre-colonial, colonial and independent Rwanda—and is often said
to have played a strong role in allowing the genocide itself\(^6\) (Prunier, 1997; Uvin, 1998; Straus, 2006; Newburry, 2009). Interestingly, these almost exact cultural features have often been stated as having played a key role in the emergence of East Asian developmental states (Lo, 1999; Wee, 1999; Kang, 2010; Preston, 2000). Although we believe that including the concept of culture to explain socio-economic development is a hazardous and delicate idea, it is, however, relevant to know that according to some developmental state theorists these characteristics are somewhat important. Any review of the literature on Rwanda could hardly neglect the presence of these academic or institutional works involving Rwandan culture and many more recent researches have pointed out that these characteristics continue to play a role in contemporary Rwanda (Straus and Waldorf, 2011; Purdekova, 2011; 2013; Booth and Golooba-Mutebi, 2012; Campioni and Noack, 2012; Chemouni, 2013; Reyntjens, 2013). However, because of the extreme difficulty when studying such a complicated and perilous concept we did not include “cultural features” as a pre-condition that enables the emergence of a developmental state. Instead, to begin the study of the Rwandan governance model through the developmental state lens, we will look at the four “contingent historical factors” considered as the necessary pre-conditions for the emergence of the developmental state (Leftwich, 2008). Indeed, as it is generally accepted in the literature, these four necessary conditions greatly increase the chance for the emergence of a developmental state and are closely interconnected with one another.

The first condition is the *presence of external (and internal) threat*. This threat provides a “powerful incentive for concerted policy with a large cooperation amongst elites and the development of a nationalistic ideology” (Leftwich, 2008:12). Such a situation of uncertainties was present in all cases of developmental states and played a crucial role in their emergence. It has notably been used to explain the single-minded commitment of

\(^6\) Post-Genocide government has pursued a set of strategies to address what they call a historical “culture of passive obedience” (MINALOC, 2004a:11). Among them there is the decentralization of government structure; accountability of local government authorities through performance contract (*Imihigo*); and the annual live-broadcast National Dialogue (*Umushyikirano*) in which the population questions government leaders in person and via social media. These actions, of course, are criticized by some scholars as being unfruitful.
the state elites to growth, productivity, and international competitiveness (Onis, 1991; Woo-Cumings, 1999; Doner et al., 2005). The second condition is the political settlement or what Leftwich (2008:12) calls “the coherence of a coalition of internal elites”. This kind of coalition is either based on a dominant player—such as the military or a single party rule—or on “broad coalitions” of competing elites ready to compromise around a new set of rules. The third condition is the “concentration of power and continuity of policy” that includes a “substantial concentration of political, military and ideological power under the control of the state, at least in the formative stage of the transformation of the state” (Leftwich, 2008:13; Onis, 1991; Douglass, 1994). This power concentration and policy continuity have often been achieved with the support of the military and a continual grip on power by a dominant political party. Finally, the fourth pre-condition is the presence of a favourable international context. For most East Asian developmental states, the governments enjoyed considerable moral, diplomatic and material—and often military—support from Western powers in the context of the Cold War (Leftwich, 2008). Indeed, contrary to today’s political-economic system, foreign aid or support did not come with governance reform conditions thus leaving much more policy independence to these states that were free to adopt anti-liberalization economic reforms.

In this section, we will look into these four pre-conditions for the developmental states to emerge in the context of Rwanda and see how the country is positioned in regards to these criterions.

7.1. The Presence of External/Internal Security Threat

The civil war, the genocide and the continued war threat by the genocidal government exiled in Zaire/DRC—and potentially inside the country—are of central relevance to understanding the regime in Kigali since 1994. This exceptional context constitutes a major challenge to national survival that could easily be compared to some East Asian developmental states. The situation of survival in some East Asian states has allowed the installation of a willing leadership that was able to pursue long-term nation-building
projects with the necessary determination and ruthlessness (Booth and Golooba-Mutebi, 2012; Skocpol, 1979; Onis, 1991; Castells, 1992; Weiss and Hobson, 1995; Woo-Cumings, 1999; Leftwich, 2008).

As we have seen briefly, after losing the military battle with the RPF and executing their planned genocide against the Tutsi in Rwanda, the genocidal government was able to effectively take the previous Rwandan state structure with them, including military equipment and foreign exchange assets. They transplanted this structure within the massive refugee camps that quickly became a de facto “refugee mini-state” with a military strength estimated at 50,000-strong that included elements of ex-FAR, extremist militias and recruits among the Hutu refugee population (Reed, 1998; McNulty, 1999; McDonough, 2008).

Only a few months after the genocide, while the new RPF-led coalition government was taking place in Kigali, on the border with Zaire the ex-government of Rwanda was organizing its return to power by force in Rwanda. The former leaders retained almost total control over the refugee population, killing anyone resisting and stopping them from a return to Rwanda. They took full control of the generous humanitarian aid from Western countries by taking their portion first, then serving the ex-FAR and Interahamwe, and lastly giving or selling the rest of the aid to the population in order to finance future political or military operations (Bonner, 1994; Waugh, 2004). Many observers at the time, including Médecins Sans Frontière and the regime in Kigali, were complaining to the international community that the humanitarian aid was not serving the starving population but arming the ex-génocidaire who were preparing an invasion. Infiltrations indeed started in September 1994 followed by clashes between the Rwandan Patriotic Army (RPA) and the ex-FAR in Southwest Rwanda. These sporadic attacks lasted for many years with intensifications of the insurgency in 1997 and many serious rebels—

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69 According to Reyntjens and Vandegintse (2005:47), the Hutu refugee communities in Zaire and Tanzania were quasi-state organizations: they quickly created cells, sectors, municipalities, and prefectures; kept registers of all sorts; developed political-administrative authorities; collected war taxes; maintained the structure of the former FAR. They were much more effective in combat than the Zairian army in 1996-1997.
now calling themselves FDLR—incursions in 2001, 2003 and 2004 (Rusagara et al., 2009). Inside the country, the government also had to fight intermittent attacks and looting from the Interahamwe that were able to enter the country.

At that time, the genocidal government and their Hutu micro-nation were said to have enjoyed the assistance of their old ally, the president of Zaire Mobutu Sese Seko—and France (Saint-Exupéry, 2017; Prunier, 1997; 2008). Indeed, Zaire has always been considered as a threat by the RPF since it is perceived as a natural ally of the Habyarimana regime and its genocidal remnants; and France's support to the genocidal forces has not helped the RPF restore its confidence in Western powers. This constant external danger was, therefore, reinforcing rather than attenuating domestic divisions already extremely damaged following the genocide (Vandeginste and Huyse, 2005). For Rwanda, the situation in Zaire around 1996-1997 represented a very tangible security threat and in response to this continuing danger posed by the ex-FAR in Zaire, Rwanda has tried to dismantle the Hutu refugee mini-states by sending troops to Zaire. A year later in 1998 with a regional coalition they overthrew the tired and corrupted Mobutu regime in what some have called the First Congo War (Waugh, 2004; Eriksen, 2005; Prunier, 2008). These attempts to end the incursions from the FDLR were however only partially a success as the attacks from the rebels continued. This situation and a conflict with the Democratic Republic of Congo’s (previously called Zaire) government lead to the Second Congo War that would last from 1998 to 2003 and leave a great humanitarian impact in the region. Even today, while much less powerful, the FDLR is still operating in the Democratic Republic of Congo (DRC) (Bigabo and Sebuhara, 2016; RFI, 2016). Domestically, the threat is still perceived as alive even if Rwanda is now considered one of the most secure countries in Africa. The results of this threat and the wars in the DRC have had some positive effects on the creation of a cohesive army and public administration with a strong sense of common purpose and an acute sense of insecurity.

\footnote{70 Forces de libération du Rwanda (FDLR).}
Another aspect that has often been considered as a threat in the East Asian experiences is the threat from aid fluctuation. For Weiss and Hobson (1995: 185), East Asian development states have acquired their “will to develop” in a reaction to the threat of aid withdrawal and regional insecurity. Indeed, they argue that Taiwan and South Korea acquired their determination in response to the threat of aid withdrawal and regional insecurity. For Taiwan, the US announcement in 1963 that their aid would end in 1965 had a dramatic effect in encouraging rapid action to develop an independent source of foreign exchange. In the case of Rwanda, with such a strong dependency on foreign aid (50% of the budget in 2008 and around 30-35% in 2017), Rwanda is still in a dangerous position. Even if the government has been able to receive a large amount of foreign aid money, the country remains especially vulnerable to fluctuation in aid flows (World Bank, 2017b). Indeed, on some occasions, donors have threatened the country with aid reduction—and sometimes they did—after the implementation of some major policies of the GoR. This was the case for the policy of villagization (imidugudu) that resettled rural populations in government-selected sites. Also, during the 2003 presidential and parliamentary elections, several donors voiced their concerns over the government’s accusations of divisionism and genocide ideology towards opposition parties and public figures (European Union, 2004). In 2009, many donor representatives expressed their disappointment when the GoR suspended the British Broadcasting Corporation’s Kinyarwanda radio program for the diffusion of programs they considered apologetic to genocidaires. In 2012, after citing evidence that Rwanda was supporting rebels in the DRC, the USA cut military aid to the country (Reuters, 2012). These episodes have pushed President Paul Kagame to voice his concern repeatedly on the threat of aid dependency and to promise to end their reliance on aid for Rwanda (Kagame, 2007; Kimenyi, 2008; Ngabonziza, 2016). Indeed, this vulnerability is often said to compel leaders to develop bureaucracies and forge public-private coalitions in order to secure political or national survival.

As it was seen in East Asia and elsewhere in the world, the threat against the ruling regime can have the same effect as threats against the state itself, and lead to a
strengthening of the state (Onis, 1991; Eriksen, 2005; Leftwich, 2008; McDonought, 2008). All in all, the external and internal threat in Rwanda was really intense in the last two decades, thus providing potentially very powerful incentives for concerted policy, cooperation amongst elites and the encouragement of a national ideology. In the next section, we will discuss one result of this threat on the RPF regime in Rwanda, which is the political coalition built around a sense of nationalism and the need for union and consensus among the elite.

7.2. Coalition of Internal Elite/Political Settlement

According to Leftwich (2008:12), the developmental state-type coalition of internal elites is almost always combined with the "political will" either of a dominant player (such as the military or a party) or in the form of a compromise amongst elites around a new set of rules. He adds that the "radical opposition has often quickly and effectively been neutralized or co-opted". In the case of the present regime in Rwanda, both characteristics are present, but more importantly, there is the presence of a dominant party/military. Indeed, the RPF dominates the political as well as the military spheres of the country and there is an obvious form of compromise amongst elites around a new set of rules established since the genocide.

7.2.1. Background

After the war and the genocide, the RPF has inherited a devastated country and an extremely challenging political situation. One of the primary solutions for the new regime was to repair and replace the previous political settlement. Indeed, one key factor to explaining the recurrence of political violence in Rwandan history is the failure by political elites to forge an inclusive political settlement bringing together the political,
social, and economic elites behind a broad unified or unifying agenda for the country (Golooba-Mutebi, 2013). Following the "social revolution" or Hutu revolution of 1959, the introduction of competitive, adversarial, multi-party politics gave rise to the formation of three prominent ethnic-based parties but eventually, the elections confirmed the exclusive dominance of the majority Hutu population. The First Republic’s political settlement or coalition of elites was built in reaction to the Tutsi-dominated late monarchy and evolved rapidly into a "one-party racial dictatorship" (Strauss, 2006:182). The regime of Kayibanda was thus built around the concept of ethnic solidarity and the idea that numerical preeminence allowed the Hutu to have exclusive access to power in the country. It was a pan-Hutu coalition bringing together diverse people from different political stances but under the complete dominance of the unique party PARMAHUTU. Their collaboration rotated around the idea of a united Hutu nation against the "Tutsi invaders" that were de facto excluded. However, Kayibanda sought to privilege his fellow southern Hutu, while pushing the northern Hutu to the margins of society and banning all other political parties (Prunier, 1997; Waugh, 2004; Golooba-Mutebi, 2013; Ndahiro et al., 2015; Guichaoua, 2015). The Second Republic re-introduced the one-party rule under the MRND and its political settlement contained some similar elements of its predecessor. For instance, it was also built around the Hutu domination within a single dominant party in which ethnic and regional discrimination was continued but this time favouring the northern Hutu and indirectly discriminating the southern Hutu (Reyntjens, 1994).

7.2.2. Post-Genocide Rwandan Political Settlement

After the civil war and the genocide, the new regime tried to put an end to past practices. Indeed, they opted for a different rationale of political settlement that brought together the country’s elites that had neither planned nor executed the genocide, behind what

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71 This favoritism was seen in public offices, the leadership of public enterprises and access to scholarships to study abroad, among other (Reyntjens, 1994).
they called the “collective vision of a new Rwanda” and “new politics of consensus” (Golooba-Mutebi, 2013: 11; Ndahiro et al., 2015; Kimonyo, 2017). This new vision was discussed at the Urwigo Consultations in 1998-1999 and confirmed in the constitution of 2003 where it was clearly written that the State of Rwanda commits itself to conform, promote and enforce the respect of the “constant quest for solutions through dialogue and consensus”, considered as one of the fundamental principles (RoR, 2003: Art. 9). In concrete terms, the government established an inclusive political settlement in which political actors must subscribe to what they consider considered “critically important values of non-sectarianism, relentless pursuit of socio-economic development and unwavering enforcement of rules” (Golooba-Mutebi, 2013:37). This system was also established to combat the genocide negationist forces still present inside and outside the country.72

Willing to depart from the "winner-takes-all" model of previous regimes, the RPF opted to form a government that includes all political parties that were active in the country but excludes the two parties (MRND and CDR) seen as bearing the greatest responsibility for planning and executing the genocide. The new RPF-led government allowed the existence of their potential rivals and adversaries into the government and granted the rights of political parties to exist, although with limiting their activities in order to prevent disruptive political contestation through adversarial competition (RoR, 2003: Article 54). This kind of system is often referred to as “consensual democracy” departing from the competitive, adversarial “western-style democracy” that often considers political stakeholders as enemies instead of partners (Lijphart, 2012; Ndahiro et al., 2015). In this new setting, the new rule of the game is that consensus is privileged over confrontation.

72, The GoR has had concerns about negationism without interruption since 1994. To be fair, genocide denials are quite popular within certain circles in Europe and the Great Lakes region and are able to reach even larger audiences using the Internet. Following Cohen’s (2013) framework, this denial takes several forms: 1. asserting that the war alone was responsible for the civilian causalities; 2. blaming the victim groups; and 3. promoting moral equivalency by insisting that what occurred in 1994 was simply war and self-defense, not genocide.
The political parties that demonstrate a tendency to contest this “consensus” are deprived of their rights to engage in politics. According to Golooba-Mutebi (2013:24), this political settlement and the elite coalition, "while it was rocked quite heavily by internal dissent and subsequently large numbers of defections during the late 1990s and mid-2000s, it has remained relatively cohesive and stable, presiding over arguably the most effective of post-conflict states in Great Lakes region”.

The objective of this strict system is to neutralize the potential source of future insecurity and turmoil that would weaken the prospects for long-term planning and development. Another rationale behind it is that multi-party politics in the past has spilled inter-elite animosity over the entire society and transformed ethnicity into a political weapon (Goloopa-Mutebi, 2013:15). In the words of Rwanda’s President Paul Kagame in 1995, the strict multi-party system in the context of post-genocide Rwanda is dangerous as it would “divide people who are already divided” and then the parties would “use every tactic to distinguish [themselves] from [their] neighbours with the aim of winning more votes. [...] One party would emerge to defend the perpetrators of genocide, while another would emerge to say that the perpetrators should be tried. We would end up with another war [...]” (Misser, 1995: 134,135).

This model is contested by both academics and Rwandan opposition politicians outside the country. For instance, some have argued that the RPF is “allergic to political dissent” and limits political expression unreservedly, or that the new political system is a hidden strategy to enable the RPF to control and exercise power without the risk of losing in a competitive election (Straus, 2008: 243; Gakusi and Mouzer, 2003; Reyntjens, 2006). For the International Crisis Group (ICG), the consensual democracy has become the imposition of one party’s ideology (ICG, 2001) and "[...] the political parties that exist today in Rwanda are only tolerated if they agree not to question the definition of political life drawn up by the RPF” (ICG, 2002:2). In sum, the RPF regime is criticized on the

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73 That happened a few times in the past, like for the party FDU-Inkingi and its leader Victoire Ingabire or the party PS-Imberakuri and Bernard Ntaganda that have been prosecuted and imprisoned for promoting sectarianism and other charges. Interestingly, in September 2018 Victoire Ingabire received presidential pardon along with over 2,000 inmates (The New Times, 2018)
ground of bringing new discriminatory and repressive policies and violating basic freedoms like free speech and expression. In response to this, the government has emphasized that the search for consensus guides all policymaking and has defended the political restrictions by reminding the extremely fragile and unique environment of post-genocide Rwanda (Misser, 1995; Waugh, 2004; Kimonyo, 2017).

Despite these critics, Rwanda has continued its path towards a multi-party democracy where adversarial political contestation among political parties is rejected in favour of consensus building and cooperation between opposition parties and the most dominant party, the RPF. This cooperation is built around three core values: power and responsibility-sharing among political organizations with a commitment to a rule-governed rather than a clientelistic pursuit of power; anti-sectarianism; and the promotion of development in pursuit of durable reconciliation and long-term political stability (Golooba-Mutebi, 2013: 23).

Nonetheless, in Rwanda political parties are highly unequal in terms of strength: the RPF enjoys the most important financial and intellectual resources and consequently the strongest capacity to organize and mobilize support (Golooba-Mutebi, 2013). This situation of dominance by the RPF makes it hardly possible for another party to win an election. However, the system of proportional representation and the constitutional requirement forcing the dominant parties to share power with smaller parties makes it more inclusive. Also, as stated in the constitution, political parties have to share the most important political positions in the country. For instance, the President and the Speaker of the Chambers of Deputies must belong to different parties (RoR, 2003: Art. 58); members of the Cabinet must be selected according to the number of seats in the Chamber of Deputies; and the party holding the majority of the seats in the chamber cannot exceed fifty percent of all members of the Cabinet (GoR, 2003: Art. 116). It is to this political settlement that current political parties and elites have to pledge.

As we have seen before, the decision to prioritize security and social cohesion—besides economic development—over free expression and broad civil rights has indeed many
points in common with the developmental East Asian societies after the world war and in the 1960s. With that in mind, it is thus possible to say that the RPF is dominating the Rwandan polity as the only political organization with a military wing, thus making it the sole dominant military and political power in the country. Besides, Rwanda since 2000 could be characterized as a “dominant party democracy” or dominant coalition democracy as the likes of Japan’s regime under the dominance of the Liberal Democratic Party since 1955, or more accurately Singapore’s People Action Party (PAP) since 1959 for instance (Ohno, 2009). It is also interesting to note here that South Korean, Taiwanese and Singaporean regimes have also muzzled the members of the opposition they considered as backward-looking or too aggressive in their early years. And Singapore’s PAP has fought from day one against the potentially devastating effect that a government ruled by a party of the ethnic Chinese majority—or a "dictatorship of the majority"—would have on their multi-ethnic state. Indeed, in Rwanda, the coalition seems to have brought together groups with potentially disparate interest by building political and economic interdependencies and marginalizing radical challengers in the same vein as these post-World War II and Cold War era East Asian states. In a similar vein, the next section will explore another important developmental state pre-condition: the concentration of power and continuity of policy.

7.3. Concentration of Power and Continuity of Policy

The previous section has shown how the RPF, within a specific political settlement, has been able to dominate the most important spheres of power in Rwanda since 2000. This domination has indeed allowed for strong political stability in a dangerous environment and a political settlement based on a set of untouchable policies enabling the continuity of policies in the country. In the context of the developmental state, the concentration of power means that there is a substantial concentration of political, military and ideological power in the hands of the state (Leftwich, 2008). The continuity of policy of the
developmental state “has been their commitment to growth and equity, whether their reasons were ideological or based on political pragmatism”, which are considered necessary conditions for economic growth and for the political stability that would ensure it could happen (Leftwich, 2008:13).

Politically, since the independence—but also before—, the Rwandan governance has been characterized by a hierarchical structure that fosters top-down decision-making and a strong centralized administration (Newbury, 1992). This was especially the case in the Kayibanda and Habyarimana eras which were both openly one party-states and therefore hardly sharing any political power outside the party in power. This kind of political culture cannot simply disappear in a few decades and today’s Rwanda is still following a top-down approach of governance although it is slowly introducing popular participation in the polity. As seen in the previous section, Rwanda is not a one-party state anymore but is dominated by one party—the RPF—holding much of the power structure and resources in the country enabling them to get easily elected in 2003, 2010 and 2017. Indeed, the RPF’s domination is reflected in electoral returns in which the RPF received roughly 90 percent every election. Of course, such popular support is facilitated by the effective banning of certain opposition parties through strict election legislation. This political dominance allows the regime to ensure full continuity of policy and long-term planning.

With regards to military power, the post-genocide Rwandan army—now called the Rwanda Defense Force (RDF)—is built around the core of the Rwanda Patriotic Army (RPA) that was basically the entire power structure of the Rwanda Patriotic Front during the civil war. Now, the majority of the RDF generals and high ranking military officials are still closely connected to the RPF. However, the RDF has seriously pledged to re-integrate elements of the ex-Forces Armées Rwandaises (FAR) into the new military and some ex-FAR officers now occupy important ranks within the Rwandan Defense Force.\footnote{This was the case in 2003, 2010 and 2017 with 95%, 93%, and 99% of the votes respectively.}

\footnote{For instance, by 1998 38,500 ex-FAR officers were reintegrated into the army and senior figures were given positions of responsibility (Jowell, 2014). For example, Paul Rwarakabije (Rwanda Correctional services), Jerome}
nevertheless, most of the top leadership military posts have remained mainly to the original RPA (Golooba-Mutebi, 2013).

Ideologically, the RPF has enjoyed a monopoly in Rwanda since 2000. This ideology is, at least in part, the development model and political economy studied in this dissertation, which is the developmental state. This model is also transposed in a particular nationalism that has been notably developed by the RPF and Rwandan intelligentsia. Indeed, members of the RPF have instilled a standard, de-personalized history which maintains that ethnicity has been created or substantially distorted by colonial authorities and therefore have disrupted what they consider as the pre-colonial unity (Pottier, 2002; Vansina, 2004; Eltringham, 2004; 2011; Buckley-Zistel, 2006). This version of history or the “healing truth” aiming at building nationalism and reconciliation within the Rwandan society has indeed been institutionalized and is difficult to contest in today’s Rwanda (Zorbas, 2009; Eltringham, 2011). In addition, it would be fair to add that the RPF has followed Museveni’s understanding of politics in Africa. The National Resistance Movement (NRM) of Museveni has also rejected the idea of a “Western-style imposed democracy” in order to “be independent of all foreign manipulation” (cited in Waugh, 2004:30). The NRM sought to create an inclusive, national political community—in contrast to the privatized partisan state of previous Ugandan regimes—and promoted the participation of formerly excluded ethnic groups, women, and youth. For Museveni, political parties in the African context are all too easily identified with “groups”, which in turn foster tribal division and instability (Waugh, 2004). It is indeed hard to ignore the similarities and historical links between the RPF regime in Rwanda and the Ugandan NRM in this matter. This “ideology” of consensus democracy and national unity reflects,

Ngendahimana (Deputy Chief of Staff for reserve forces), Daniel Ufitikirezi (RSSB), Andre Habyarimana (Head of Reserve Forces, Northern Province), Evariste Murenzi (Commanding Officer of the Rwanda Mechanized Infantry Battalion, and Albert Murasira (CSS Zigama) (Behuria, 2015: 421).

Outside of the official discourse of the government, this “healing truth” is clearly exposed within the walls of the Kigali Genocide Memorial in Gisozi (Kigali), one of the most visited places by tourists in Rwanda. As an Invited Scholar at the Rwandan Governance Board along with every public servant of the public agency I took part in the annual visit to the Memorial in April 2016 and participated in a workshop where the “official” causes of the genocide and the need for reconciliation and nationalism were instructed following the rationale discussed in this section.
in many respects, the concentration of ideological power and continuity of policy in Rwanda.

Lastly, Rwanda reintroduced and modernized the traditional practice of Ingando\textsuperscript{77} that was considered as a “moment dedicated to learning virtues of patriotism, [...] and other core values relating to the human, political and ethical socialization process: civic culture, physic and military education [...]” (RoR, 2007:7). Based on the same traditional objectives, this “Solidarity Camp” became part of an effort by the government to reconstruct Rwanda—and Rwandans\textsuperscript{78}—and nurture a shared national identity. Through Ingando, participants\textsuperscript{79} are being taught about history, current development, and reconciliation policies, and participate in military training exercises (RoR, 2007; Rwandapedia, 2017). For some opponents of the camps, Ingando is a form of indoctrination and a party’s strategy to suppress dissent and advance the party’s agenda (Purdekova, 2011; Thomson, 2011; Fukuyama and Matfess, 2016). In sum, for critics, these special training camps are mostly reinforcing the military and ideological dominance of the RPF regime and therefore the concentration of power and continuity of policy in the country (Thomson, 2011; Fukuyama and Matfess, 2016).

Finally, by dominating the political, military and ideological sphere of the country, the RPF regime easily fulfilled this pre-condition of concentration of power and continuity of policy which enabled the emergence of a developmental state. The political dominance of the RPF and Paul Kagame from 2000 to today in the elections along with the full control of the military allows the regime to follow and hold long-term strategic planning and thus ensure the continuity of policy by the government of Rwanda. The next section will discuss the last pre-condition of the developmental state and at the same time arguably

\textsuperscript{77} The Traditional Ingando referred to “a military encampment or assembly area where the troops traditionally received their final briefing while readying for a military expedition abroad. The briefing included, among others, re-organization of the troops and allotment of missions and tasks. In such gathering, the individuals were reminded to subject their interests to the national ideals and give Rwanda their all” (RoR, 2007:7).

\textsuperscript{78} According to Purdekova (2012:193), there is literally a government philosophy of “mentality transformation”, hinging on ideologies and mindsets rather than resources and aid.

\textsuperscript{79} The Ingando “Solidarity Camps” are mandatory today for students attending university and military personnel.
one of the most cited arguments to refute the possibility of the emergence of a
developmental state in Africa: the favourable international context.

7.4. Favourable International Context

For Chalmers Johnsons (1999:55), “the developmental state is unthinkable apart from its
relationship to the external world”. Indeed, another central pre-condition to the
emergence of a developmental state is the presence of a favourable international context.
This pre-condition is often considered in the literature as the missing piece and the so-called reason why a developmental state cannot emerge in today’s international political economy. Indeed, most developmental states enjoyed considerable moral, diplomatic and material—and often military—support from Western powers in the context of the Cold War (Leftwich, 2008). Contrary to today’s system, technical, financial, military help and diplomatic cooperation did not come with governance reform conditions thus leaving much more policy independence to these states that were free to adopt anti-liberalization economic reforms that are radically different from the policies pushed by the Washington Consensus of the 1990s (see Williamson, 1989). For Ziya Onis (1991: 116-117), East Asian developmental states have been able to benefit disproportionately in terms of trade, capital, and technology from Japan and USA—notably including full access to Japanese and US markets. The American intervention was also fundamental in terms of foreign aid and political and military support (Castell, 1992; Onis, 1991; Pempel, 1999; Johnson, 1999).

While very little countries in today’s world are enjoying a similar favourable international context as East Asia in the post-WWII and Cold War era, Rwanda seems to make an exception. Since the genocide, the government of Rwanda has continued to receive strong and persistent support from international donors coupled with unusual policy independence. According to Eugenia Zorbas (2011), there are four factors that explain this paradox of aid dependence coupled with policy independence: (1) genocide guilt and exceptionalism; (2) the government’s donor friendly language and positioning; (3) the
desire for African success stories within the international community; and (4) domestic support for the RPF across the political spectrum in the UK and US.

Part of Rwanda’s independence vis-à-vis its top donors is undeniably linked to the genocide guilt. Clearly and understandably the RPF has, over the years, made many references to the genocide that has helped them gain more control over aid priorities. The major Western donors have expressed strong feelings of guilt over their decision to support the previous regime and refusing to stop the genocide. This feeling of guilt has consequently helped to cement the perception of exceptional status for Rwanda. As explicitly described in 2004 USAID’s *Integrated Strategic Plan 2004-2009* (2004:32), Rwanda is often considered as being an exceptional case and “cannot be considered an ordinary country” but rather “a society in post-traumatic convalescence” where “the ordinary rules of state-building and democracy cannot be applied by the government, or by the international community”. Many authors have also discussed the negative role played by Western countries and international institutions with their strong support of the previous regimes in Rwanda and also in the few years before the genocide (see for instance Uvin, 1998; Storey, 2001).

From the first day it took power in 1994, the RPF has put emphasis on the necessity of policy independence and ownership in connection to their strong distrust towards the international community for its record in 1994 and its initial delay in providing financial support for the RPF government (Waugh, 2004; Kagame, 2007; 2014; Kimenyi, 2008; Zorbas, 2011). To be fair, this discourse of ownership and policy independence came several years before ownership, harmonization, and aid effectiveness became the buzzwords among development practitioners and therefore the *donor friendly language and positioning*. On the other hand, the language of the government had evolved at the same time as the international positioning on development. For instance, later in the 2000s, Kagame’s language had often closely followed the 2005 Paris Principles on Aid effectiveness with terms like efficiency, partnership, alignment, and national development objectives (Kagame, 2007; Zorbas, 2011). Of course, this language coupled
with the RPF’s accomplishments have certainly helped the GoR to enjoy the respect of donors that quickly transformed Rwanda into what many call a “donor’s darling”. Indeed, the RPF leadership has developed a reputation of being hardworking, professional, ambitious, and qualified since 1994. In sum, the RPF’s record of achievements and its discourse of ownership have—at least partly—allowed the government of Rwanda to continue to receive important aid flows from a handful of big donors such as the World Bank, the European Commission, the United States and the United Kingdom.

According to Zorbas (2011:109), the absence of strategic and commercial interests in Rwanda by donors has meant that “the development cooperation program itself has become the principal strategic interest for big donors”. In other words, in order to defend politically their spending on international development, donors needed success stories as much as the recipients needed the aid (see Gettleman, 2013; Sundaram, 2014), and Rwanda has been considered since 1995 as one of the most impressive African success stories. Of course, according to a 2007 UNDP report and other observers, Rwanda’s success story has also shown some weaknesses like the increase of income inequality (Gini coefficient) and the increase of poverty in rural areas in a five-year span (UNDP, 2007; Ansoms, 2008; 2009). However, the reports that followed were much more positive about the tremendous steps Rwanda has made after the genocide and did not mention the issue of inequality anymore (Marijnen, Esther and Jair van der Lijn. 2012:22). Rwanda has been considered a success story across the board by many different institutions and observers over the last two decades despite an extremely challenging environment, offering to donors a rare positive image of aid effectiveness to their domestic media.

Finally, the domestic support for the RPF across the political spectrum in the UK and US can also be considered as an important factor explaining the support from donors and the policy independence of Rwanda. The United States and the United Kingdom have been Rwanda’s most important bilateral donors since 2000. While none of them had a presence

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80While today’s Rwanda is able to secure large amounts of foreign aid, it is important to note it was also the case—but to a lesser extent—for Habyarimana’s regime. Indeed, the previous regime’s development strategy had been to solicit foreign aid, and the government had displayed considerable skill in impressing foreign donors (Newbury, 1992:200).
in Rwanda prior to 1994, they were drawn to Rwanda after the genocide as a result of a broadly sympathetic view of the RPF across their political spectrums contrary to countries like Belgium and Netherland that have a civil society and some political parties much more critical of Rwanda (Zorbas, 2011).

In general, Rwanda has been able to receive a large amount of foreign aid and enjoy duty-free preferences under the EU's "Everything but Arms Initiative", and the USA Africa Growth and Opportunity Act (AGOA) while keeping an unusual policy independence that enables Rwanda to navigate in a favourable international context. Contrary to other large aid recipients, the GoR and President Kagame continues to denounce foreign interventionism, breaches of sovereignty, and lack of moral authority when they are criticized for human rights violations or bad governance (Zorbas, 2011; Kagame, 2009; RFI, 2017; Ssuuna, 2017). Kagame often condemns such critics and external interventions as:

“[…] a persistent, negative presence […] seeking to dictate to Rwandans how their affairs should be conducted. [...]This attitude that is based on ignorance and arrogance—and its resulting injustices—from those who would argue that they know better than Rwandans what is good for them. The lesson here for us, as Rwandans, and broadly as Africans, is that we must do what is right and genuinely own our decisions and actions, to maintain our dignity for the better future we all seek. We have to stay the course of self-determination attitude that is based on ignorance and arrogance […] from those who would argue that they know better than Rwandans what is good for them” (Kagame, 2009).

Despite this kind of discourse, the Rwandan government has been able to define and pursue its own preferred development strategy including developmental policies that would probably be hard to implement in other countries. Contrary to what has been argued by the Dependency School that today’s international political economy is such that the medium or smaller states have no real ability to pursue their own agenda, Rwanda is enjoying an impressive extent of independence. Their unique context has thus allowed the GoR to navigate in a favourable international context that, without being
completely equivalent to the East Asian context, has however allowed the government to push its own agenda, and rarely alter its position to suit the wishes of the donor community.

### 7.5. Conclusion

In this section, we have seen that out of the four historical pre-conditions that enable the emergence of the developmental state, Rwanda has qualified for all four of them. Indeed, we were able to find the four historical and contextual factors or pre-conditions in the Rwandan context. These pre-conditions are (1) presence of external/internal threat; (2) coalition of internal elite/political settlement; (3) concentration of power and continuity of policy; and (4) the presence of a favourable international context.

As we have seen, in 1994 after stopping the genocide and taking power in Kigali, the new RPF-led government had to continuously fight the exiled genocidal government and their Hutu micro-nation established in Zaire/DRC. This constant external threat represented a very real security threat and in response to this continuing threat posed by the ex-FAR in Zaire, Rwanda had to fight back many times against the Hutu refugee mini-state which lead to two regional wars in the Zaire/Democratic Republic of the Congo. This security threat was also coupled with the constant threat from potential foreign aid fluctuation putting the country in a state of dependence and therefore threatening the quality of life of Rwandans. The second pre-condition, the coalition of elite or political settlement, was also observed in the Rwandan context in the form of a “new politics of consensus”. In concrete terms, the government established an “inclusive” political settlement in which political actors must subscribe to what they considered “critically important values of non-sectarianism, relentless pursuit of socio-economic development and unwavering enforcement of rules” (Golooba-Mutebi, 2013:37; Kimonyo, 2017). As for the third pre-condition, concentration of power and continuity of policy, we have seen that by dominating the political, military and ideological spheres of the country, the RPF party in
Rwanda easily fulfilled this pre-condition that enabled the emergence of a developmental state. And finally, the presence of a favourable international context has also been observed in the context of post-genocide Rwanda where the government of Rwanda continued to receive strong and persistent support from international donors coupled with unusual policy independence. That uncommon international context could be explained by four factors: the genocide guilt and exceptionalism; the government’s donor friendly language and positioning; the desire for African success stories within the international community; and the domestic support for the RPF across the political spectrum in the UK and US. This account of the Rwandan case challenges the arguments of some developmental state scholars which contend that it is impossible in today’s globalized political economy to reproduce the favourable international context of the Cold War era in East Asia.

This chapter on the necessary pre-conditions for the emergence of a developmental state shows us that context matters when speaking about governance reforms. This chapter has put much emphasis on the significance of context features that were present in East Asian developmental states before their transformation. Indeed, it is clear that the history and the context of a country are always relevant and cannot be separated from the governance system of a country and its political economy. The case of Rwanda is no exception on this point. Post-2000 Rwanda has clearly qualified the four historical pre-conditions allowing for the emergence of the developmental state. This context was launched by an unprecedented tragedy and political crisis which makes the case of Rwanda unique but also suitable to draw a comparison with East Asian developmental state some decades ago. However, one should know that it is hard to abstract a “model” from its historical reality and for that matter, none of the East Asian developmental states were a clone of the Japanese experience. The historical context of Rwanda shows that, in a way, the present governance model and the large-scale transformation is part of a long process of historical continuity. It is probable that the present governance path of Rwanda lies, in part at least, in their pre-colonial and colonial heritage, which we have discussed in chapter six. No one can understand Rwanda’s governance without first exploring the
previous pre-colonial pattern of governance, colonial social engineering/authoritarianism, and violent incidents or conflicts. These have undeniable effects on the present nature of governance and on the possibility to follow the developmental state path. For Uvin (1998:135), while much has been said about the vertical and top-down nature of relations between the state and its citizens all over Africa, what is specific about Rwanda before the genocide “are the omnipresence and strength of the state and the development machinery [...] where things were implemented the way they were stated on paper by a strong, well-endowed state committed to development”—although with questionable benefits to the whole population. In other words, pre-genocide Rwanda mirrored a number of developmental state features such as a centrally concentrated power, a high degree of autonomy of the state leadership, and the institutional or bureaucratic capacity to implement specific development projects, which will be explored in the next chapter. These features should not be put aside when analyzing Rwanda’s developmental institutions. Therefore, the presence of the pre-conditions allowing for the emergence of a developmental state and the existence of such favourable historical patterns of governance shows that Rwanda since 2000 possessed the preliminary criteria of the developmental state. In the next section, we will explore the five main features of a developmental state.
Chapter Eight: Rwandan State Characteristics from the Developmental Standpoint: The Five Features of the Developmental State

We have shown in the previous chapter that Rwanda qualifies for the four ideal-typical developmental state pre-conditions. However, we have argued that, in order to qualify as a developmental state, Rwanda must embody the five main features of this model of governance. As seen earlier, these features include a developmentally oriented leadership and vision; a capable and meritocratic public administration; industrial policy and its institutional arrangements; embedded autonomy; and performance-based legitimacy.

As previously mentioned, a developmentally oriented leadership along with a capable public administration should attempt to bring results and form an efficient bureaucracy which would assume the role of planning and implementing an industrial policy with the help of its institutional arrangement such as the “pilot agency”. In order to be successful, it is also important that the members of the elite are embedded in all of the social, political and business environments of the country to ensure their support and cooperation. In addition, the regime must also enjoy a legitimacy based on socioeconomic growth. These interrelated features are all indispensable parts of the emergence of a developmental state and therefore necessary conditions. Should a state possess the entire set of components, it would be considered a developmental state or an emerging developmental state. This chapter will examine if the state of Rwanda possesses the entire set of features and should, therefore, be considered as developmental. In order to begin this observation, we will first and foremost investigate the developmentally oriented leadership and vision feature of Rwanda, before exploring the four other features.
8.1. The Developmentally Oriented Leadership and Vision

One critical element for the government-led transformation is political leadership and commitment. Indeed, one of the keys to becoming a developmental state is the “single-minded adherence to growth and competitiveness at the expense of other objectives” (Onis, 1991:120). Such growth requires leadership that includes the quality and capability of the leadership and the appropriateness of visions and principles that guide the transformation. In Rwanda, the presence of the previously cited pre-conditions of the ideal-typical developmental state allowed the regimes to impose or negotiate a set of developmentally-driven rules. These rules enabled the government to pilot the economy and the polity in order to protect and promote national interest—and potentially the survival of the state. According to the developmental state theory, this strong leadership is able to enjoy strong influences on the elites and will, in turn, motivate the bureaucracy towards more productivity. In other words, politics are developmentally driven and state development is politically driven since growth is seen as central for national autonomy and defence. Indeed, the developmental-oriented leadership has been characterized by “their developmental determination, their commitment to economic growth and transformation, and their capacity to push it through” (Leftwich, 2000:160).

To evaluate the presence of this feature in Rwanda, two elements will be assessed. The first one is the presence—or absence—of developmentally-oriented leadership. This should be assessed through a comprehensive study of policies and reports—with their implementation—such as long-term planning documents and their performance objectives along with their evaluation and evolution over time. The second element is the nature of the public administration, whether it is capable and meritocratic or not. The meritocratic nature should be evaluated by looking at government policies in term of

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81 That is the presence of external threat; coalition of internal elite; concentration of power; and favorable international context. In addition, Leftwich (2008:13) adds that the political dynamics that generally shape developmentally driven and effective leadership are the following: the consciousness of an external threat and a concern to avoid internal conflict; a need to “catch up” with industrialized nations; and importantly the recognition that growth and equity are mutually re-enforcing policy goals. These are the underlying political dynamics that should shape developmentally-oriented leadership and institutions.
recruitment and competition mechanism in public institutions. These should be clear, open, and fair. To assess the actual implementation of these policies a review of independent evaluations, citizen surveys and their evolution over time should be done thoroughly.

8.1.1. A developmentally-oriented leadership

In the case of Rwanda, we have briefly seen that many authors consider RPF’s regime as being highly developmental. For instance, Purdekova (2011; 2012:197) wrote on how development has become the “overarching goal” in Rwanda and that “everything […] is being subjugated to this goal”. Other researchers have also discussed—in a critical matter—what they consider as Rwanda’s policy strategy of “maximum growth at any cost” (Ansoms and Rostagno, 2012:427; Mann and Berry, 2016). This developmentalist policy direction was indeed set out and formalized at the turn of the Millennium in a document called *Rwanda Vision 2020* that describes Rwanda’s development trajectory and therefore its commitment to a coherent national vision for development. This long-term development planning document that is seemingly ubiquitous in Rwanda is primarily one of economic growth and overall development. However, it is not simply a technical document imposed by external actors as it is often done in many developing countries but also a symbol of Rwanda’s imagined future (Chemouni, 2017). Vision 2020 shows a certain level of leadership. It is sometimes considered as “the only hymn sheet to which everyone needs to abide” (Campioni and Noack, 2012:5). President Kagame has demonstrated a sense of ownership when he says that for him the document is “not only for government. Vision 2020 is a shared purpose” (MINECOFIN, 2000:2).

Vision 2020 is steered by the major objective of “fundamentally transform Rwanda into a middle-income country by the year 2020” (MINECOFIN, 2000:9). It generally focuses the government’s attention—along with its donor partners and private sector partners—on a number of more traditional development outcomes in health, education, infrastructure
and governance. But it also purposely aims to increase investments in non-agricultural sectors and more specifically in information and communication technology (ICT), tourism and manufacturing to “transform and diversify the economy”. In order to transform the country from an “agrarian to a knowledge-based economy”, the investments are therefore encouraged to be directed towards technology and technical education (MINECOFIN, 2000:3, 9). Vision 2020 includes a set of intertwined pillars: good governance and capable state; human resource development and a knowledge-based economy; private sector-led economy; infrastructure development; productive and market-oriented agriculture; and regional/international economic integration (see table 4)\(^8\).

Table 4 The Pillars of Vision 2020 and its Cross-Cutting areas

<table>
<thead>
<tr>
<th>Pillars of Vision 2020</th>
<th>Cross-Cutting Areas of Vision 2020</th>
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<tbody>
<tr>
<td>1. Good governance and capable state</td>
<td>1. Gender Equality</td>
</tr>
<tr>
<td>4. Human resource development and a knowledge-based economy</td>
<td>2. Protection of environment and sustainable natural resource management</td>
</tr>
<tr>
<td>5. Private sector-led economy</td>
<td>3. Science and technology, including ICT</td>
</tr>
<tr>
<td>6. Infrastructure development</td>
<td></td>
</tr>
<tr>
<td>7. Productive and market-oriented agriculture</td>
<td></td>
</tr>
<tr>
<td>8. Regional and international economic integration</td>
<td></td>
</tr>
</tbody>
</table>

*Source: MINECOFIN, 2000; 2012*

\(^8\) These are also said to be “affected by a number of cross-cutting issues including, gender equality and sustainable environmental and natural resource management” but also science and technology, including ICT (RoR, 2000:4; 2012).
Another aspect that makes this developmental policy—and most Rwandan policies—interesting is the fact that it is strongly based on principles of *results-based management*. Vision 2020—and subsequent development documents—lists detailed and tractable objectives that officials are incentivized to pursue. In the first version of Vision 2020 (2000), there were 47 targets, with a specified reference point for 44 of them (see table 5). For instance, it aims at achieving annual GDP per capita income of $900 ($290 in 2000), a poverty rate of 30% (64% in 2000) and an average life expectancy of 55 years (49 years in 2000). In addition, by 2020 the government wants to increase access to clean water from 52 percent of the population to 100 percent, and increase secondary school enrollment from 7 percent to 60 percent (MINECOFIN, 2000). The government also targeted specific economic outcomes that include increasing non-farming employment from 200,000 to 1.4 million; and a per person electricity consumption reaching 100 kWh. These result-oriented performance objectives are of course highly ambitious, and to answer critics, the document states that while "some will say that this is too ambitious [...] that it is a dream, [t]he development experience of the East Asian 'Tigers' proves that this dream could be reality" (MINECOFIN, 2000:25). Indeed, this kind of statement shows that the government is at least inspired by the East Asian developmental state model, and the nature of the document also shows many similarities with the developmental state strategy. Indeed, in the words of T.J. Pempel (1999:139) East Asian developmental states "have been successful because their governments have acquired control over a variety of things presumed critical for economic success", such as the ability to generate and implement national economic plans; to target specific industrial projects, and more specifically, "to carry through a sustained project of ever-improving productivity and technological sophistication". Vision 2020 and its strict measurable objectives arguably qualify for this description.
Table 5 Key Indicators of the Rwandan Vision 2020

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Situation in 2000</th>
<th>Target in 2010</th>
<th>Target in 2020</th>
<th>International Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Rwandan population</td>
<td>7,700,000</td>
<td>10,200,000</td>
<td>13,000,000</td>
<td></td>
</tr>
<tr>
<td>2. Literacy level</td>
<td>48</td>
<td>80</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>3. Life expectancy (years)</td>
<td>49</td>
<td>50</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>4. Women fertility rate</td>
<td>6.5</td>
<td>5.5</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>5. Infant mortality rate (o/oo)</td>
<td>107</td>
<td>80</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>6. Maternal mortality rate (o/oo.ooo)</td>
<td>1070</td>
<td>600</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>7. Child malnutrition (Insufficiency in %)</td>
<td>30</td>
<td>20</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>8. Population growth rate (%)</td>
<td>2.9</td>
<td>2.3</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>9. Net primary school enrolment (%)</td>
<td>72</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>10. Growth secondary school enrolment (%)</td>
<td></td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>11. Secondary school transitional rate (%)</td>
<td>42</td>
<td>60</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>12. Growth secondary school enrolment (%)</td>
<td>7</td>
<td>40</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>13. Rate of qualification of teachers (%)</td>
<td>20</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>14. Professional and technical training centers</td>
<td></td>
<td>50</td>
<td>106</td>
<td></td>
</tr>
<tr>
<td>15. The rate of admission in tertiary education. (o/oo)</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>16. Gender equality in tertiary education (F %)</td>
<td>30</td>
<td>40</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>17. Gender equality in decision-making positions (% of females)</td>
<td>10</td>
<td>30</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>18. HIV/AIDS prevalence rate (%)</td>
<td>13</td>
<td>11</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>19. Malaria-related mortality (%)</td>
<td>51</td>
<td>30</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>20. Doctors per 100,000 inhabitants</td>
<td>1.5</td>
<td>5</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>21. Population in a good hygienic condition (%)</td>
<td>20</td>
<td>40</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>22. Nurses per 100,000 inhabitants</td>
<td>16</td>
<td>18</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>23. Laboratory technicians per 100,000 inhabitants</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>24. Poverty (%&lt; 1 US $/day)</td>
<td>64</td>
<td>40</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>25. Average GDP growth rate (%)</td>
<td>6.2</td>
<td>8</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>26. Growth rate of the agricultural sector (%)</td>
<td>9</td>
<td>8</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>27. Growth rate of the industry sector (%)</td>
<td>7</td>
<td>9</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>28. Growth rate of the service sector (%)</td>
<td>7</td>
<td>9</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>29. Ginni coefficient (income disparity)</td>
<td>0.454</td>
<td>0.400</td>
<td>0.350</td>
<td></td>
</tr>
<tr>
<td>30. Growth national savings (% of GDP)</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>31. Growth national investment (% of GDP)</td>
<td>18</td>
<td>23</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>32. GDP per capita in US $</td>
<td>220</td>
<td>400</td>
<td>900</td>
<td></td>
</tr>
<tr>
<td>33. Urban population (%)</td>
<td>10</td>
<td>20</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>34. Agricultural population (%)</td>
<td>90</td>
<td>75</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>35. Modernized agricultural land (%)</td>
<td>3</td>
<td>20</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>36. Use of fertilizers (Kg/ha/year)</td>
<td>0.5</td>
<td>8</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>37. Financial credits to the agricultural sector (%)</td>
<td>1</td>
<td>15</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>38. Access to clean water (%)</td>
<td>52</td>
<td>80</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>39. Agricultural production (kcal/day/person (% needs))</td>
<td>1612</td>
<td>2000</td>
<td>2200</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>40. Availability of proteins/person/day (% of needs)</strong></td>
<td>35</td>
<td>55</td>
<td>65</td>
<td>70</td>
</tr>
<tr>
<td><strong>41. Road network (km/km²)</strong></td>
<td>0.54</td>
<td>0.56</td>
<td>0.60</td>
<td></td>
</tr>
<tr>
<td><strong>42. Annual electricity consumption (Khw/inhabitants)</strong></td>
<td>30</td>
<td>60</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td><strong>43. Access to electric energy (% of population)</strong></td>
<td>2</td>
<td>25</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td><strong>44. Land portion against soil erosion (%)</strong></td>
<td>20</td>
<td>80</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td><strong>45. Level of reforestation (ha)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>46. Wood energy in the national energy consumption</strong></td>
<td>94</td>
<td>50</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td><strong>47. Non-agricultural jobs</strong></td>
<td>200,000</td>
<td>500,000</td>
<td>1,400,000</td>
<td></td>
</tr>
</tbody>
</table>

*Source: MINECOFIN, 2000: 25-26*

To ensure the proper implementation of Vision 2020 and its objectives showed in table 5, the GoR used medium and short-term instruments and policies also centred on results measurability. The first one was the *Poverty Reduction Strategy Paper (2002-2006)* (PRSP) that systematically assessed and established the actions needed “to reduce poverty and generate pro-poor economic growth” while being “set within the overall vision of Rwanda’s development set out in Vision 2020” (MINECOFIN, 2002:10, 9). The main emphasis was on managing a transition from emergency relief to rehabilitation and reconstruction. Six broad areas were identified as priorities for action: rural development and agricultural transformation; human development; economic infrastructure; governance; private sector development; and institutional capacity-building. The PRSP was followed by the first version of the *Economic Development and Poverty Reduction Strategy (2008-2012)* (EDPRS-1). Based on the experience with the PRSP, the health sectors demonstrated encouraging developments, while the more productive sectors, such as agriculture, infrastructure, and industry remained much more challenging. For the EDPRS-1, the priority was therefore given to creating employment and generating

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83 The Poverty Reduction Strategy Paper Series is part of the Poverty reduction strategies used in IMF-supported programs. The Poverty Reduction Strategy Papers (PRSPs) are required by the IMF and the World Bank for a country to be considered for debt relief and are required for low-income countries in order to receive aid from these international institutions.

84 According to the government (MINECOFIN, 2013), after its implementation positive gains were especially seen in social sectors including health and education. In terms of non-income poverty, the PRSP was much more successful. Infants, under-five and maternal mortalities all decreased by 20% to 30%, poverty also reduced from 58.9% to 56.7%. Extreme poverty fell by 4.2 percentage points, from 40% to 35.8% between 2001 and 2005, while income inequality as measured by the Gini coefficient, rose from 0.505 to 0.522 (MINECOFIN, 2013).
exports while focusing on the pillar of good governance. In addition, the policy intends to tackle extreme poverty through improved food security and targeted arrangements of job creation and social protection. It also adds that “it is particularly urgent to create new employment opportunities for young persons just entering the labour market” and to “ensure greater efficiency in poverty reduction through better policy implementation which includes enhanced coordination among sectors and between levels of government; sharper prioritization of activities; better targeting of services for the poor; [and] widespread mobilization of the private sector” (MINECOFIN, 2007:28).

EDPRS-1 was followed by EDPRS-2 (2013-2018) that was built on the results of the previous version. Four thematic areas were described as the central and specific objectives in line with the overall goal of EDPR-2: economic transformation (with the objective of an average GDP growth of 11.5%); rural development (objective: less than 30% poverty); productivity and youth employment (objective: 200,000 off-farm jobs p.a.); accountable governance (objective: 80% service delivery and increased citizen participation). EDPRS-2 and the previous documents are all heavily guiding the ministerial work with each ministry having a five-year strategy aligned with EDPRS that is also aligned with Vision 2020 (Murindahabi, 2016; Chemouni, 2017). In addition, in order to implement these strategies, ministerial action plans were separated every year with a set of specific targets, allowing detailed measurability and close monitoring by the Ministry of Finance and Economic Planning and the Prime Minister’s Office. To reinforce the evaluation of these ministerial targets, a team from IPAR, an independent think tank, visits ministries in order to monitor the results reported and their Imihigo (performance contract) (Chemouni, 2017). In 2004, following the disappointing results of the first PRSP and to put more pressure on the central bureaucracy, the government instituted an annual

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85 Again, according to the government the achievements under EDPRS-1 have been described as the development “hat trick” of growth, poverty reduction and reduction in inequality which has put Rwanda back on track to achieve the Millennium Development Goals (MDGs). Economic growth averaged 8.2% over the above noted period, while poverty reduced from 56.7% to 44.9% allowing more than 1 million Rwandans to be lifted out of poverty in less than five years. Income inequality was also reduced to 0.49 in 2011, which is below the level of 2001 (MINECOFIN, 2013).
86 Institute of Policy Analysis and Research
leadership retreat (Iyer, 2012). This retreat⁸⁷ gathers around 250 officials from the central and local government is another occasion for the President and other high-level officials to put pressure on the ministries and municipalities to ensure that they earnestly pursue their objectives.

In 2010-2011, the Ministry of Finance and Economic Planning began the process of evaluation for the Vision 2020 progress that ultimately produced a report called “Vision 2020 Progress and Way Forward” (MINECOFIN, 2011). The report examined the progress of the specified targets of Vision 2020 and rated each one with a status of “on-track”, “on-watch” or “off-track”. With the total of 44 targets, it concluded that 66% were on-track, 11% were on-watch, and 22% were off-track. Population, poverty, and environment were among the areas considered as off-track, while the on-track areas included economy, education, gender, and health. In response to this evaluation report, the GoR reevaluated the original Vision 2020 targets made in 2000 and issued the document title “Rwanda Vision 2020: Revised 2012”. According to that document, it was necessary “to assess the relevance of the indicators and targets and ensure that they continue to reflect the ambition and the progress of the country towards attaining its long-term development goals” (MINECOFIN, 2012: 1). This revision of Vision 2020 targets was completed through a consultative process and was ultimately adopted at the 9th leadership retreat in February 2012. The guiding rationale of the revision can be summarized within four areas. The first one is aligning targets to the levels of low middle-income countries, which includes the adjustment of the GDP per capita to meet the changing thresholds of the middle-income countries⁸⁸. In order to qualify as part of the lower middle-income category, the previous GDP per capita target was revised from $900 to $1240 to reflect this change. The second one is to harmonize the targets with the post-Presidential elections

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⁸⁷ The retreat is also an occasion to stage the austerity and commitment of the government. Since 2012 the retreat has been taking place in military camps and participants, rather than arriving in their official cars, must arrive in buses (Chemouni, 2016a).

⁸⁸ According to the World Bank Atlas Method in 2011 the threshold for lower middle-income countries is between $1,006 and $3975, consequently with the $900 target Rwanda would no longer qualify as a middle-income country.
seven-year Government programme (2010-2017) (7YGP)\textsuperscript{89} notably, because some targets of this document are more ambitious than those contained in Rwanda Vision 2020. These include, among others, the target for percentage of population below the poverty line which is 20 percent in the 7YGP compared to 30 percent in Vision 2020; the target for access to electricity which is 70 percent in the 7YGP while it was 35 percent in the Vision 2020. The third revision is the inclusion of indicators and targets for climate change, governance, ICT and regional integration. While these areas were already considered in the six pillars, they were reinforced by high-level indicators such as biodiversity, citizen satisfaction with service delivery and the rule of law, and the degree of openness reflected by the proportion of trade to GDP. And the fourth relates to the revision of some targets already achieved that require more ambition. As seen in the evaluation report "Vision 2020 Progress and Way Forward" (MINECOFIN, 2011), out of the 47 original indicators, 12 targets (26%) have already been achieved and 16 (34%) are well on track to be achieved. These targets include the average GDP growth rate, agricultural production (kcal/day/person), infant mortality rate, secondary school transitional rate, malaria-related mortality, and admission rate to tertiary education, among others. Consequently, more ambitious expectations have been set for these already achieved targets (MINECOFIN, 2012: 1-2).

Although the government’s commitment to development and results is hardly contestable, some authors consider that ministerial planning requirements are often too heavy and complex for the available capacity. At this point in Rwanda’s institutional development, there is a certain lack of capacity in ministries (especially outside the RDB and the Presidency) that are probably not always able to deal with such advanced

\textsuperscript{89}This refers to the Government Programme (2010-2017) (RoR, 2010). In accordance with Article 118 of the constitution, the Prime Minister has to present to Parliament, the Government Programme for the next seven years following every presidential election (RoR, 2003). The Government Programme (2010-2017) (RoR, 2010:9) takes into account the EDPRS targets, and the UN’s MDGs targets that were agreed globally; and that "within the next seven-year mandate, Government will continue to build on the achievements in the areas of Good Governance, Justice, Economy and Social Well-being in a bid to complete ongoing programmes". It also adds that the “Government shall improve, strengthen, develop and ensure quick implementation of programmes to multiply the achievements made so far” (RoR, 2010:9).
planning strategies. The coordination and communication between the ministries are also areas where there is a lack of capability, and there is often confusion between ministries and the RDB on who handles what.

Nonetheless, contrary to some other African countries that have formulated similar long-term development planning, Rwandan leadership seems to want to attain Vision 2020 goals at almost any cost—using a results-based approach—and integrate it to almost every aspect of the state and society. In the words of Purdeková (2012:197) "all of the state activities, those of unity and reconciliation notwithstanding, serve first and foremost the overarching goal of development. Everything in Rwanda is being subjugated to this goal. The state's intricate machinery finds everybody and all that is relevant to pushing through its programme." This description could not be more representative of the ideal-typical developmental state as it is often said that “basic political commitments may be as important as specific policies” (Vartiainen, 1999:222). According to Thandika Mkandawire (1998:2), “[i]t is this ideology–structure nexus that distinguishes developmental states from other forms of states. In terms of ideology, a developmental state is essentially one whose ideological underpinning is ‘developmentalist’ in that it conceives its ‘mission’ as that of ensuring economic development, usually interpreted to mean high rates of accumulation and industrialization”. Rwanda Vision 2020 and its implicit “ideology” is an indication of the developmentalist nature of Rwanda and its leadership especially since, as of today, it is possible to see quite positive results that followed this long-term plan, therefore showing a fairly honest commitment to development. Some authors (Straus and Waldorf, 2011; Newbury, 2011; Huggins, 2017) have also described the present regime’s ideology as following a high-modernist ambition and tactics that resemble the one described by James Scott’s Seeing Like a State (1999). Scott (1999:4) has described the

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90 Indeed, fieldwork observations confirm this analysis. The difference of capacity between some ministries is highly noticeable with an impressive expertise in some—like the Rwanda Development Board or the Office of the President—and much lower level in others. This was also confirmed by an IMF official informant.

91 This was also corroborated by informants such as investors and IMF officials as a weakness of the bureaucracy.

92 On the question of unity and reconciliation, Purdeková (2012:192) specifies that the official discourse describes unity and reconciliation as “by-products of development and necessary for its achievement”. Indeed, it would be fair to observe an intentional link by the government between development and the sensitive subject of national unity and reconciliation as it has been the case in some East Asian states such as Singapore.
government’s high-modernity ideology as a “strong, one might even say muscle-bound, version of the self-confidence about scientific and technical progress, the expansion of production, the growing satisfaction of human needs, the mastery of nature (including human nature), and, above all, the rational design of social order commensurate with the scientific understanding of natural laws”. He also adds that it is characterized as an authoritarian state that is willing and able to “use the full weight of its coercive power” to reform. While there are certainly various aspects resembling Scott’s description\textsuperscript{93}, in general, Rwanda follows Mkandawire’s account of developmental state with a "developmentalist" ideology that conceives its "mission" as one of ensuring economic development, interpreted as high rates of accumulation and industrialization, but also poverty alleviation. In sum, the ultimate development of the country could certainly be considered as the government’s "mission" coupled with an aggressive zeal in achieving prescribed targets. Ultimately, in the light of these observations, we consider Rwanda’s regime since 2000 as successfully qualifying as a developmentally driven leadership and vision à la Developmental State. In the next section, we analyze another developmental state feature intimately connected with developmentally oriented leadership: the capable public administration.

\textsuperscript{93} This concept is much often used by authors critical of Rwanda’s policies, but for Booth and Golooba-Mutebi (2012:380), this concept is well adapted to support a critical view but is not specifically helpful in thinking about what distinguishes the Rwandan regime from relevant comparators and is rarely used by researchers working on the role of the state in development. They add that this demonstrates a lack of concern about how, in many countries, development challenges have been overcome with the help of effective state agencies.
8.2. A Capable and Meritocratic Public Administration

Socio-economic development has often been considered strictly as a matter of economy by international experts. However, it is now widely accepted that it is in fact largely a political enterprise that relies primarily on a strong commitment and a capable public administration. Indeed, for almost the entire scholarship working on the developmental state, the presence of a capable public administration is absolutely central for the establishment of a successful developmental state. Following this logic, in this thesis, the second central characteristic of a developmental state is the nature of its public administration. According to Johnson (1982) and Evans (1995) but also several other authors, the achievements of the developmental state depend on a capable and meritocratic bureaucracy. The quality of the bureaucracy in a developmental state is directly related to the “extremely meritocratic form of recruitment” designed to attract the best managerial talent available to the ranks of the bureaucratic elite (Onis, 1991: 114). The successful developmental states are thus able to select the most talented members from the best universities for their ministries and agencies with the help of “rigorous and hard to pass civil service examinations” (Johnson, 1982:51). In short, it is this bureaucratic capacity and growth that enable the state to undertake many more economic activities which contribute to economic activities and socioeconomic growth.

For this feature, the element that will be assessed is the nature of the state’s bureaucracy, if it is effective and capable. To evaluate this it is essential to look nature of public sector reforms aiming at transforming the public service and make it more efficient. It is also important to use domestic and international indexes including World Bank’s World Governance indicators project and the Mo Ibrahim Governance index—which uses data from the AfDB, OECD, UNDP, UECA—in order to evaluate the effectiveness of the state and its capacity to implement policies.
8.2.1. Rwanda’s Bureaucracy

Since the change of regime in 1994, Rwanda has entered in a vast enterprise of deep-seated public sector reforms that aimed to transform the country completely from the previous Republics. After four years of civil war and a devastating genocide that destroyed the state, the government has rebuilt the state and most importantly a bureaucracy with the capacity to manage resources efficiently and implement ambitious developmental policies. This transformation from an almost inexistent bureaucracy into a capable and organized bureaucracy that can efficiently use public and donor’s money to implement targeted policies has indeed attracted many praises from international observers.

In general, the success of public sector reforms is first and foremost a matter of commitment from the political leadership, but the role of the elite is not to be forgotten as it must also accept the reforms and their deep redistributive consequences in term of resource and power. Indeed, the bureaucratization of the state apparatus that include stronger impersonal rules deprives individuals of unrestricted power (Khan, 2010). As seen in the previous sections, Rwanda possesses most of these favourable characteristics: a political settlement that is not likely to allow resistance; a strong developmentally-oriented leadership/vision; and a strong commitment to results exemplified by documents such as Rwanda Vision 2020 and EDPRS 1/EDPRS 2. In addition, this commitment to ensuring quality and timely service delivery through strong organizational performance is the core of the governing party’s legitimacy strategy (Biedermann, 2016; Chemouni, 2017)\textsuperscript{94}. The rationale behind this is to replace the favouritism of the narrow elite with a proper and enlarged provision of benefits to the ordinary and poor citizens. In order to succeed in its legitimacy strategy of service provision and economic growth, the government has tried to build effective public institutions based on meritocratic recruitment/appointments and management based on results. It also wants to bring services and decision-making powers closer to the people to

\textsuperscript{94} The issue of legitimacy in Rwanda will be discussed in more details in section 8.5.
enhance the delivery of services (RGB, 2014). All of these policies are of course in direct line with Vision 2020’s aim of "transform[ing] Rwanda into a middle-income country by the year 2020" in the "spirit of social cohesion and equity, underpinned by a capable state" (MINECOFIN, 2000:3-4). This section will explore in details these public sector reforms and the "performance" of the Rwandan bureaucracy since 2000.

8.2.2. A Meritocratic Civil Service

While the previous government was far from a role model in terms of merit-based recruitment (Prunier, 1997), for the RPF’s government a meritocratic public sector has been a central aspect of their strategy of reconstruction but also for the promotion of unity and peace. According to Article 10 (n°5) of the Constitution of 2003 as revised in 2015, “building a State committed to promoting social welfare and establishing appropriate mechanisms for equal opportunity to social justice” is one of the fundamental principles of the Republic of Rwanda that also includes equitable recruitment processes (RoR, 2015; PSC, 2016). While the promotion of meritocratic principles is nothing new in developing countries’ constitutions and is often nothing more than empty promises, Rwanda has also put these words into actions. The responsibility to ensure that this right is fully respected in the public service was assigned to the Public Service Commission (PSC), a national body provided by Article 139 of the Constitution. The Public Service Commission was later established in 2007 with the overall responsibility of recruitment for the entire central government. In 2010, the Constitutional Amendment n°4 of 17/06/2010 redefined the role of the PSC as responsible for "ensuring that policies, principles, and laws governing Public Service recruitment and administration are adhered to and put into effect by all Government institutions". Consequently, the Presidential Order n°83/01 of 9/12/2010 defined the Public Service Commission as an oversight institution in the recruitment process of all public institutions. This means that the PSC constantly monitors and ensures that proper recruitment systems are in place in public service and proceeds to the necessary reforms.
to guarantee a fair and impartial recruitment process, based on principles of equity, transparency and good governance (PSC, 2016). The recruitment based on competition formally started in 2002 with law n°22/2002 of 9/07/2002 on General Statutes of Rwanda Public Service (RoR, 2002a). That law was revised in 2013 and completed by a Presidential Order giving a rigorous description of the recruitment process to public institutions (see Table 6). In addition, the publication of job advertisement in the media along with the presentation of the decisions at every step of the process has also added to the mechanisms aiming at transparent and fair recruitment\(^95\) (Chemouni, 2017).

\(^{95}\) The GoR is also implementing new reforms on that matter. The Ministry of Public Service and Labor is experimenting with an e-recruitment platform that will automate some of the processes in the recruitment of public servants. The platform will allow a centralized advertisement of all job vacancies in the public sector. The platform allows also for e-applications, partial e-shortlisting, e-appeals, timely publication of results and other communications to job applicants along the recruitment process (PSC, 2016). Interestingly, this kind of reform is in line with one of Vision 2020's objectives that include the application of e-government principles to increase the efficiency of public services (RoR, 2000:16).
<table>
<thead>
<tr>
<th><strong>Table 6 Modalities for the Recruitment of Public Servants</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Announcement of vacant posts</strong>: The Hiring Institution (HI) that requires personnel to publicize the vacant posts on its website, in at least two (2) local newspapers and on radio and television if possible;</td>
</tr>
<tr>
<td><strong>Job application procedure</strong>: A job applicant shall fill the appropriate form available on the website of the PSC and shall submit the job application form and required documentation to the HI;</td>
</tr>
<tr>
<td><strong>Selection of Candidates</strong>: Before the test, the HI shall publish a list of candidates selected for the test and those who are not and the reasons thereof. The list shall be published at the notice board of the HI;</td>
</tr>
<tr>
<td><strong>Written Test</strong>: No candidate shall write his/her name on the answer sheet.</td>
</tr>
<tr>
<td><strong>Publication of written test results</strong>: The results obtained by the candidates shall be posted on the notice board of the HI; Candidate who is not satisfied with the selection process or the results shall appeal to the HI and then PSC;</td>
</tr>
<tr>
<td><strong>Oral Test</strong>: Only candidates who scored at least fifty percent (50%) in the written test shall be eligible for the oral test. Audio-video recordings shall be made while the interview is being conducted; Candidate who is not satisfied with the selection process or the results shall appeal to the HI and then PSC;</td>
</tr>
<tr>
<td><strong>Passing tests</strong>: A candidate shall be assumed to have passed if he/she obtains at least 70% of marks in all tests;</td>
</tr>
<tr>
<td><strong>Submission of the Report to the Commission</strong>: After conducting and marking exams, the HI shall submit a report to the PSC within a week. The report shall include all the answer sheets and recordings along with the reasons for hiring or rejecting each candidates; the answer sheet and audio-video recordings shall be kept by the HI for three (3) months;</td>
</tr>
<tr>
<td><strong>Report evaluation</strong>: The PSC shall examine all the recruitment reports submitted by all Public Institutions. If the PSC finds that certain legal procedures were not respected, it shall, request the institution that requires personnel to conduct recruitment tests afresh.</td>
</tr>
</tbody>
</table>

Source: Selected and abridged Articles from Presidential Order n°46/01 of 29/07/2011 Governing Modalities for the Recruitment, Appointment and Nomination of Public Servants (RoR-PSC, 2011b).

This precise depiction of the process for the recruitment of public servants is certainly impressive in term of institution and policy development. In order to verify the perception of the population on the recruitment of public servants and favouritism, the Public Sector Commission has prepared two studies in 2013 and 2016 to assess the citizens’ satisfaction on recruitment practices in Rwandan public institutions.
The 2013 study that covered Kigali and 9 other districts with a sample of 800 individuals (half were job-seekers and the other half employed) reported that overall, the level of satisfaction was of 65.6 percent (PSC, 2013). However, a majority of respondents perceived the existence of favouritism either “sometimes” (55%) or “always” (20%) in the recruitment process in public institutions (PSC, 2013: 25). Less than 10 percent of the respondents felt that recruitment was always fair. In Kigali, the city that is home to almost every ministry, about a quarter of the respondents stated that favouritism was systematic and almost 50 percent believed it was present “sometimes” (PSC, 2013; Chemouni, 2017). These numbers have led the PSC to conclude in their report that “people who are already employed are satisfied with the quality of the recruitment processes in public institutions services whereas those looking for work are strongly opinionated that favouritism exists” (PSC, 2013:30). As for the 2016 study, which followed a similar methodology and sampling than the previous one, the survey established that the current level of citizens’ satisfaction with the recruitment processes was close to 71 percent, up by more than 5 percent (PSC, 2016:59). Unfortunately, the question on “favouritism” was not asked in the 2016 survey making the comparison with 2012 impossible. However, the survey showed that less than 20 percent are not satisfied with the fairness of the shortlisting process in comparison to 34 percent in 2013, an improvement of 14 percent in five years.

The creation of the Public Sector Commission and the apparent solid authority it enjoys in the government seems to indicate the seriousness of the leadership in regards to the establishment of a capable and meritocratic bureaucracy in Rwanda. Indeed, President Kagame has repeatedly delivered speeches to the elites and public servants reminding them that the government must "treat every citizen equally and fairly [and] consider integrity, accountability, and merit the defining criteria of Public Service" (Kagame, 2014b). This is also stressed in the long-term planning document Vision 2020 as revised in 2012 where it is stressed that one of the priorities of the Government of Rwanda is "to ensure the development and deployment of public sector skilled human resources, who
grasp the needs of other sectors—in particular the private sector—and can translate them into sound policies and strategies" (MINECOFIN, 2012:10). However, the GoR recognizes that "more efforts are needed in that area to increase citizens' satisfaction with service-delivery. We need an effective, dynamic public sector that can lay the foundations for Rwanda to be competitive in the modern international economy" (RoR, 2012:10). The need to improve service delivery and citizen satisfaction are also stressed in the medium-term development planning document EDPRS-2: "service delivery is crucial for both the public and private sectors and is part of government’s social contract with citizens. Service delivery has been marked as an area for improvement where satisfaction with public services was rated at 64.5% on average for all key sectors." (EDPRS 2, 2013:12). It is thus why under EDPRS-2’s pillar of “Accountable Governance”, the government pledges to be committed to “improve the overall level of service delivery and ensure citizen satisfaction above 80 %” (EDPRS 2, p. xvii). In addition, the “Seven Year Government Program (2010-2017)” as amended on November 7th, 2012 has 241 targets to be delivered by 2017. Citizen satisfaction with the recruitment services is listed as “target 185” under Program 4.1 “Promoting Employment”, which is “to improve the recruitment process and to empower the Public Service Commission, and for the recruitment satisfaction level in Government institutions in Rwanda to reach at least 80%” (PMO, 2010:66).

For Benjamin Chemouni (2017: 22), a seasoned researcher on public sector reforms in Rwanda, “in any case, tight rules governing the hiring of civil servants existed. When unfair recruitment occurred, it did not seem centrally condoned96. Overall, it seems that the prime goal of reform was not only to develop a capable bureaucracy. It was also to project an image of state impartiality, breaking away from the practices of the pre-genocide era”. This observation, along with the overall observation of the public service in Rwanda seems to suggest that Rwandan bureaucracy is indeed meritocratic while most definitely still far from perfect. More importantly, the government seems to show a strong commitment to respect the meritocratic principles often considered as essential for

96 This observation was also witnessed by the author and confirmed by much of the Rwandan informants.
efficiency. Moreover, in the end, the principal motivation of establishing a meritocracy is not only equity but most importantly efficiency, since it is well acknowledged that the quality of the state institutions and its efficiency depends on its meritocratic nature (Vartiainen, 1999; Olowu, 2002; Adamolekun, 2004; Biederman, 2016).

8.2.3. An Effective and Capable Bureaucracy?

While a developmentally-driven and committed leadership are vital to ensure rapid development, public administration is arguably the cornerstone of national development and the instrument through which national ideals are translated into action. In fact, bureaucracies serve as the apparatus through which governments execute the agendas of the political leadership. As we have seen briefly, in Vision 2020 the first pillar and starting point for the success of the other pillars is "Good Governance and Capable State". Indeed, the document clearly states that:

"the country is committed to being a capable state [as] social and economic transformation is as much about states as markets. In effect, the role of the state is indispensable for wealth-creation and development. However, currently [in the year 2000] the low capacity of the state hinders this transformation. This situation calls for rapid development and deployment of public sector skilled human resources [...] In short, we need a small but effective, flexible public sector that can lay the foundation for Rwanda to be competitive in the modern international economy" (RoR, 2000:12).

Again, similarly to the development of a merit-based bureaucracy, the building of an effective and capable bureaucracy is clearly a fundamental objective of Vision 2020 and therefore of the RPF’s regime. This, of course, was only possible through a series of reforms coupled with a strong commitment. By 1998-1999 the Government of the Republic of Rwanda embarked on the process of modernization and improvement of the efficiency and effectiveness of the public administration at central and local levels (Karega, 2006). This has involved an impressive array of public sector reforms supported
by strong political will that generally focused on the retrenchment of the bureaucracy and decentralization moved towards capacity building. In order to better understand the seriousness and commitment of the Rwandan Government to public sector effectiveness, it is thus necessary to explore some of the most important reforms implemented by the present regime.

At the Urugwiro Public Consultation of 1998-1999 where the most important challenges of Rwanda were evaluated, improving the effectiveness of the public sector was selected as a priority for the “future” Rwanda. The Consultation and further discussions between reformers identified a few key challenges that were slowing down the establishment of an efficient Rwandan civil service. Among them included the view that the bureaucracy was too large and too centralized; it faced a severe skills shortage; and offered uncompetitive salaries. Indeed, in 1997 the central government civil service counted about 40,600 employees in a country with a population of 7.2 million, making the ratio of employees to 1,000 population at a level barely higher than the average level, but too high for the government to finance (Hausman, 2011). In 1998-1999, in response to a considerable amount of external pressure from international donors and to break from the previous regime’s bureaucratic excessive expenses, the GoR decided to launch a large-scale downsizing of the public sector. This reform was undertaken by the Ministry of Public Service and Labor and included the removal of more than 12,000 employees from the payrolls. Following a civil service census, over 6,000 public sector workers were dismissed mainly because of their lack of qualification, and over 6,500 ghost workers were removed from the payroll (Wyatt et al., 2008:4). Personnel cuts took place in two periods with the most important in 1999 and in a smaller fashion in 2005. After that retrenchment, the percentage of civil servants with university degrees increased from 6.4 percent in 1998 to 79 percent in 2005 (Hausman, 2011:2). Decentralization proceeded concurrently in 2002 when the National Decentralization Policy came into effect in order to “institutionalize participatory governance and ensure that the public sector is closer to its citizens and

97 Some authors have said that the model of Singapore has even come up in the conversations many times (Hausman, 2011; Kinzer, 2008).
thus better positioned to deliver services to the public” (MINALOC, 2007; 2012). One of the major effects of this policy was the change of functions from the central administration to local agencies, consequently transferring a large number of employees from central to local structures latter formalized in the Policy Framework for Rwanda’s Civil Service Reform (MIFOTRA, 2002). This important document for the civil service had the three following general objectives: "Enhancing the efficiency and effectiveness of Rwanda’s public administration, through radical transformation of structures, management systems, attitudes and mentality, professional aptitudes and human resource know-how, applied technologies, working methods and practices, legislation, norms and procedures; and improving the quality of services rendered by public institutions with better cost-effectiveness" (MIFOTRA, 2002:3). In the following year, "the Ministry of Local Government hired more than 4,000 civil servants to staff district governments, which began to issue passports, administer schools, hospitals, and even sometimes build roads" (Hausman, 2011).

In 2004, another general reform and decentralization document called the Réconfiguration et transformation de l’administration publique rwandaise reviewed three main strategic objectives. The first one was to “reevaluate the role of the State in the context of decentralization of powers and partnership development” which included the revision of the institutions’ missions; the reorganization of their structure in line with the missions and the decentralization of powers; development of a partnership between the public sector, private sector and civil society (MIFROTA, 2004: 12-13). The second one is the “improvement of the managerial capacity, professionalism and efficiency of public officials” which included redeployment of retained staff; skill and performance development; new salary scheme; and promoting the culture of ethics and public good (MIFROTA, 2004:13-14). The third strategic objective is to “modernize the management of institutions and develop strategic sector management systems/tools” through the development and standardization of manuals, guides and legal texts related to
administrative management; improvement of human resources management; and implementation of ICT within daily public administration practice (MIFROTA, 2004:15).

Subsequently to this period of entrenchment and decentralization, a series of important reforms were launched to build capacity and strengthen institutions. For instance, the *Economic and Financial Policy Framework Paper* for 1998/99 and 2000/2001 (IMF, 1998) was produced by the IMF and the GoR, and the World Bank to set the macroeconomic objectives and associated policies that paved the way for the first Poverty Reduction Strategy Paper (PRSP) in 2002. One important aspect of the PRSP is the acknowledgment of the serious shortage of skilled personnel in both the private and public sectors in post-genocide Rwanda. At the same period, the government—with the assistance of the UNDP—created a training institution to build its capacity called Rwanda Institute of Administration and Management (RIAM) in an effort to fix the skills gap in the public service (see RIAM, 2012). Interestingly, Rwanda has taken the services of a Singaporean governmental organization—the Singapore Cooperation Enterprise—to assess several of its public institutions. Following this review by the Singaporean organization, the Rwandan Government developed a new restructured bureaucracy in 2014 "to keep building a capable developmental state and achieve effective service delivery and subsequent development through re-organizing of Public service to enhance efficiency and effectiveness towards leading to professionalism and high productivity" (RoR, 2014a). The reforms included the suppression of unnecessary jobs, the creation of new jobs where needed, and the merging of institutions that seemed to be redundant (RoR, 2014a).

This period of reform has been prolonged up to today. In general, it is possible to discuss a number of broad achievements that resulted in their continued implementation as the "effective" reduction of public employees and the transfer of functions away from the central administration to decentralized and delegated bodies. Overall, it would be hard to doubt that radical changes have been made to the public service since 1999. This rapid
turn from vision to implementation is in itself a success which many states are aspiring to reform have failed to attain (Wyatt et al., 2008). In the context of this dissertation, it is important to recognize the tremendous efforts that the Government of Rwanda has made to reform the machinery of the public administration in the country. In addition, throughout the last two decades, the GoR was able to take advantage of a significant amount of external technical assistance that in turn equipped the ministries with high-level expertise in order to help make improvements in the effectiveness of their organizations.

In retrospect, RPF’s government has shown a strong commitment—backed by actions—to build an effective public administration through public sector reforms, including measures to build a meritocracy, to decentralize the administration and to build state capacity. However impressive these reforms can be, it is important to observe if this commitment has produced results and better capacity.

8.2.4. Assessing State Capacity in Rwanda

According to the World Bank's Worldwide Governance Indicators (WGI), when isolating the “government effectiveness” indicator, the present regime in Kigali has

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98 Talking about the capacity to implement large and overarching reforms on decentralization in Rwanda, an informant which was a former World Bank Official working in Rwanda on the decentralization program said that “he had never seen such a strong commitment and ability to profoundly reform a public administration in Africa or elsewhere”.

99 However, for Wyatt et al (2008: 16), when evaluating early Rwanda's public sector reforms “it is difficult to escape to the conclusion […] that reform was too fast and went too far. It was too fast in that it did not allow time for the development of a properly-sequenced and carefully considered action plan to order what should have been a complex set of interdependent changes. It went too far in that the numbers of staff left in central institutions are probably too few to carry out their intended functions effectively”.

100 The WGI’s aggregate indicators combine the views of a large number of enterprises, citizens and expert survey respondents in industrial and developing countries. They are based on over 30 individual data sources produced by a variety of survey institutes, think tanks, non-governmental organizations, international organizations, and private sector firms (WGI, 2017).

101 In the Worldwide Governance Indicators, “government effectiveness […] reflects perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies” (WGI, 2016:1).
created the most effective state among low-income countries even if it is far from being among the richest of the group (WGI, 2017). As it is shown in Figure 1 since 2000 Rwanda’s government has increased its effectiveness at really a fast pace in comparison to other sub-Saharan countries or low-income country. This account is especially surprising since Rwanda’s post-genocide bureaucracy has operated in a context of extreme difficulties and had to completely rebuild after 1994 because most civil servants had either fled or been killed and the whole of the public infrastructure had been looted from desks to door frames.

![Figure 1 Worldwide Governance Indicators: Rwanda (1996-2016)](image)

**Source:** WGI (2017)

While the Worldwide Governance Indicators shows positive results of the government effectiveness in Rwanda since 2000, a look at other Indexes is necessary. For instance, the Global Competitiveness Report of the World Economic Forum places Rwanda seventh on
the list of the “most efficient governments” in 2015 thanks in large part to the low level of waste in government spending (Muggeridge, 2015). Also, the 2017 annual Global Competitiveness Report that evaluates the efficiency of 144 governments in the world has ranked Rwanda second worldwide for "Public-sector performance" behind only the highly technocratic Singapore. This category includes wastefulness of government spending; burden of government regulation; efficiency of legal framework in settling disputes; efficiency of legal framework in challenging regulations; transparency of government policymaking.

Another governance index/report seems to show a similar pattern—while less impressive. The 2016 Ibrahim Index of African Governance: Rwanda Insights (2006-2015) places Rwanda seventh in Africa for the subcategory of "public management", with a rise of 7.9 percent from 2006 to 2015 (Mo Ibrahim Foundation, 2016). The "Public Management" category is based on 8 different indicators based on a set of external data: Statistical Capacity (WB); Public Administration (AfDB/WB); Diversification (AfDB/OECD/UNDP); Budget Management (AfDB/WB); Ratio of Revenue to Expenditure (AfDB/AUCN/UECA); Fiscal Policy (AfDB/WB Revenue); Mobilization (AfDB/WB); and Transparency of State-Owned Companies (Mo Ibrahim Foundation, 2016:9).

As it is pointed out by most of the governance indexes, the low level of waste in government spending or the efficient management of resources is an important feature of Rwanda’s public administration. However, as it is expected there is still work to do. In order to monitor the improvement of resource management, the government has established in 1998 the Rwanda’s Office of the Auditor General of State Finance. This institution is in charge of "promot[ing] accountability, transparency and best practice in government operations as a means to good governance" (OAG, 2017). In this regard, 2016’s Report of the Auditor General states that "there is a major concern with lack of value for money and delayed service delivery from public expenditure, mainly arising from weaknesses in contract management, increasing trend of idle assets and cases of wasteful expenditure" (OAG, 2016:29). This audit document—as well as those of the past
few years—shows that the country still faces considerable waste of government spending, and in parallel, it shows that the Office of the Auditor General is putting strong pressure on the bureaucracy to enhance its efficiency: an important characteristic of capable and well-functioning public administrations.

8.2.5. Conclusion

All in all, it is possible to consider Rwanda’s public service as efficient and quickly improving, at least for a low-income country. The larger reform process and the subsequent successes have in fact a lot to do with the strong commitment from the political leadership and the elite, but it also has to do with the almost obsessive focus on measurable results. Whilst much of the behaviour of the current regime in Rwanda is controversial (human rights, openness of the political arena, etc.), the overwhelming consensus today is that the state itself works well and has been reconstructed to a degree hard to imagine in a post-conflict state, let alone a post-genocidal state. Outside of the governance or public administration indexes, many—if not the majority—of the writers have described Rwanda as an orderly, stable, technocratic and well-administered country (Braeckman, 1996; Gourevitch, 1998; Waugh, 2004; Reyntjens, 2005; Reyntjens, 2011; Booth and Golooba, 2011; Jones, 2012; Ansoms, 2012; The Economist, 2012; Bozzini, 2014; Seay, 2016; Chemouni, 2017). These observations are also shared by development professionals as it is expressed in many documents including reports from the Government of Canada (Uvin, 1998; CIDA, 2005). Additionally, some academics have linked this functionality of the contemporary Rwandan state with the “ancient state tradition” of order and control (Reyntjens, 2004: 209; Prunier, 1997; Uvin, 1998; Desrosiers and Thomson, 2011). Of course, this claim is not to be completely disregarded as culture and tradition are always significant in the building of public administration, but one should not exaggerate the value of this kind of claim and use it as the main explanatory factor. Indeed, no state capacity and especially Rwandan state capacity should be considered only as a historical given, in fact, “the Rwandan state in 2005 is more effective
at extraction than it ever was in the era of the second republic (1973 to 1994)” (Jones, 2012:230). Nonetheless, today’s regime has been able to rigorously implement successive administrative reforms in order to create a slimmer and more efficient state. In sum, it is possible to say that Rwanda’s public administration qualifies as a capable and organized bureaucracy that can efficiently use public resources to implement targeted policies for a transformational development of the country. In the next section, we will explore in detail some of these targeted policies created by Rwanda’s bureaucracy and evaluate the state intervention in the economy and its “industrial policy”.
8.3. Industrial Policy and its Institutional Arrangement

The third feature of the developmental state is about one topic that made a lot of ink flow over past decades: *the state intervention in the economy*. Indeed, as seen in chapter two, throughout the last decades up to today there has been a deep split between scholars regarding the role of the state in the economy as a strategy that should be pursued by late developing countries and others who advise a very limited role of the state. In the 1970s and 1980s, state intervention was stigmatized by mainstream scholars notably for its association with wasteful rent-seeking (Krueger 1974; Posner 1975; Buchanan 1980). This political economic discourse has dominated the policy prescriptions proposed by influential donors—mainly from the West—for many decades. As we have seen earlier, despite this pressure, East Asian developmental states have not accepted the suggested policies but decided instead to allocate rents to productive enterprises through state intervention thus orienting them towards the selected medium or long-term strategic industrial policy. Today the debate on state intervention is much less dominated by one side and discussions about state intervention and industrial policy have been revived notably because of the continuing success of developmental states and the response to the 2008 financial crisis. Indeed, the theoretical justification for industrial policy is that the economy is marked by market failures slowing down the diversification, and state intervention must overcome these market failures to stimulate the diversification of the economy. For Johnson (1999:48), the debate on state intervention was mostly an ideological one and “the very contrast between industrial policy and market forces is false and probably ideological, [...] industrial policy is not an alternative to the market but what the state does when it intentionally alters incentives within markets in order to influence behaviour of civilian producers, consumers, and investors”. Indeed, some of the functions of the state in a developmental state are thus altering market incentives, reducing risks, offering entrepreneurial visions, and managing conflicts (Chang, 1994; Johnson, 1999).
In simpler language, the term “industrial policy” is used to describe government measures aimed at improving the competitiveness and capabilities of domestic firms and promoting structural transformation through diversification into new sectors. Industrial policy involves a combination of strategic or selective interventions aimed at propelling the development and growth of part or all of the manufacturing sector as well as other specific sectors of the economy\textsuperscript{102} (Lall and Tuebal, 1998; Rodrik, 2004; UN, 2011b: 34). By selectively protecting and intervening in favour of certain industries or “picking the winners”, the government is giving domestic firms time to learn by trial and error to eventually become champions\textsuperscript{103}. Later, once the firms are competitive enough the restrictions are lifted in order to expose the selected industries to the international market.

Now if the “developmental vision” of the state is to be realized, the state has to provide the necessary institutions to make it a reality. In fact, in a developmental state, the success of private companies also depends on "the construction of new institutional vehicles that allows for the realization of its vision" (Chang, 1999:195). Indeed, the developmental state governments have usually created a powerful institution, the “Pilot Agency”, to “pilot” the economy and key industrial capitalists towards the government’s strategy. For instance, countries such as Japan, South Korea, and Singapore all had their corresponding pilot agency that was respectively called the "Ministry of International Trade Investment" (MITI), the "Economic Policy Board", and the "Economic Development Board" (EDB). These special agencies were intimately connected to state interventions in the market to accelerate growth and transform the economy. In general, the small but powerful pilot agency provides important strategic guidance in the selection of key industries to be

\textsuperscript{102} While industrial policy has historically been associated with the manufacturing sector, for Dani Rodrik (2004:2) today the term should be used in a more extended fashion in order to include “more dynamic activities generally, regardless of whether those are located within industry or manufacturing per se. Indeed, many of the specific illustrations […] concern non-traditional activities in agriculture or services”.

\textsuperscript{103} For developmental state scholars such as Amsden (1989) and Wade (1990), East Asian states have pursued an aggressive state intervention mostly associated with “picking winners” in order to facilitate and accelerate the industrialization. The developmental states have thus developed an industrial policy to promote its domestic manufacturing sector but also its technology sector. For Amsden (2001), the developmental state also tied incentives to results in order to prevent wasteful rent-seeking behavior.
encouraged and also in the provision of a stable and predictable environment for private investors—as well as the public ownership—to undertake sometimes risky, long-term investment projects. In sum, to follow the successful experience of Japan's MITI, a pilot agency should have various roles and get involved in many areas including "planning, energy, domestic production, international trade, and a share of finance, particularly capital supply and tax policy" and these roles must be flexible and adapt to the needs of the moment (Johnson, 1982:320). Also, and importantly, the state should create financial institutions to have direct control over financial resources to influence investments in strategic sectors.

In this section, we will look at two elements. The first one is the nature of economic policies and the larger long-term economic strategy notably in relation to industrial policy and the manufacturing sector but not limited to it. The second one is the existence of institutions such as a Pilot Agency and financial institutions which support the industrial policy and long-term strategic plan. These evaluations will be done with the study of economic policies, long-term plan, and reports/evaluations from international/local institutions.

8.3.1. Economic Policies in Rwanda: Towards the Emergence of Industrial Policy?

While Rwanda has made great stride economically since 1994, it is still today a small economy. It had a GDP per capita of $216 in the year 2000 compared to $702 in 2016 (World Bank, 2017c), but even with such a growth Rwanda is one of the poorest countries on Earth. Today, Rwanda’s economy is in the process of transformation but it is still overwhelmingly rural and heavily dependent on agriculture for employment. Since 1994,  

\[104\] While the country has substantially narrowed the gap with lower-middle income countries, it has improved in ranking from the seventh poorest country in the world in 2000 to 20th in 2015. Only four countries in Sub-Saharan Africa (Equatorial Guinea, Chad, Sudan, and Ghana) have improved their relative income ranking more than Rwanda in that period but all of them did that on the back of oil and/or gas discoveries (World Bank, 2017).
it is specifically the strong growth in the service sector that has contributed to overall economic growth. Indeed, the structure of Rwanda’s economy has been changing rapidly as the country’s reliance on agricultural output has slightly changed in favour of both industry and services. Since the early 2000s, the service sector\textsuperscript{105} has replaced agriculture as the main contributor to GDP but this has not been reflected in employment figures as agriculture still remains the main employer of the workforce (UNCTAD, 2014). This growth might continue as Rwanda’s Vision 2020 predicts further strengthening of services’ share of the GDP to 42 percent and a fall in agriculture’s share to 33 percent by 2020 (Table 8).

As for the manufacturing sector, it is still contributing to only 16 percent of GDP in 2016 from 14 percent in 2009 (NISR, 2017). Since 2000, most of the exports of the country have been coffee, tea, and minerals, which were far from enough to reduce the trade deficit that has been over 1 billion dollars in favour of imports for almost a decade (Table 7). Over that period, Rwanda has avoided a financial crisis (balance of payment crisis) thanks to the tourism revenue and importantly, to the flows of development aid that has contributed 35 to 50 percent of the national budget. The economy is also affected by other external factors such as the volatility of its major exports—outside of tea—in the last decade and the cost of transport that is really high notably due to the distance from the sea and the lack of railway systems\textsuperscript{106}, but also to the excessive bureaucracy and corruption in neighboring countries within which containers have to pass (Uganda, Kenya, Tanzania) (PSF, 2008). For these reasons, Rwanda faces the highest costs for exporting in East Africa (World Bank, 2010). This general economic situation has indeed influenced the Government of Rwanda to develop a long-term plan and a good deal of reforms to diversify the economy in an attempt to catch up with developed and emerging economies.

\textsuperscript{105} Services in this study are conceptualized as non-agricultural and non-manufacturing economic activities in firms operating in the Rwandan economy.

\textsuperscript{106} Although, it is fair to note that the construction project of the railway to Dar es Salaam that plans to connect Kigali to Dar es Salaam is supposed to begin in 2018 (The Citizen, 2018). This will be done by rehabilitating the existing line from Isaka (Tanzania) to Dar es Salaam and building a new track from Isaka to Kigali. The railway will also be linked to the Bugesera Airport near Kigali.
Table 7 Rwanda’s Balance of Payments (in USD million)

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<tbody>
<tr>
<td>Trade Balance</td>
<td>-136.80</td>
<td>-299.02</td>
<td>-613.05</td>
<td>-786.70</td>
<td>-1,268.30</td>
<td>-1,267.10</td>
<td>-1,300.1</td>
</tr>
<tr>
<td>Exports (f.o.b.)</td>
<td>67.40</td>
<td>147.38</td>
<td>267.67</td>
<td>297.28</td>
<td>290.80</td>
<td>723.10</td>
<td>745.00</td>
</tr>
<tr>
<td>Imports (f.o.b.)</td>
<td>-204.1</td>
<td>446.40</td>
<td>880.72</td>
<td>1083.97</td>
<td>1,967.00</td>
<td>1,990.20</td>
<td>2,045.10</td>
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Source: BNR (2007; 2011; 2016); World Bank (2017b)

Since 2000, the Government of Rwanda has shown many signs of commitment to diversifying its economy through the selection of strategic sectors in line with its Vision 2020 long-term plan and subsequent economic policies. We have seen in previous sections that Rwanda’s economic policy direction was notably set out in 2000 with the Vision 2020 document that has fixed the goal of becoming a middle-income country by 2020. While the document is fairly general, it is interesting to examine which sectors of the economy are mentioned as a priority. Vision 2020 clearly shows that "taking into account Rwanda’s extremely scarce resources, prioritization and sequencing are crucial"; and therefore, developing the service sector, but also the manufacturing sectors, is considered the priorities for the 2000-2020 period (MINECOFIN, 2000:7). Diversification and the development of non-traditional exports are considered to be essential in the country’s quest to reduce and eliminate aid dependency, and eventually transform the economy from an agrarian subsistence economy into a "sophisticated knowledge-based society". It is said that in order to develop the service sector and become the region’s "telecommunication hub", the state of Rwanda "should take a lead role in designing policies geared towards encouraging investment in services" and in "stimulating the private sector, particularly with regard to the promotion of exports and competitiveness"
This sector prioritization is also present in most of the subsequent policy documents such as the first Poverty Reduction Strategy Paper where it mentions the possibility "to leap-frog the stage of industrialization and transform [Rwanda’s] subsistence economy into a services-sector driven, high-value-added information and technology-based economy that can compete on the global market" (MINECOFIN, 2002:69). Generally, these planning documents also established specific development targets according to sectors. Vision 2020, for instance, has targeted a reduction of the agriculture's share of the GDP from 46 percent in 2005 to 33 percent in 2020 in favor of an expansion of both services and industry sectors (Table 8).

<table>
<thead>
<tr>
<th>Table 8 Output Composition Targets in Rwanda Vision 2020</th>
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<tr>
<td><strong>Sector (% of GDP)</strong></td>
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<tr>
<td>Agriculture</td>
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<tr>
<td>Services</td>
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<td>Industry</td>
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*Source: MINECOFIN (2000)*

Table 9 Gross Domestic Product by Kind of Activity at Current Prices (% of GDP)

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<tr>
<td>Agriculture</td>
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<td>Services</td>
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<tr>
<td>Industry</td>
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*Source: NISR (2016; 2017)*

As shown in Table 9, the targets in services were greatly exceeded but the targets for the industrial sector have hardly reached the expectation since 2000. Nonetheless, the service
sector has grown to become the biggest contributor to GDP growth, reflecting the transition of the Rwandan economy towards a service-based economy (Uwitonze and Heshmati, 2016). This transition is much more obvious when observing the change in the share of economic sectors in GDP since 1970. In 1970 agriculture led other sectors with a 55.9 percent share in GDP compared to a 19 percent share of industry and 25.0 percent of services (Uwitonze and Heshmati, 2016). Since 2005, the service sector is leading with a contribution of 44 percent of GDP in 2000 and 48 percent in 2016. According to the National Institute of Statistics of Rwanda (NISR) (2015), the shift from an agriculture-based economy to a services-led economy has been effective since 2004 when the annual output in agriculture was 879 billion Rwandan Francs compared to output in the service sector at 882 billion Rwandan Francs. This trend has continued to mature in the following decade.

In sum, in 2000 while the Government of Rwanda has identified the importance of manufacturing, it initially prioritized the development of the service sector, notably through ICT and tourism. This decision in 2000 was arguably taken because of the country’s geopolitical condition and comparative advantage (Behuria, 2017). In fact, many unfavourable factors pushed Rwandan policy-makers to favour service over the manufacturing sector. For instance, the long distances from ocean ports raise transportation costs for both imports and exports; the lack of availability of local raw materials; inadequate and inconsistent supplies of energy; and lack of skills and local training. In addition, the country’s absence of a regional railway network which means most trade must be conducted through roads of poor quality, a situation that creates high transportation costs leading to inflated prices of domestically manufactured products (PSF, 2008; UNCTAD, 2014; Behuria, 2017). Therefore, these natural barriers to trade—and thus manufacturing—hinder industrial development. With that in mind, and knowing that the pace of globalization of services is much more rapid, the GoR has considered the service sector as the right avenue for economic transformation as not all countries have a competitive edge in manufacturing (UNECA, 2015). Without a doubt,
when evaluating Rwanda’s competitive advantage it is hard to neglect the highly disadvantageous situation within which it finds itself at 1,480 km from the Port of Dar es Salaam and with transport costs that represent as high as 40 percent of export and import values (MINICOM, 2010a:12).

Following the publication of Vision 2020 in 2000, the GoR has implemented significant economic reforms in an attempt to achieve strong economic growth. Since the service sector was selected as the area of choice, much effort was put in place to ensure the rapid development of this strategic sector. In hindsight, the service sector, which now accounts for close to half of the Gross Domestic Product (GDP), played a major role in the recent economic boom and has become the most dynamic sector in the Rwandan economy. In parallel with this development, international trade has played a primary role in expanding the Rwandan economy far beyond national markets as exports of goods and services have increased from $70 million in 1995 to over $745 million in 2016, while services have increased as a share of total exports from 26 to 64 percent\(^\text{107}\) (UNCTAD, 2014; BNR, 2016; World Bank, 2017b).

According to UNCTAD’s Service Policy Review of Rwanda, “Rwanda has gone a long way in developing sector strategies and upgrading the regulatory framework for the development of specific services [while] pursue[ing] a liberal approach in terms of investment attraction and trade liberalization in the service sector” (UNCTAD, 2014:iii). In light of this, it seems fair to say that Rwanda’s service sector development since 2000 has been growing positively, especially in the tourism and ICT industries. Indeed, for the Ministry of Trade and Industry (MINICOM) and the Rwanda Development Board (RDB) the two service subsectors of choice since 2000 have been the tourism industry and information and communication technology sector. In order to understand state intervention in Rwanda since 2000, we will look into these two essential industries and the role of the state in their development.

\(^{107}\)Service exports grew at around 20 percent on average in recent years in large part due to travel services. Travel, including tourism, is the most important segment of service exports, accounting for US$390 million in 2016. In addition, ICT and financial services are emerging as important export segments, accounting for $41.4 million and $27.8 million respectively in 2016 (World Bank, 2017).
8.3.2. The Service Sector: the Case of Tourism

Over the past two decades or so, the Government of Rwanda has prioritized the tourism sector for growth and diversification and has put in place several strategies, policy measures and incentives to develop the sector. For the government, tourism is a driver not only for economic progress but also for social development with its "capacity to produce economic and employment benefits in related service, manufacturing and agriculture sectors, thereby promoting economic diversification" (UNCTAD, 2014:31; MINICOM, 2009a). Indeed, tourism is said to be an excellent source of foreign exchange and induces significant income-multiplier effects and progresses in terms of national income. Tourism is also considered an export industry as it sells a significant share of its goods or services outside of the country, therefore bringing new money into the local economy. It is thus for these reasons that tourism has been prioritized by the Rwandan Government as a key driver for future growth, economic diversification and development. Since 2000, this prioritization of the tourism industry has shown many good results and became Rwanda's largest source of export earnings and the leading source of foreign exchange. In the last two decades, tourism receipts have consistently increased to attain $390 million in 2016 (4.6 percent of GDP), generating more income than the combined value of tea, coffee, and mineral exports. This increase was driven mainly by continuing increase in the number of tourists to Rwanda that reached over 1.4 million arrivals in 2016 constituting a yearly growth of 10 percent (World Bank, 2017b). Also, in terms of employment, in 2015 it had a total contribution of 165,000 jobs, corresponding to 7.3 percent of total employment in the country (WTTC, 2016).

From 2000 onward, Rwanda has developed a clear tourism strategy centred on tourism promotion, improvement of tourist sites, development of tourist infrastructure as well as the development of an entrepreneurial spirit and quality standards in the hotel and hospitality industry. The steady growth in the tourism sector was made possible due to a series of policy measures, strategies, incentives, and public investments.
In late 2001, the government established the Tourism Working Group to include the private sector in the policy discussion and, as a result, three documents were produced a few years later: *A Plan to Unleash Rwanda’s Tourism Potential* (2002); *A Revised Tourism Strategy for Rwanda—Sustaining the Momentum* (2007) and the *Rwanda Tourism Strategy* (2009). In the first document, the overall strategic vision focused on high-end tourism related to mountain gorillas rather than mass tourism with three core market segments: eco-travellers, explorers and business travellers. In the same vein, while the 2007 document recognized mountain gorillas as Rwanda’s unique selling proposition, it identified the need to diversify the tourism sector and selected international conferences as another core section.

Additionally, after being managed by the Rwanda Office of Tourism and National Parks for a few years, in 2009 the tourism subdivision was absorbed into the Rwanda Development Board108 (RDB) in order to better implement the long-term plan, therefore showing a will to better incorporate tourism within the economy. In the same year, the RDB published the Rwanda Tourism Policy with the overall objective “to increase tourism revenues in a sustainable manner, generate profits for reinvestment and create jobs” (MINICOM, 2009b:5). It aims to achieve its strategic objectives through the implementation of the 10-year *Sustainable Tourism Development Master Plan for Rwanda* (2009b) with goals such as product development and diversification, marketing and awareness, capacity building, access to Rwanda as a destination, infrastructure development, appropriate regulation, appropriate incentives and financial architecture, communities and SME, and environmental sustainability (Table 10). In the meantime, the targets for tourist arrivals have been raised and projected to increase from about 980,000 in 2008 to over 2 million in 2020, and the foreign exchange earnings from $200 million to over $600 million. In addition, the government has placed more emphasis on the MICE (Meetings, Incentives, Conferences, Exhibitions) segment with the aim of attracting more

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108 As we will see in more details later in the subsection on institutions, the Rwanda Development Board is structured in 3 cross-cutting departments (Investment Promotion, ICT and Tourism) and a number of economic clusters including agriculture, tourism, ICT and manufacturing.
business tourists through hosting more international meetings and events\textsuperscript{(109)} (RDB, 2014a). The *Sustainable Tourism Master plan* sets seven “destination management areas”: Kigali Central Hub, Rubavu (Gisenyi), Karongi (Kibuye), Nyungwe, Muhazi, Musanze and Akagera. It also commits to increase public efforts towards improving infrastructure and other facilities used by tourists such as roads, hotels, airports, recreational facilities, shopping malls, resorts, cultural centers and many other products to become a “truly world class and high demand tourism destination” (MINICOM, 2011a:30; 2009b).

\textsuperscript{(109)} In 2014, MICE revenues accounted for 10% of the $305 million in tourism receipts. According to the RDB (2016c), 80\% of visitors who come for Exhibitions and Trade Shows are decision makers; therefore an increase in events held in Rwanda gives a chance to showcase business and investment opportunities in Rwanda. MICE is seen as “a way to boost pre and post-event tourism in order to ensure visitors take full advantage of their time in Rwanda and as a result increase tourism receipts” (RDB, 2016c:7).
Table 10 Rwanda Tourism Strategy: Goals and Strategic Objectives

<table>
<thead>
<tr>
<th>Goals</th>
<th>Strategic Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Product development and diversification</td>
<td>Develop a range of quality tourism products and services, capable of attracting and meeting the needs of international, regional and domestic visitors</td>
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<tr>
<td>2. Marketing Awareness</td>
<td>Project a clear, distinctive image of Rwanda's wildlife eco-tourism, cultural and conference destination that is attractive to a high-value market</td>
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<tr>
<td>3. Capacity Building</td>
<td>Develop systematic, high-quality training, to create a skilled workforce in value jobs at every level of the tourism and hospitality industry</td>
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<tr>
<td>4. Access to Rwanda as a Destination</td>
<td>Ensure that international tourists have a minimal hassle in their journey to Rwanda in terms of air and land access, as well as in Visa and other requirements</td>
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<tr>
<td>5. Infrastructure development</td>
<td>Prioritize the provision of infrastructure within the Destination Managed Areas and their associated corridors.</td>
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<tr>
<td>6. Appropriate regulation</td>
<td>Establish and maintain regulation that enables the tourism industry to develop in a fast yet sustainable manner</td>
</tr>
<tr>
<td>7. Appropriate incentives and financial architecture</td>
<td>Develop incentives and a financial architecture that supports investment in the tourism industry</td>
</tr>
<tr>
<td>8. Communities and SMEs</td>
<td>Provide support to MSMEs, ensuring that they have the capabilities and capacities to enter the tourism value chain, while also ensuring that communities contribute to and benefit from the tourism industry</td>
</tr>
<tr>
<td>9. Environmental sustainability</td>
<td>Ensure that the tourism sector is planned and developed to the benefit of future generations of Rwandans, in terms of the sustainability of resource use, the protection of wildlife and the environment.</td>
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</table>

Sources: Rwanda Tourism Policy (2009)
To make sure to attain its goals and accelerate the sector’s development, the government has intervened in the economy in many ways including with publicly-owned and party-owned enterprises. The government has notably built a major road system between most “destination management areas” to connect the regions with international standards roads (AfDB, 2013). One example of this is the “Kivu Belt Roads” which is a 185 km multinational road project that “facilitates intra-regional trade and tourism along the North-South Corridor connecting Rwanda, DRC, Burundi and Tanzania and crossing the five Lake Kivu districts of Karongi, Rubavu, Nyamasheke, Rusizi and Rutsiro” (MININFRA, 2017). Also, the intervention strategy consisted in the construction of several new international business class hotels, and in 2013 the government invested around $400 million to fund the construction of the Kigali Convention Centre\textsuperscript{110}—finished in 2016—as part of a bigger plan to become a “conference hub” and support the tourism and service sectors. Moreover, the government has invested a large amount of money in the improvement of the Kigali International airport ($17.8 million)\textsuperscript{111} and in the Bugesera International Airport project ($818 million)\textsuperscript{112} while being extremely aggressive with the expansion strategy of its publicly-owned airline company RwandAir\textsuperscript{113}. This international level airport project aims to develop into the airport hub for the Central and East African region, providing connections to all parts of Africa. The government’s interventions to invest in the highly ambitious airport projects and to lift the operations of RwandAir have allowed transforming the company and country into a growing regional player in the air

\textsuperscript{110} The Kigali Convention Centre has four major components: a conference center with a seating capacity of 2,600; a five-star hotel, the Radisson Blue Hotel with 292 rooms; the Kigali Information Technology Park with 32,200 square meters of rentable office and retail space; and a museum. The Centre is a joint venture owned by Ultimate Concepts Limited (UCL) (50%), the Government of Rwanda through the Rwanda Social Security Board (RSSB) (25%) and Prime Holdings Ltd as well as private investors, including Crystal Ventures Ltd and Rwanda Investment Group (RIG) (25%) (Mwijuke, 2015; MININFRA, 2016).

\textsuperscript{111} According to the Rwanda Civil Aviation the works have cost $17.8 million (Kabona, 2012).

\textsuperscript{112} The airport, located 25km southeast of the capital Kigali, will have a 4.2 km runway and an initial capacity to handle three million passengers per year. The airport is estimated to handle 4.5 million passengers per year upon completion. According to Rwanda’s Minister of Finance, “the new airport will enhance Rwanda’s economic growth and development and serve as a gateway to the external world. It will facilitate trade and investment and act as a hub for RwandAir’s growth strategy and other commercial airlines serving in the region,” (Mugisha, 2016). The first phase of the project is expected to be completed by December 2018.

\textsuperscript{113} For instance in 2014, the company announced that it will inject $200 million into a five-year expansion plan that is also designed to make it profitable. The airline has invested heavily in equipment and has grown its fleet to seven aircraft. Recently, it acquired its latest Bombardier Q400 NextGen aircraft (Gasore, 2014; Tumwebaze, 2016).
transportation industry. Today, air transportation is among the main sector generating export earnings (World Bank, 2017b).

In addition to these state interventions to accelerate the development of the tourism sector, investment attraction and better regulations are considered central in the tourism strategy as a means to anchor existing and new tourism brands in the country (MINICOM, 2009b). To attract investment, the government has offered strong incentives to promote tourism, particularly in hotels and leisure (UNCTAD, 2014). Apart from the general incentives available to all registered investors, investors in the tourism and hotel industry are exempted from import duties on most of the related materials114 (RDB, 2005/2015). Also, the Law Regulating the Tourism Industry in Rwanda (2014b) and a couple of Ministerial orders (2016a) regulating tourism business operating licenses and the grading of tourism entities came into effect (RoR, 2014b:8; RoR, 2016a:2). These tourism industry regulatory frameworks provided a structure for the main areas in the tourism sector for hotels, tour guides, tour agents and other tourism services. It also establishes the Rwanda Development Board (RDB) as the regulatory agency for the tourism sector and to issue operating licenses to accommodations and restaurants, tourist enterprises and tourist guides. In addition, the RDB is put in charge of grading, inspecting and advising various accommodations, restaurants and tourist enterprises according to their infrastructure/facilities and service capability. These policies and regulations allowed Rwanda’s tourism industry to climb the ladder almost every year according to the World Economic Forum Report on Travel and Tourism Competitiveness Index (2017)115. The government of Rwanda has also been really aggressive in its marketing strategy to attract more tourists into the country. This is exemplified by its 2018’s rather audacious three-year partnership with UK’s football club Arsenal “to increase tourism, investment and football development” (RDB, 2018c). The $39 million sponsorship deal includes a “Visit

114 This includes materials for reception, bedroom fittings, conference halls, kitchen, swimming pool, outdoor leisure, lobby, public place, and room corridors, dancing hall and bar, machines for house maintenance and gardens but also motorized vehicles (RDB, 2015b).

115 In 2017 Rwanda were ranked 97th and 105th in 2013. In Africa, Rwanda is the sixth most competitive in terms of travel and tourism (WEF, 2017b).
Rwanda” logo featured on the left sleeve of the team jersey, which is seen by the GoR “as part of the country’s drive to become a leading global tourist destination” (RDB, 2018c; Ssuuna, 2018). These incentives and other regulations have allowed Rwanda to secure the second best place to do business in Africa for the last four years thus helping to attract private investments notably in services. As a result, in 2014, 54.2 percent of private investments were allocated to ICT and tourism, while others like mining received 13.8 percent, manufacturing (10.8 percent) and other sectors (21.7 percent) received a significant share of private investments (Uwitonze and Heshmati, 2016). It is thus the mix of tourism and ICT that occupy the greatest share of the private investment but also a significant export segment in the economy. The next section will look into the government policies and intervention in another prioritized sector: the ICT.

8.3.3. The Service Sector: The Case of the ICT Sector

Since 2000 the ICT sector has been growing swiftly in Rwanda. A good deal of improvements can be observed notably in the use of telecommunication services. The government has introduced extensive fiber optic infrastructure covering the whole country and the 4G LTE to provide fast internet to 95 percent of its citizens, while still at a relatively high price in general. Rwanda has also pushed many innovating programs such as e-banking, e-agriculture, e-education, e-government and e-trade to accelerate sector development (UNCTAD, 2014:v). However, the ICT development strategy has a long way to go and is still at very early stages of development116. For Rwanda’s President, “ICT and digital connectivity have been proven to be essential public utility and development tools […] [and] one of the few pathways out of poverty into prosperity in this century” (Kagame, 2017c). In fact, the selection of ICT to accelerate socio-economic development and reduce poverty follows an international trend that sees the expansion of ICT as a solid foundation to improve business processes, customer relations and efficient

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116 In fact, Rwanda’s geographic position (landlocked) makes it very dependent on neighboring countries for connectivity, therefore greatly increasing connectivity costs. In addition, low access to electricity and high cost for its use is major obstacles for the spread of ICT services across Rwanda (UNCTAD, 2014).
delivery of goods and services (Atom, 2013). In addition, ICT integration is said to provide powerful tools for the promotion and strengthening of other industries such as tourism, making the development of ICT a complement to the long-term strategy of the country (Bethapudi, 2013; Uwonge, 2016). ICT is also considered as a central improvement factor in facilitating and enhancing trade in a now highly globalized system. For Rwanda, as a landlocked country, the use of ICT is said to have the potential to enable the country to become a service-based hub in the region and therefore accelerate economic transformation, since not all countries have a competitive edge in manufacturing (UNECA, 2015).

Vision 2020 along with the first and second Economic Development and Poverty Reduction Strategy 2007-2018 (EDPRS I-II) both acknowledged ICT as a key driver for economic growth. Indeed, it is abundantly stated that the “Government of Rwanda strongly believes that Information and Communication Technology can enable Rwanda to leap-frog the key stages of industrialization” (RoR, 2011a:6). Since 2000, the GoR has established institutions and regulatory frameworks with the clear objective to create and enable the right environment for ICT development; deploy world-class infrastructure; and to continuously intervene to develop innovative and skilled human resources in order to turn into a knowledge-based society and regional ICT hub. Since 2000, the government has developed a series of three National Information and Communications Infrastructure Plan (NICI) that cover the period of 2000-2015 to guide the ICT for Development (ICT4D)117 programs and initiatives linked to the objectives and goals outlined in Vision 2020 and EDPRS I-II.

The first NICI (2001-2005) specifically focuses on laying the groundwork for the legal and regulatory frameworks to allow the liberalization of the telecommunication sector and attract private sector investments. This was followed by the creation of several institutions such as the Independent Regulatory Authority and a National ICT Agency to drive the implementation of the new ICT policies (RoR, 2001). For the NICI II (2006-2010),

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117 ICT4D refers to the use of ICT for socio-economic development, with a particular emphasis on helping poor and marginalized communities.
the focus was put on accelerating infrastructure development in order to connect people through increased coverage of telecommunication networks, the accrediting of more operators and implementation of the National Fiber Optic Backbone. Several ICT flagship initiatives were also introduced, such as the One Laptop Per Child project\textsuperscript{118} in schools and the eRwanda project\textsuperscript{119} (RoR, 2006a). As for the *NICI III (2011-2015)*, it focused more on service delivery like extending the benefits of increased connectivity to people through the transformation of services to citizens and businesses. There were five key areas that were particularly targeted: skills development, cybersecurity, community development, e-government and private sector development (RoR, 2011a).

The government has also launched the *Smart Rwanda Master Plan (2015-2020)* in 2015 with the main focus on digitizing the economy and positioning ICT as one of the key export products of the country. It constitutes the fourth generation of NICI Plans and derived key initiatives through analysis and assessment from four perspectives: aligning national development vision and strategies; reflecting the achievements of previous NICI plans; assessment of Rwanda’s internal and external environment challenges; and the current implementation and management performance. The objective is to enable all government services to be offered online by 2018. Based on the analysis, three “enablers” were identified: ICT capability and capacity; governance and management; and secured and shared infrastructure. Seven pillars were also defined: SMART Agriculture, Finance, Trade and Industry, Health, Education, Government, and Women and Youth Empowerment in ICT. This vision is underpinned by projects in 20 focus areas based on ten core objectives (Table 11) covering all the seven pillars and the three enablers. The strategy development process also established a prioritization and implementation roadmap for each of the projects. The expected investment value of Smart Rwanda amounts to more than $500 million and it is projected that ICT sector contributions will

\textsuperscript{118} The One Laptop per Child Project aims at the enhancement of education through the introduction of technology in primary school with an early access to computers (MINEDUC, 2009).

\textsuperscript{119} The project goal is to improve the government’s operations and service delivery systems, particularly in rural areas, with a focus on the use of technology as an enabler for growth and development. It also aims at modernizing key internal systems of the government that are critical to its overall development strategy (World Bank, 2006).
grow from 3% in 2016 to 5% in 2020 while creating 100,000 new jobs. It is also expected that increased innovation and mainstreaming of ICT across multiple economic sectors will drive more productivity and expand Rwanda’s export base especially through business process outsourcing and creative industries (RoR, 2015).

**Table 11: Smart Rwanda Master Plan: Core Objectives and Focus Areas**

<table>
<thead>
<tr>
<th>Core Objectives</th>
<th>Focus Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Expand medical and health services to enhance citizen’s quality of life.</td>
<td>• Expanding telemedicine and consultation systems</td>
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<td></td>
<td>• Enhancing consumer healthcare systems</td>
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<td>2. Utilize ICT for Education as a tool to enhance teaching and learning</td>
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<tr>
<td>3. Transform agricultural practices to enhance productivity, increase</td>
<td>• Providing information for enhancing agricultural productivity</td>
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<tr>
<td>commercialization and industrialization</td>
<td>• Establishing an entire value-chain foundation for ICT-based agricultural</td>
</tr>
<tr>
<td></td>
<td>commercialization and industrialization</td>
</tr>
<tr>
<td>4. Expand financial infrastructure to increase access to financial services</td>
<td>• Enhancing electronic financial transactions</td>
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<td></td>
<td>• Implement systems to support financial inclusion</td>
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<tr>
<td>5. Promote trade and industry development by enhancing the value of products</td>
<td>• Promote BPO, hospitality, transport &amp; logistics service industries</td>
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<tr>
<td>and services</td>
<td>• Improving industrial and social infrastructure.</td>
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<tr>
<td>6. Improve and expand access to ICT skills and innovation capacity</td>
<td>• Establish national innovation centers to promote specialized ICT skills</td>
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<tr>
<td></td>
<td>• Establish ICT R&amp;D centers in collaboration with international ICT</td>
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<td></td>
<td>companies.</td>
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<td>7. Promote women and youth’s social economic empowerment through ICT</td>
<td>• Facilitate women and youth in ICT capacity building projects through</td>
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<td>talent detection, financial support and mentorship.</td>
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<td></td>
<td>• Facilitating projects related to increasing women and youth participation</td>
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<td></td>
<td>in ICT related business through mobilization of both private and public</td>
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<td></td>
<td>sector.</td>
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</table>
8. Build a secured, shared robust and resilient infrastructure to underpin service delivery and support national ICT initiatives

- Consolidation of an integrated and shared national ICT infrastructure “Cloud-first” policy
- Strengthening cyber-security, disaster prevention and response systems; and resilience capabilities.

9. Enhance the national ICT governance structure for effective implementation of ICT programs

- Improving performance-centred national laws, policies and regulations to support ICT strategic goals.
- To enhance the national ICT governance and management structure to effectively adapt and cope up with ever-changing ICT demands.

10. Transform digital government through e-government and provide effective public service delivery to empower rural and urban communities

- Facilitating government service delivery, information sharing and communication channels (G2C, G2B)
- Developing a common platform of national Internet information services “local internet.”

Source: Smart Rwanda Master Plan (2015)

One example of a project listed in Table 11 is the e-government platform called *Irembo*\(^{120}\) or Rwanda Online (RoR, 2016b; RoR, 2018). The Rwanda Online Platform is a “technology solution that allows Rwandans to get their government services online”. Its aim is to provide Rwandan citizens and businesses with more efficient service delivery through a numeric platform accessible via the internet and mobile devices (RoR, 2018). This initiative is said to contribute to the paperless and cashless economy which complements the country's digital transformation aspirations while helping people save time by avoiding queues at public institutions. Rwanda Online is a result of a Public-Private Partnership between the Government of Rwanda and Rwanda Online Platform Limited to digitize all government to citizen and government to businesses services, for a total of 100 services by 2018\(^{121}\). The services people can get online via *Irembo* are extensive from

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120 The Kinyarwanda word *Irembo* means gateway or door, synonymous with access, service and openness.

121 According to RwandaOnline website (2017), through a 25 year public-private partnership with the government of Rwanda, Irembo platform was created. RwandaOnline provided 85 services online in 2017 enabling the government to provide services to the citizens and businesses and allowing them to pay online with ease and efficiency. The Online Portal, developed by RwandaOnline allows users with or without access to the internet or mobile phones to request for government services. Irembo provides 85 services online and has 2,320 agents across the 30 districts of
getting a birth certificate to applying for visas, registering for marriage, driver’s licenses and many more. The implementation of the e-government platform was driven by the Rwanda Development Board that identifies strategic partnerships and is involved in increasing the use of technology by local government officers. In sum, the government’s commitment in the ICT subsector is impressive but despite the numerous policies and interventions, an analysis of Rwanda’s ICT maturity level through the major international ICT indexes\(^{122}\) confirms that there is still a very long road to go before Rwanda is positioned as Africa’s ICT hub, especially in terms of capacity and infrastructure (ITU, 2017; WEF, 2017a; UN, 2016).

### 8.3.4. Rwanda’s Strategy for Industrialization and Export Development

After concentrating most of its efforts towards the service sector for ten years, the GoR recently began to focus on more traditional industrial development policies to promote its domestic exports and manufacturing sector. Indeed, while the share of the agricultural sector was reduced in favour of the service sector, the manufacturing sector has realized only little growth. Overall, the GDP share of the manufacturing sector is especially low in comparison not only to the East Asian developmental state experience but also to other East African countries (Behuria, 2017). Indeed, while many Vision 2020 targets are in the process of being reached, it is not the case for the industrial sector growth targets of 14 percent per annum. It is only in 2013 that the government decided to revise its national development strategy that was mostly focusing on building a “knowledge-based economy” (MINECOFIN, 2000) to a “manufacturing and knowledge-based economy” (MINECOFIN, 2013). According to Behuria (2017), one motive for such a revision was related to the withdrawal of international aid in 2012—following the allegations that the

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\(^{122}\) For instance, Rwanda is 153\(^{rd}\) in the ITU’s Global ICT Development Index 2017 (ITU, 2017); 80\(^{th}\) in the WEF’s Network Readiness Index 2016 (WEF, 2017a); and 138\(^{th}\) in the UNDESA’s e-Government Index 2016 (UN, 2016).
GoR was behind rebel groups in the DRC\textsuperscript{123}— and the significant drop in commodity price, which pushed the government to take a significant shift to regain control over its access to foreign exchange through an increase in exports and reduction of imports. It is also said that the government had a growing concern about the lack of employment opportunities in the country, especially for the youth that makes for a large part of the Rwandan population\textsuperscript{124}. For these reasons, the Government of Rwanda seems to have decided to put more efforts on the manufacturing sector and depend on what development scholars have called the “picking the winner” strategy, allowing its domestic industries to experiment and learn from failure to become national champions (Amsen, 1989, Wade, 1990).

As seen previously, Rwanda has had a consistent external trade deficit for a very long period, which has contributed to a negative balance of payments situation in the country. In response to this situation, the Ministry of Trade and Industry (MINICOM) and the Rwanda Development Board (RDB) have developed a series of policy documents showing that the development of Rwanda’s existing and potential production capacity is a priority. In March 2011, in order “to guarantee continued and steady growth, and in alignment with Vision 2020 and EDPRS” the Government of Rwanda—through the RDB and MINICOM—has published the National Export Strategy (NES) (MINICOM, 2011\textsuperscript{b}: 1). The policy paper offers a comprehensive and coordinated approach to drive export growth with the stated objective “to identify prioritized actions that respond to issues that affect Rwanda’s international competitiveness, or Rwanda’s upgrade to high value-added products in export clusters” (MINICOM, 2011\textsuperscript{b}: 11). The strategy aims at driving export capacity, sophistication, and revenues while building better trade competitiveness (MINICOM, 2011\textsuperscript{b}). The 5-year plan is designed to provide general incentives and a business environment that enables new exports combined with well-defined state

\textsuperscript{123} While most of the aid cuts were reestablished a year later, donors generally moved towards permanently ending the budget support to more project-related aid, offering less independence to the GoR.

\textsuperscript{124} It is estimated that the working population will grow at 220,000 every year in Rwanda. While the government has set an ambitious target of creating 200,000 jobs per year, between 2006 and 2011 it has created an average of 126,000 jobs per year (Behuria, 2017). Between 2001 and 2014 the industrial sector itself has created over 350,000 jobs including a great share of people employed in construction and agro-processing.
interventions in selected sectors with high potential and where "public intervention can redress a market failure or offset a temporary deterrent to entry" (MINICOM, 2011b:8).

As for most of its economic policies, the government has carefully identified priority sectors envisioned through the progressive climbing of the value chain. Under the NES, the sectors that can benefit from support are the traditional export sectors such as tea, coffee and mining; non-traditional export sectors such as agro-processing and business process outsourcing; and potentially high growth export sectors such as textiles or pyrethrum and biotech. As extensively described in Table 12, in order to develop these sectors the cross-cutting strategies are human capital development; finance and investment; infrastructure; monetary and fiscal policy; business environment; trade facilitation and promotion. State intervention efforts notably focus on removing the key barriers and constraints to trade in Rwanda, and "effective implementation of the NES will depend on focusing on cross-cutting issues and key industries, but more specifically, the cluster of industry networks and the supporting environment" (MINICOM, 2011b:7). It is also said that "through a robust private and public sector mechanism, MINICOM and the RDB will ensure that the NES implementation, monitoring and evaluation are managed successfully" (MINICOM, 2011b:7).
### Table 12 National Export Strategy: Priority Issues and Challenges Identified

<table>
<thead>
<tr>
<th>Issue</th>
<th>Strategic Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Trade Facilitation and Promotion</td>
<td>Programs to develop cross-border trade; assisting exporters and optimizing trade infrastructure. Creation of an export development program to facilitate provision and monitoring of technical assistance to Rwandan exporters.</td>
</tr>
<tr>
<td>2. Monetary and Fiscal Policies Affecting Exporter Incentives</td>
<td>Comprise an incentive framework for exports, including the exchange rate, tariffs and taxes/subsidies; Establishes a framework to reduce an anti-export bias.</td>
</tr>
<tr>
<td>4. Finance &amp; Investment</td>
<td>Involves the private sector’s ability to access start-up funding, development funds, working capital, credit products, insurance, investment and trade finance. Identifies extensive investments into the priority sectors.</td>
</tr>
<tr>
<td>5. Infrastructure</td>
<td>Identifies investments needed in infrastructure (such as roads, electricity, and water) to boost export competitiveness in the medium to long-term.</td>
</tr>
<tr>
<td>6. Human Capital Development</td>
<td>This requires education and training, skills, attitudes and motivation necessary for export competitiveness; Education, knowledge and investments in R&amp;D. Human capital investments must also be made at the sectoral level to improve the sectors' competitiveness.</td>
</tr>
</tbody>
</table>

*Selected Issues and Strategic Actions: MINICOM (2011b)*

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125 It is interesting to note here that the document adds the following reference to the East Asian model: “one of the lessons of East Asia […] is that the respective governments and private sectors worked jointly to promote exports and investment. A common solution is that governments set up consultative feedback mechanisms to react to the problems would-be exporters and investor’s experience. In Rwanda, some problems are well known—for example, the costs of electric power, finance, and road transport—and the government is addressing them. However, the government should develop a feedback mechanism to hear exporters’ problems and take action where appropriate. One option is to have an exporters’ forum that brings together the largest 50 or 100 exporters to address constraints. This must rule out special interests, such as pleading for subsidies, tax breaks, and government largess, and focus on defining policies that are open to all investors and exporters” (MINICOM, 2011b: 17).
A month after the publication of the NES, in April 2011, another important document for Rwanda’s industrialization was produced by MINICOM: The National Industrial Policy (NIP). The document highlights the disappointing results of the industrial sector growth between 2000 and 2010 and the opportunities brought by the greater regional integration\textsuperscript{126} of the Rwandan firms, and also the associated greater competition from businesses in countries with larger and more sophisticated industrial sectors such as Egypt and Kenya. It is thus to “ensure that Rwandan enterprise can compete regionally and beyond” that this National Industrial Policy was produced. The industrial development is structured upon two economic pillars of domestic production and export competitiveness; and the construction of these pillars is built upon the foundation of a strong enabling environment to reduce dependence on imports and boost export revenues (MINICOM, 2011b:6). According to the document:

“the role of industrial policy [...] is to foster growth, value addition and dynamic expansion into new areas of comparative advantage where market failures would otherwise prevent or slow development. Tackling these market failures directly is seen as a first-best solution. As a result, this Industrial Policy is issue-specific and focuses on addressing the hindrances to Rwanda’s rapid industrialization, but also targets selected key growth clusters” (MINICOM, 2011b:6-7).

The NIP is based on three broad objectives: increase domestic production for local consumption; improve Rwanda’s export competitiveness; and create an enabling environment for Rwanda’s industrialization (MINICOMb, 2011). It differentiates between sectors with immediate growth potential, feasible sectors and desirable sectors following a progressive climbing of the value chain. Accordingly and to escape the “commodity trap\textsuperscript{127}”, sectors are clustered and prioritized as follows: short-term: agro-processing (including pyrethrum and dairy) or textiles; medium term: construction materials

\textsuperscript{126} Rwanda is a member of the East African Community (EAC) and the Common Market for East and Southern Africa; the two areas had a combined population of over 450 million and a combined GDP of close to $500 billion in 2010.

\textsuperscript{127} In the case of Rwanda the “commodity trap” consists mostly of commodities such as tea, coffee, and minerals.
Local cement production has occupied a central place in the industrial histories of late developers. In Rwanda, this sector has been highly dominated by imports over its post-independence period up to very recently. In 2006, CIMERWA, the biggest cement production company was bought by the Rwanda Investment Group (RIG) (90%) with the commitment to make more investment to build new plants. However, while some investments were made RIG stopped its activity probably in relation to the arrest and charges against RIG’s leading investor, Tribert Rujugiro Ayabatwa for tax evasion and money laundering charges in the United Kingdom, South Africa, and Rwanda (RNA, 2009; Nsehe, 2017). Later in 2011, some state-owned institutions and investment groups decided to reinvest in CIMERWA. The new ownership structure was in the hands of the Rwanda Social Security Board (RSSB) (37.5%), the Government (30.7%), Rwanda Investment Group (21.2%), the Rwanda Development Bank (BRD) (8.5%), a local insurance firm called SONARWA (1.4%) and two local businessmen (Paul Mubiligi and Eugène Nyagahene) (0.7%). In 2013, South Africa’s largest cement producer, PPC Ltd. invested 69 million to assume 51 percent of shares in CIMERWA while the remaining shares remained with RSSB (20.24%), the government (16.55%), RIG (11.45%) and SONARWA (0.76%). Ever since this new ownership structure, CIMERWA’s production capacity upgraded to 600,000 tons of cement per year (Behuria, 2017). This evolution of cement production in Rwanda shows that the state intervention to boost production had positive effects. The producer should have in fact outweiged domestic demand by now and exported a small share of their production. This situation is clearly in line with the government’s strategy and the heavy state intervention in the sector of cement production through intensively seeking investors, providing benefits for CIMERWA and assisting them in guaranteeing sales through some tenders and marketing campaigns such as the “Made in Rwanda” program (Behuria, 2017).
Figure two clearly shows the government’s strategy to diversify its economy but also to reduce its dependence on international aid. Through the RDB and MINICOM, the government has developed short, medium and long-term plans to diversify its economy and escape the "commodity trap" by identifying what sectors have the potential to succeed in the country. This is envisioned through the progressive climbing of the value chain from commodities to processing sectors, to low-tech manufactures and finally to mid-tech sectors\(^{129}\). Overall, the aim is to move from $200 million in 2011 to $1.5 billion of exports by 2020 (MINICOM, 2011a).

In 2015, a few years after drafting the NES and NIS, the GoR took more radical actions to reduce imports, boost exports and facilitate the “picking the winner” strategy with the Domestic Market Recapturing Strategy (DMRS) that could be considered by some as an "import substitution" method to help develop Rwandan firms. The DMRS complements the Government’s National Industrial Policy and National Export Strategy, and aims at reducing Rwanda's trade deficit for the period of 2015-2020, coinciding with the Vision 2020 timeframe. The DMRS focuses on three pillars of activities: horizontal activities that aim at supporting local production for the domestic market across all sectors; policy measures that aim at removing obstacles from production or getting products to market in specific sectors; and the development of specific investment projects where supply-side constraints or market opportunities are identified (Table 13).

\(^{129}\)This strategy is reminiscent of the Republic of Korea which was also a small, agricultural and commodity-dependent (rice, raw silk and iron ore) country devastated by war in the 1960s. In only a few decades Korea has expanded and diversified its economy into manufacturing, starting with the export of labor-intensive manufactures such as textiles, toys and wigs; followed by more advanced goods such as steel, ships and consumer electronics; and by the 2000s its top three exports were mobile phones, semiconductors and automobiles (Onis, 1991; Holden, 2012:126).
The Pillars of Activities and their Aim

<table>
<thead>
<tr>
<th>The Pillars of Activities</th>
<th>Aim</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Horizontal activities</td>
<td>Aiming at supporting local production for the domestic market across all sectors</td>
</tr>
<tr>
<td>2. Sector-specific policy measures</td>
<td>Aiming at removing obstacles from production or getting products to market in specific sectors</td>
</tr>
<tr>
<td>3. Specific (investment) projects</td>
<td>Aiming at correcting market failure (underinvestment)</td>
</tr>
</tbody>
</table>

Source: MINICOM (2015)

The hope is that the implementation of these measures will contribute to the achievement of the DMRS objectives, and ultimately the realization of the Vision 2020 objective for industrialization. It is clearly stated in the document that at the moment (in 2015), exports are concentrated on few commodities, and “in many other sectors steps are required to upgrade producers and service providers to enable them to compete with imports, with a medium-term view of making them export-ready” (MINICOM, 2015:5). The DMRS is thus another component in the government’s response to the reduction of the trade deficit. In this context, it is important to recall that the trade balance cannot significantly improve without increasing domestic savings to become self-reliant. It is also cleverly specified that the DMRS is “not proposing to shield domestic production behind high barriers to import” (such as import bans or import-substitution subsidies), but “rather an approach to empower domestic production to compete with imports on an equal footing” (MINICOM, 2015:6). However, some policies by the GoR seem to qualify as import substitution. This is the case for instance for the used clothes progressive ban imposed in 2017 by the Government of Rwanda. According to President Kagame and MINICOM, this decision was made “to develop local and regional textile industries as well
as promote the dignity of [Rwanda’s] citizens” (Kagame, 2016; MINICOM, 2017:19; Akwei, 2017; Gambino, 2017).

In sum, these three policies (NIP, NES and DMRS) have the objective of accelerating the development of the manufacturing sector in Rwanda, notably through industrial policy that identifies priorities sectors according to a progressive climbing of the value chain in a similar fashion to the East Asian developmental state experience.

8.3.5. Providing the Necessary Institutions for Industrial Development

The last aspect of this subchapter is the need for a developmental state to provide the necessary institution in order to implement its developmental vision. The construction of “new institutional vehicles for the realization of developmental vision” and to make sure private companies succeed is another important function of the developmental state (Chang, 1999:195). One typical developmental institution is the powerful “Pilot Agency” that directs the economy and key industrial capitalists towards the government strategy; and that is intimately connected to state interventions in the market to accelerate the growth and transform the economy. In general, the small but powerful pilot agency provides important strategic guidance in the selection of key industries to be encouraged and also in the provision of a stable and predictable environment for private investors—as well as the public ownership—to undertake sometimes risky, long-term investment projects. Thus, a pilot agency should have various roles and get involved in many areas including "planning, energy, domestic production, international trade, and a share of finance, particularly capital supply and tax policy” and these roles must be flexible and adaptable to the needs of the moment (Johnson, 1982:320). In addition, some financial institutions with direct control of financial resources can take on the role of helping industrial capitalists financially and therefore direct investments towards strategic sectors.
In Rwanda, both sets of institutions have been created over the last two decades. Modeled on Singapore's Economic Development Board, the *Rwanda Development Board* (RDB) was set up in 2008 by merging eight government institutions\(^{130}\) responsible for the investor experience, "in order to bring them under one roof to improve efficiency in public institutions concerned with private sector development" (RDB, 2016a:3; UNCTAD, 2013; Mann and Berry, 2016). This investor experience and private sector development include business registration, investment promotion, environmental clearances, training programs, export development and promotion, privatization and specialist agencies which support the priority sectors of ICT, tourism and manufacturing as well as human capacity development in the private sector. According to RDB documentation, the agency works as an “investor's partner” that helps foreign ventures set up domestic operations as well as facilitating domestic investment and showing investors potential opportunities in Rwanda\(^{131}\). RDB's work includes all aspects related to the development of the private sector and is the institution in charge of implementing much of Vision 2020's strategy through funding, finding strategic partners and developing time-frames for it. The agency was notably the architect behind the radical changes operated to improve the investment climate with the creation of the investment code and other business reforms. Today, Rwanda is well recognized for its steady progress in creating a conducive investment climate by successfully implementing reforms aimed at minimizing regulatory obstacles for business start-ups, guiding and mentoring entrepreneurs through the start-up administrative process, while building entrepreneurs' confidence in the regulatory environment. As a result, over the last few years the country was ranked second in Africa in the World Bank Doing Business Report. Also, the net inflow of foreign direct investment (FDI) increased more than 30 times in Rwanda between 2005 and 2015.

\(^{130}\) The agency was affiliated to MINICOM until 2010 when it was moved under the President’s Office. Today, the RDB is independent, reports directly to the President and is guided by a Board that includes the entire key Ministers (e.g., finance, commerce, infrastructure, agriculture (UNCTAD, 2014). It is also “modeled on international best practice examples of Singapore and Costa Rica. It has advisory and hands-on support from global entrepreneurs and experts from Singapore Development Board, World Bank, IFC and the Office of Tony Blair” (RDB, 2018a).

\(^{131}\) As a member of a Canadian business delegation in 2016, I participated in the investor welcoming event hosted by the RDB and one interesting observation made was the omnipresence of the party-statals conglomerate Crystal Venture that was looking for joint venture partnership with the official backing of RDB. In the next section, we will explore the central role of these party-statals in the industrial policy and development of the country.
According to the African Economic Outlook consortium\textsuperscript{132} (AEO, 2017), the critical success factors for these achievements include a "strong commitment to reform shown by Rwanda's leaders and its citizens, the development of structures for building a foundation for private sector development and effective coordination of government-wide reform efforts". One interesting aspect of the RDB and its reforms is the way it involves not only other public institutions and development partners but also private sector actors by keeping an open communication channel for entrepreneurs, civil society and other stakeholders to contribute to the process (AEO, 2017).

The RDB has played a key role in identifying and promoting priority sectors areas (tourism, ICT and manufacturing) that are important sources of funds to the country and in line with the promotion of products made in Rwanda (RDB, 2016c). It also identifies, develops and promotes business opportunities for private sector investment, while undertaking projects or product development to catalyze private sector involvement and provide strategic support to SMEs. Among the tools used by the RDB—and MINICOM—to develop domestic industries and exports are the “Rwanda Special Economic Zones” (SEZ), designed to address domestic private sector constraints such as industrial and commercial land, cost of energy, transport linkages, market access and reduced bureaucracy and availability of skills (RDB, 2015a; 2015b; Kagera, 2016; RDB, 2018b)\textsuperscript{133}. The “Made in Rwanda Program” is “a campaign to market Rwandan made products in an effort to boost local production and reduce the country’s trade deficit”\textsuperscript{134}. As it was the

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\textsuperscript{132} The African Economic Outlook (AEO) is a product of collaborative work by three international partners: the African Development Bank, the OECD Development Centre and the United Nations Development Programme. It presents the current state of economic and social development in Africa and projects the outlook for the upcoming two years.

\textsuperscript{133} According to the RDB (2018b), Rwanda’s SEZ program is designed to address some of the domestic private sector constraints such as availability of industrial and commercial land, availability and the cost of energy, limited transport linkages, market access and reduced bureaucracy and availability of skills. The SEZ regulatory framework was developed in 2011 in the Special Economic Zones of Rwanda Law (2011). This kind of zone was experienced for the first time in Taiwan to boost investments, exports and create jobs with great success (Onis, 1991).

\textsuperscript{134} The “Made in Rwanda” campaign was launched in 2014 to market Rwandan made products in an effort to boost local production and reduce the country’s trade deficit. The campaign also seeks to increase the consumption of locally made products by raising awareness, enhancing quality standards and providing clear branding and packaging. The campaign targets sectors with high potential growth that can satisfy the local market fully and compete with regional and international markets. The Private Sector Federation (PSF) in collaboration with the Ministry of Trade and Industry organized the ‘Made-in-Rwanda’ expo as part of the campaign where 250 local
case for Korea and Taiwan, the Rwandan government, with the help of its pilot agency, is intervening in the economy to address market failure through the support of new sectors in order to diversify the economy. Like many developing economies characterized by limited budgetary, managerial and political resources, the GoR is certainly not in any position to promote all sectors in which the country could potentially flourish, therefore it is “doomed to choose” and develop an industrial policy framework (Hausmann and Rodrik, 2006).

As for the financial institutions, many improvement efforts were made by the government over the last decades through different programs and policies. According to the Private Sector Federation (PSF)135, in the last two decades, one of the weaknesses of Rwanda’s private sector was its lack of access to finance136 (PSF, 2008; MINICOM, 2010a). Following reports by MINICOM (Small and Medium Enterprises Development Policy) and PSF (Business Investment Climate Survey) on the negative impact of the limited access to finance for the private sector in Rwanda, the government has extended its efforts to offer direct financing notably through the Rwanda Development Bank (BRD), the National Bank of Rwanda (BNR), the RDB and MINICOM. A large proportion of the Rwanda Development Bank’s lending activities provides direct financing to SMEs and cooperatives, refinancing to microfinance institutions, equity financing and equipment leasing through agricultural and other loan funds. These loans provide financing primarily for activities within tourism, ICT and manufacturing but also for agricultural production for exports (MINICOM, 2010a). Currently, there are four credit lines and four guarantee funds created by GoR for which SMEs are eligible. These include funds for export promotion, agricultural development and SME development, especially for Vision producers and manufacturers took part. It is an opportunity for local manufacturers to showcase goods produced in the country to assure buyers of their quality. In addition, the GoR multiplied advertising to influence Rwandans to support local producers by buying locally-made goods (MINICOM, 2014; CNBC Africa, 2016).

135 Supported by the GoR, the Private Sector Federation (PSF) is a private sector member based institution formed to represent the interests of the private sector vis-à-vis the GoR. The PSF collects information from private sector actors, provides training and support to these actors and advocates for their needs (PSF, 2018).

136 Indeed, credit can be hard to access in Rwanda, and is one of the foremost constraints to growth cited by businesses, particularly small and medium enterprises (SMEs) (PSF, 2008). Loan duration is short with a low percentage of loans for beyond five years. This makes the sort of long-term investments required for the diversification of the economy very difficult (Uwitonze and Heshmati, 2016).
2020’s priority sectors. They are managed by two different entities: the National Bank of Rwanda (BNR) and the Rwandan Development Bank (BRD).

The GoR also exerts a strong influence on other lending institutions like commercial banks that are commonly following the government’s industrial policy. While Rwanda’s private banking system is increasingly competitive, it is highly concentrated. Around 50 percent of all bank assets are held by four of the largest commercial banks, while just one bank—the Bank of Kigali (BoK), owned at 55% by the state—holds 30 percent of all assets (US Department of Commerce, 2017). The Bank of Kigali is highly endorsed by government officials and the only bank present within the Rwanda Development Bank building, revealing its strong link with the government. In fact, in SMEs Development Policy it is clearly stated that “working with private commercial banks to strengthen their Small and Medium Enterprises’ lending windows” is an imperative for the GoR (MINICOM, 2010a:26).

Also, in order “to grow its exports and reverse the widening trade deficit” the Ministry of trade and industry in partnership with the Development Bank of Rwanda (BRD) has created an export-focused fund named Export Growth Facility (EGF) (MINICOM, 2010a; BRD, 2016). The EGF is designed as a single facility with three separate windows: an investment catalyst fund, a matching grant fund for market entry related costs and an export guarantee facility (Table 14). Firstly, the Investment Catalyst Fund provides subsidized interest rates on loans targeted towards private sector investments on export-oriented production. While most banks in Rwanda offer loans on an interest rate in the range of 16 to 22 percent, this Fund offers to lower interest rate burden at around 6 to 9 percent. This is done through the BRD working with the credit providing commercial bank, where the fund will provide subsidized interest rates for any excess in the original rate. Secondly, the Matching Grant Fund is a grant which comes to support penetration into external markets by offering financing for up to 50 percent of total project cost for up

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137 Interestingly, the other private company present within the RDB building is the Bourbon Coffee, a subsidiary of the Party-statal Crystal Venture.
to $100,000 in funding. This allows financing external market penetration activities and providing resources for market surveys, attaining foreign standardization for their products and others activities related to market entry. And thirdly, the Export Guarantee Facility provides 80 percent guarantee on the loans to exporters who intend to secure bank loans to finance their export trade.

Table 14 The Three Features of the Export Growth Facility

<table>
<thead>
<tr>
<th>Features</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Investment Catalyst Fund</td>
<td>Provides subsidized interest rate (6-9%) on loans targeted towards private sector investments on export-oriented production.</td>
</tr>
<tr>
<td>The Matching Grant Fund</td>
<td>A grant to support external markets penetration to finance 50% of total project cost up to $100,000 in funding.</td>
</tr>
<tr>
<td>The Export Guarantee Facility</td>
<td>Provides 80 percent guarantee to secure bank loans to finance their export trade.</td>
</tr>
</tbody>
</table>

Source: BRD (2016)

The purpose of these features is to ease access to finance for exporters, a major challenge hindering exporters from venturing into foreign markets and developing as domestic champions. The fund is fully provided by the government, developed by MINICOM but fully managed by BRD which will work with other public and private banks as stakeholders. This facility is principally looking at supporting exporters engaged in four main export sectors: agro-processing, manufacturing, horticulture, and artisanal mining. The Rwanda Bank of Development also provides any needed technical assistance, and offers training on export-related issues. In sum, the EGF supports the existing government frameworks and approaches (Vision 2020; EDPRS1-2; MINICOM, 2010a; etc.), and aims at improving SME's capacities and competitiveness in foreign markets, which will ultimately grow the country's exports.
Another important institutional framework that supports industrial policy is the *Industrial Development and Export Council* (IDEC) (MINICOM, 2011a), a body that brings together key stakeholders in public and private sectors to oversee and finance industrial policy. Created in 2011, this Council is chaired by the Ministry of Trade and Industry (MINICOM) with the RDB providing the secretariat, and a membership that includes a wide range of other public and private institutions involved in industrial development. Most importantly, the Council draws on consultations through forums such as the Rwanda Public-Private Dialogue\(^{138}\) (RPPD) in order to guarantee the proper involvement of the private sector where cooperation is considered crucial for successful industrial policy (RDB, 2012a). IDEC's activities include the monitoring of the implementation of cluster strategies and the design of new state interventions in financing, infrastructure, human resources skills, trade facilitation, and the regulatory environment. Table 15 illustrates IDEC's three key roles along with their description.

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\(^{138}\) The Rwanda Public Private Dialogue (PPD) was established in October 2012. The main government sponsor is the Rwanda Development Board and the main private sponsor is the Rwanda Private Sector Federation (PSF). The PPD secretariat is located at the Rwanda Development Board. The PPD is a "structured mechanism for the Private Sector and the Government to jointly discuss key business issues and private sector constraints in an effort to make decisions leading to resolution. It has the mandate to work via the Rwandan Development Board. Through the RDB it is directly aligned to the office of the President" (RDB, 2012b:1).
The three key roles of the Council are firstly industrial policy oversight along with the organization of an annual private sector conference to discuss major issues; secondly monitoring and evaluation of the policy implementation and industrial performance in order to link performance measures to incentive packages offered to private sector firms; and thirdly providing budget oversight of implementing and financing institutions for industrial policy. The IDEC is also in charge of preparing a joint budget for industrial development and export diversification efforts in the medium term (MINICOM, 2011).
In sum, the Industrial Development and Exports Council is considered by the government as “the key institution for overseeing implementation of the Industrial Policy at the national level” (MINICOM, 2011b:33).

In sum, it seems quite clear that the GoR is committed to building institutions that allow the private sector to flourish within the selected sectors of the economy. By offering many resources to enterprises operating within the selected sectors through the Singapore-like Rwanda Development Board, the government is clearly following the path of the East Asian developmental state.

### 8.3.6. Conclusion

When it comes to industrial policy, policymakers must respond to the particular characteristics and needs of their country. Indeed, in their selection of specific sectors for promotion and interventions to avoid market failures, governments must be aware of the informational constraints it faces. Industrial transformations involve many external factors over which policymakers have no controls, such as the presence of natural resources, proximity to a major global market or the population size of a country (Holden, 2012). We have seen in this dissertation that industrial policy involves government interventions that aim to structurally transform an economy and overcome market failure by supporting diversification through new areas of production.

In the case of Rwanda, the analysis of its public sector reforms clearly shows that the government has carefully taken into consideration the country’s context in its short, medium and long-term economic strategy. The economic reforms and construction of new institutional vehicles for the realization of a developmental vision is also a good indicator of the government’s commitment to growth. These reforms have led to the identification of special focus areas which development is imagined through the progressive climbing of the value chain from commodities to mid-tech sectors. While
Rwanda has used industrial policy in a similar way as East Asian developmental states, it has been done in a much more contemporary fashion. In comparison to East Asian context, Rwanda has been operating in a much more globalized and technologically-dominated world economy than in the 1960s-1970s and within a considerably less beneficial geopolitical context. Nonetheless, the state has been able to leave a strong footprint in the country’s economic development notably by providing general incentives and a business environment that enables new investment combined with well-defined interventions in selected sectors where “public intervention can redress a market failure or offset a temporary deterrent to entry” (MINICOM, 2011b:8).

Rwanda’s focus has been on the service sector including tourism and ICT and the manufacturing sector with a recent concentration on the export-led industries. Also, as it was an important aspect in most developmental states, Rwanda’s form of state intervention and reforms have been reactive and flexible rather than strictly fixed on an untouchable plan (Onis, 1991; Castells, 1992; Moon and Prasad, 1998). All in all, it is possible to say that Rwanda’s economic reforms since 2000 are all part of an industrial policy strategy that is only possible through strong state interventions. Indeed, the Government of Rwanda has aggressively pursued investors, provided tax incentives, increased duties on imported goods in preferred sectors and developed policies to accelerate industrialization and exports. These state interventions all have the objective of transforming the economy and catching up with developed economies. For all these reasons, we believe that Rwanda’s state intervention and reforms since 2000 qualify as following the industrial policy strategy comparable to the developmental state model.

The role of the Rwandan state in the economy is substantial. This investigation of Rwanda’s economic policies has shown that Rwanda has followed a state-led development strategy with a constant and dominant role in their selected strategic sector. In addition, Rwandan policymakers have carefully taken into consideration the country’s context in its short, medium and long-term economic strategy which has led to the identification of special focus areas where development is imagined through the progressive climbing of the value chain from commodities to mid-tech sectors as described in figure 2. This will
also be confirmed in the next section on the public-private cooperation and embedded autonomy of the state. In sum, by creating and implementing such a large number of subsidies and incentives in their selected strategic sectors, the Rwandan state has been able to significantly channel the private capital into its targeted areas. Also, the GoR has been able to adjust and modify its legal system in order to have a more favourable business environment to boost private investments, an unavoidable approach in such a small country. Even though the Rwandan state has essentially adopted market mechanisms in the economy since the reform process, it was nonetheless able to actively control and steer the market forces to "govern the market".

According to developmental states experiences, while the elaboration of industrial policy is central for an economic transformation, the engagement with the private sector is also fundamental. These states have generally formed a coalition with large industrial conglomerates to diversify the economy according to the planned industrial policy. However, the industrial policy strategy is widely criticized. The main argument against the use of industrial policy is related to the fact that using policy tools such as export subsidies favours certain industries or firms and therefore might create “rents". These rents might also become so valuable for the firms that some of them become ready to pay a high price for them through unproductive "rent-seeking" activities such as lobbying politicians or corrupt activities. In this regard, while corruption certainly existed in East Asian developmental states, the key distinguishing factor was that its political center was very strong and it was, therefore, able to apply discipline on its business elites notably by using the threat of withdrawing subsidies (Khan, 1998). For Onis (1991:120), to resist the temptation of unproductive rent-seeking activities, the developmental states—outside of its single-minded adherence to growth and competitiveness—have used its unusual degree of state autonomy and capacity, and equally unique degree of public-private cooperation. In the next subchapter, we will investigate Rwanda’s state autonomy and its complex and sometimes opaque cooperation with the private sector and also its society.

139 A rent refers to the portion of income paid to a factor of production in addition to what is needed to keep it employed in its current use.
8.4. Embedded Autonomy

The fourth shared aspect of developmental states is the relative autonomy of the elites and the state institutions which they command (Leftwich, 1995; Johnson, 1982; Evans, 1995). While the concept of “state autonomy” has been explored in different theoretical and empirical contexts in the last decades, in this dissertation we will define autonomy as a means for the state to achieve relative independence or insulation from the demanding requests of special interests (whether from the classes, regions or sectors) and that state can and does override these interests with the presumed national interest (Nordlinger, 1987:361; Leftwich, 1995). However, while a more traditional Marxist reading can consider state autonomy as separating itself from society and becoming a power over and above it, the developmental state’s autonomous ruling elites must still remain connected to its society. More precisely, the state elites should be enmeshed in social networks and other relations that put them in close contact with dominant players in the business communities that play a vital role in economic and social development (Evans, 1995; 1998; Johnson, 1987). This dense web of ties is the network through which the state has been able to coordinate the economy and implement developmental objectives. Evans uses the term “embedded autonomy” to describe this dual characteristic of state elites and bureaucracy: that is an autonomy embedded in the “concrete set of social ties which bind state and society, and provide institutional channels for the continuous negotiation and renegotiation of goals and policies” for a joint project of transformation (Evans, 1995: 59). For Evans, the ideal-typical developmental state was a “rare beast with its tentacles reaching deep into the society while managing to keep its corporate integrity intact” (Evans, 1995; Woo-Cummings, 1999:15). In other words, the presence of embedded autonomy means the coexistence of autonomy and embeddedness within the state system. This is because, although embeddedness is “the key to the developmental state effectiveness”, it cannot work effectively without autonomy and vice versa (Evans, 1995: 50, 59). It is thus precisely because of their lack of embeddedness that countries such as India and Brazil—that have experienced successful economic development—are not
considered developmental states but rather as “intermediate” in Evans’ study (Evans, 1995). In other words, (Onis, 1991:115), "the logic of the developmental state rests precisely on the combination of bureaucratic autonomy with an unusual degree of public-private cooperation", and that situation is "generating an extraordinary degree of elite unity".

Indeed, within the embedded autonomy, the most critical aspect is probably the relationship between the public and private sector. We have seen that while the actions of Western states, in general, are to regulate the operations of private companies in a free market, the operation mode of the developmental state is very different. In a developmental state, the relationship between the state and private corporations is part of the wider relationship between state and society where the state's objectives are more or less imposed on companies (Johnson, 1982; Johnson, 1999). However, this close and sometimes informal relationship between business and government is said to be at time exclusive and discriminatory in that it is building a network of relationships with some group while marginalizing and excluding others. Nevertheless, this close relationship between bureaucrats and business people is the vital component that allows the state to control and coordinate the private sector in order to achieve their economic transformation (Moon and Prasad, 1994).

This special relationship, however, shows different types of relations depending on the country. The specific organizational culture and the nature of the relationship between the public and private sectors in developmental states are important to understand the nature of the state. The development states are typically characterized not only by the high degree of bureaucratic autonomy and capacity but also by the existence of a significant degree of institutionalized interaction and dialogue between the state elites and autonomous centers of power within civil society. In other words, at the heart of the embeddedness is the dialectical relation between the public and the private sectors and their institutionalized channels, but also the informal networks present in the organizational structure. These informal networks present in the bureaucracy and in the
business sector are thus essential to the state’s embeddedness and represent the cultural difference between countries. In the cases of Japan and South Korea, these informal networks have been built through the best universities’ alumni or through the agencies’ alumni. This network has thus contributed to the internal coherence of the elite and the organizational identity of the bureaucracy.

In the case of Rwanda, it is often said that the state's tentacles are reaching deep into society. To achieve this, there are strong and committed elites that are closely associated with two unavoidable internal organizations in the country's society: the Rwandan Patriotic Front (RPF) and the Rwandan Defense Force (RDF). The RPF and the RDF are indeed the primary tools for the government to preserve its autonomy and at the same time remain connected to society.

In order to measure this feature there are two elements. The first one is the presence of a united and autonomous leadership. The autonomy of the state in a developmental state should be assessed according to the nature of the developmental elite which should be characterized by an intimate linkage between the top levels of the bureaucracy and high profile politicians. These characteristics are to be observed through the study of primary sources such as the constitutions and secondary sources with deep understanding of formal and informal rules in the country. Also, the instrument that allows the state to gain autonomy should be evaluated. This instrument should be either linked to the dominance of a single party or from the seizure of state power by a modernizing leadership. The second element is the nature of the relation between the state and the business community. It should show that the state closely partner with the private sector to accelerate the socioeconomic development within the selected strategic sectors of the economy. This should be done through strong and powerful private conglomerates closely linked to power.
8.4.1. United Elites and an Autonomous Leadership

The autonomy of the state elites in a developmental state is usually associated with two criteria. The first one is related to its nature as the developmental elites are generally characterized by an intimate network and linkage between the top levels of the civil and military bureaucracies and high political offices\textsuperscript{140}. Surrounding the leadership is usually a small “core policy circle” that could be compared to Johnson’s observation on the presence of an elite bureaucracy that should enjoy autonomy while staying embedded with the society. There has also been a strong and primordial association between the development of military capacity and the power and autonomy of the developmental state (Burmeister, 1986: 122; Leftwich, 1995). The second criterion is related to the instrument that allows a state to gain autonomy. Generally, the autonomy of the developmental states has been, in large measure, a function of the dominance of a single party (such as in Singapore for instance) or from the seizure of state power (from above and below) by a modernizing developmental elite (such as Taiwan and South Korea). In the latter, these take-overs have normally been accompanied progressively or immediately by the elimination, subordination or marginalization of political groups, organizations or socio-economic classes which had previously enjoyed both wealth and power, and therefore might threaten the new regime and its development purposes (Leftwich, 1995).

In post-genocide Rwanda, the \textit{intimate network and linkage between the top levels of the civil and military bureaucracies and high political offices} cannot be understood without looking at its recent military history that includes the civil war that lasted from 1990 to 1994, the genocide, and the continuous security threat faced by the government of Rwanda, externally and internally. Indeed, in line with Charles Tilly’s work (1985, 1993\textsuperscript{141})

\textsuperscript{140} As underlined by Leftwich (2000:160), this intimate linkage between the top military, bureaucratic and political offices is very rare in western liberal democracies and often decried.

\textsuperscript{141} Indeed, Tilly’s work observed the positive role of processes of capital accumulation (notably by systems of taxation) and growth in coercive capacity (through war) in state formation in early modern Europe. Generally, this
on the reinforcing role of violence on state-making, Rwanda definitely appears to have built a strong statehood and political settlement following the war. To be sure, the RPF, as an ex-guerilla army turned political party, has been able to preserve continuous state domination in the country in all spheres. Rwanda’s distinctive recent history and continuous internal and external threat was a fertile ground for a powerful military within a strong and centralized state. In July 1994, when the RPF assumed power, it was a single organization dominated by Tutsi military elites mostly raised in the same Ugandan area and recruited from the Ugandan army. While this domination by the "Ugando-Rwandan" is only partly true, this system is not reproduced today as it is now mostly done through education and recruitment allowing the situation to evolve in the last twenty years with the inclusion of different groups (Golooba-Mutebi and Booth, 2013)\textsuperscript{142}. According to Jones’ (2012) inside research, the elite networks which occupy the strategic command position of power of the party-state are characterized by two trends. First, a number of policy questions are generally decided outside cabinet by a small circle around the presidency; and second, the state functions have been transferred to networks answerable to the presidency, and administered by military officials. In other words, “policy is driven by a small elite within the government, and the military is their ‘organizational weapon’ of choice for its implementation” (Jones, 2012:236-237). That is to say that the military is not another autonomous actor in Rwanda’s polity, but rather it is involved in a top-down hierarchy answerable to the presidency, and overseen by insiders (Jones, 2012). On the other hand, even if these elites are powerful, one has to acknowledge that there is both a constitutional government and an administrative regime with the presidency leading over theoretical framework has not often worked in the contemporary context of Africa, although the case of post-genocide Rwanda seems to differ (Jones, 2012).

\textsuperscript{142} Although it was easy to verify ethnicity in previous regimes with identity cards, for obvious reasons after the Genocide against the Tutsi any official document identifying ethnicity is illegal. Therefore, while it would be foolish to affirm that ethnicity is not a factor in Rwanda, verifying ethnicity today has become a much more difficult task and must rely on unofficial and sometimes doubtful information. Nonetheless, it is interesting to note that in 2008, a secret cable message to the US Secretary of State titled Ethnicity in Rwanda—Who governs the country’s states advances that “Tutsis hold a preponderant percentage of senior positions. Hutus in very senior positions often hold relatively little real authority, and are commonly ‘twinned’ with senior Tutsis who exercise real power. The military and security agencies are controlled by Tutsis, generally English speakers who grew up as refugees with President Kagame in Uganda. The 28-member cabinet is evenly split among Tutsis and Hutus, but most key ministries are in the hands of Tutsis” (Wikileaks, 2008).
both. In other words, the inner circle of power is occupied by a small “core policy circle” with no real check and balance; and since the military victory of the RPF, the political, economic and military networks have been closely linked, with the military used as some sort of bureaucratic and operational power to accelerate development.

The autonomy in Rwanda can also be partly explained by the undeniable dominance of a single party, the Rwandan Patriotic Front, and the taking of state power by modernizing developmental elite. As we have clearly seen in the subchapters 7.2 and 7.3, there are in Rwanda, a strong coalition of internal elite coupled with an obvious concentration of power and continuity of policy. After the civil war and the Genocide, the new regime opted for a political settlement that brought together the country’s elites and political parties “that had neither planned nor executed the genocide”, de facto rejecting a large part of the previous elites (Golooba-Mutebi, 2013:11; Ndahiro et al., 2015). The RPF government allowed the existence and granted the rights of political parties to exist, although with limited activities in order to prevent disruptive political contestation through adversarial competition (RoR, 2003: Article 54). This system has the declared objective to separate itself from the “western-style democracy” considered as too adversarial to follow the path of “consensual democracy” instead. The political parties that were involved in the Genocide and any other party considered by the RPF government as contesting the “consensus” are thus deprived of their rights to engage in politics as it was the case of the FDU-Ikingi and PS-Imberakuri for instance. We have seen that this system is decried by many academics and organizations as a system intolerant to dissent and designed to enable the RPF to control and exercise power (ICG, 2001; Gakusi and Mouzer, 2003; Reyntjens, 2006; Straus, 2008: 243). Some scholars have also highlighted the growing vulnerabilities of this “consensus” within the ruling elites (Behuria, 2015; 2017; Goodfellow, 2017). This structure—but maybe also the post-genocide context—has created a political system within which the RPF dominates pretty much every sphere of power in the country (Golooba-Mutebi, 2013). For Zorbas (2011), the autonomy and independence of the state are so strong that even international donors—
often enjoying abnormal power to pressure national authorities in many African countries—find it difficult to influence the Rwanda government. This state of affairs in Rwandan polity allows us to conclude that Rwanda respects the two criteria previously described which allows for the autonomy of the state elites in a developmental state. Indeed, there is an intimate network and linkage between the top levels of the civil and military bureaucracies and high political offices. Secondly, Rwanda is dominated by a single party even if many power-sharing clauses are present in the constitution. In addition to this, the RPF is also strongly associated with military capacity and power, which is also a great factor in helping the party dominate the state and therefore enjoy solid autonomy. Furthermore, it is possible to add that the exceptional post-genocide context that has created an immense void of power, has allowed the taking of power by the elites—which is also a modernizing developmental elite.

8.4.2. The Relation between the State and the Business Community

In his book *Embedded Autonomy*, Peter Evans argues that the bureaucracy and elites, in order to be called developmental, must be effectively “embedded” in society, through “a concrete set of connections that link the state intimately and aggressively to particular social groups with whom the state shares a joint project of transformation” (Evans, 1995:59). The state-society relationship in East Asian developmental states has indeed been described in different ways in the past as—“embedded” by Evans, “governed interdependence” by Weiss and “governing the market” by Wade for instance—but in general, the common strand linking these views is that the developmental state is not a tyrannical body dictating over the society but rather a partner with the business sector in an effort of socio-economic transformation. In the same vein, Chalmers Johnson, some seventeen years after writing his now-classic book *MITI and the Japanese Miracle*, said

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While the existing scholarship (Zorbas, 2011; Booth and Golooba-Mutebi, 2012; Gokgur, 2012; Kimonyo, 2017) has depicted the Rwandan elites as unified and acting through consensus, some like Pritish Behuria (2016) have a more nuanced view and highlight the growing number of upper-level dissidents within the elites that have pushed the ruling elites to retain centralized control over the distribution of rents (with party/military-own enterprises) while dispersing power among several elites, whose loyalty and performance remains in check.
regarding the public-private cooperation that it meant “both sides use the other in a mutually beneficial relationship to achieve developmental goals and enterprise viability” (Johnson, 1999: 60). That being said, to understand the developmental state one has to go deeper and beyond the general idea of bureaucracy and include the notions of “business conglomerates” such as the Zaibatsu or Keiretsu in Japan or the Chaebol in Korea that refers to industrial and financial business conglomerates or informal groups in historic Japan and South Korea. These business groups had an impressive influence and size that allowed control over significant parts of the economy with the use of a set of companies with interlocking business relationships and shareholdings. These two countries for example provided subsidies to large holding companies in order to catch up with advanced countries in selected strategic areas like manufacturing and technology. According to Woo-Cumings (1999:17), these conglomerates have been the private agency of public purpose and in many ways “quasi-state organizations”. The state was thus using an effective rent-management system that allowed them to reward or penalize enterprise managers based on performance outcomes. And at the same time the relative independence of these East Asian states from the business class made it possible for them to offer support only if reciprocity existed (World Bank, 1993).

That been said, one should also note that the relationship between the big businesses and the state in the developmental state model can be a source of success but in the absence of bureaucratic autonomy that relation can easily degenerate into situations in which state goals are directly reducible to private interests or even corrupt activities. The Japanese and South Korean models led to occasional structural corruption, with cash flowing from state to business and from business to politicians, but these trends were never allowed to spin out of control enough to threaten the growth strategy (Woo-Cumming, 1999; Maclntyre, 2000; Haggard, 2004). In other words, finding the right balance between protecting vested interests and achieving national development is challenging.

Ironically, this situation can also happen in a liberal democracy like the USA.
In _Rwanda_, as it was in the case for the early studies of the East Asian governance model, the public-private relationship has puzzled many observers in the last two decades. Indeed, Rwanda’s developmentally-oriented leadership is often considered as intertwined with the business elites through a range of business conglomerates à la East Asian. Indeed, in an attempt to accelerate and manage its economy, Rwanda’s present regime relied heavily on party-owned or army-owned vehicles sometimes described as “party-statals” in reference to “parastatals” along with the use of state-owned enterprises (SOE). According to Fukuyama and Matfess (2016), the use of party-statals or investment groups in Rwanda is very close to the Communist Party of China’s use of state-owned enterprises (SOE) in that it prioritizes certain strategic sectors and rewards party members (Massot, 2011). The most important difference is that party-statal investments in Rwanda are not owned by the government but a political party and are recorded as being private sector activities.

In 1994, the new regime was in charge of governing a country that was destructed economically and therefore had to find a way to allow for a Marxian “primitive accumulation” to compensate for the complete inexistence of a domestic private sector and a lack of foreign investments (Caporaso and Levine, 1992; Biedermann, 2016). The government decided or influenced the creation of three business conglomerates arguably to attract international investors and develop a local private sector: Crystal Venture Limited, Horizon Group, and Rwandan Investment Group. In a few cases, they have also become the new owners and operators of privatized enterprises sold in the late 1990s—with the pressure of donors and international institutions—thus replacing the former SOEs. On the other side some new SOEs, such as RwandAir and PrimeHolding, were created and have kept a close relationship with large Rwandan investment groups.

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145 “Parastatal” refers to an enterprise that has some political authority and that serves the state in an indirect fashion.

146 There are interesting cases of state-owned enterprises that seems to follow a developmental path while keeping its connections with large conglomerates. Over the last two decades, the GoR has established a new set of fully state-owned enterprises. The new SOEs constitute half of the total SOEs in which the GoR has a controlling equity state. For instance, RwandAir, the national airline company, was launched in 2002 by two enterprises: the Nyarutarama Property Developers (NDP)—a fully owned subsidiary of CVL—and the Silverback Cargo Freighters that owned at the time 77 percent and 23 percent respectively. But in 2009 the GoR decided to buy 99 percent of the shares of RwandAir, making it de facto a state-owned enterprise (Behuria, 2016b). According to Gokgur (2012) and
These conglomerates have later continued to expand while entering in many joint-venture agreements with new and former SOEs. These cross-shares between party-statals or investment groups and SOEs have strengthened their connections and are said to often buy their services and goods from each other (Gokgur, 2012).

The most imposing business conglomerate is *Crystal Venture Limited* (CVL) (previously named Tri-Star Investments), a holding that includes many companies in different sectors of the economy. Most interestingly, Crystal Ventures is controlled by the RPF and has invested, since its foundation in 1995, in most critical sectors of the economy such as housing estates, metal trading\(^{147}\), road construction, building materials, agro-processing, mobile communications technology, and printing. It also owns the country’s biggest milk processor\(^ {148}\), its finest chain of coffee shops (with nine locations including many in Kigali, but also in Boston, London, Washington and New York) and many other companies (see table 16). Most subsidiaries of CVL are the largest firms in the sectors in which they operate. CVL also has joint ventures with foreign investors in many companies in the country, as well as directly with government institutions. According to former CEO, Jack Kayonga\(^{149}\), CVL’s objective is to invest in high-risk ventures, which may produce significant returns in the long term (Namata, 2014). In hindsight, in 1995, the business group was in a different situation. When the RPF seized power in 1994, given the complete ruin of the country, the party had to take charge of everything from furniture, the harvest of coffee fields, to financing the government. For instance, it lent $9m from its war reserves—mostly built through the contribution of members of the Rwandan

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\(^ {147}\) Some investments, like the metal trading brought a lot of money to the conglomerate but were later controversial because of its apparent links to the funding of the military networks across the border in the DRC (Gokgur, 2012; Booth and Golooba-Mutebi, 2012).

\(^ {148}\) This was notably possible after Tri Star/CVL acquired state-owned milk plants through its subsidiary Inyange Industries (Gokgur, 2012). According to the Rwanda Development Board (2011), in 2010, Inyange had a market concentration of 70% in yogurt and 55% in pasteurized milk and is exporting its product in neighboring countries.

\(^ {149}\) Jack Kayonga (2013-2016) succeeded to Manasseh Nshuti (2005-2013) as the CEO of Crystal Venture. Today—if that shows any evidence of the party’s model—it is the Singaporean Kok Foong Lee.
diaspora\textsuperscript{150}—to allow the state to resuscitate (Wallis, 2012; The Economist, 2017). Subsequently, after the Genocide, Tri-Star/Crystal Ventures was awarded all road contracts financed by the UNDP and the European Union (Prunier, 2008:195). In 2012, the conglomerate was said to control assets worth more than $500 million inside the country, a net worth that is most probably much higher today given the continuous success. In the same year, it was the largest private business venture in the country employing between 70,000 and 100,000 Rwandans making them the second biggest employer in the country after the state (Wallis, 2012; Mazimpaka, 2013; Caslin, 2017).

\textsuperscript{150} Before 1994, the RPF raised funds from Rwandan refugee communities including many prominent businesspeople such as Silas Majyambere, Tribert Rujugiro, Assinapol Rwigara, and the Mbundu family. After the war, it is the funds that remained within the RPF’s "Production Unit" that contributed to the creation of Tri-Star Investments (Behuria, 2016b).
### Table 16 Party-Statals: Crystal Ventures Limited Subsidiaries

<table>
<thead>
<tr>
<th>Enterprise Name</th>
<th>Product</th>
<th>Ownership Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crystal Venture Limited</td>
<td>Multiple (see above)</td>
<td>Rwanda Patriotic Front (100%)</td>
</tr>
<tr>
<td>NDP/Contracto s.a.r.l.</td>
<td>Civil engineering</td>
<td>Crystal Venture Limited (CVL) (100%)</td>
</tr>
<tr>
<td>Mutara Enterprises</td>
<td>Furniture importing and furniture making</td>
<td>CVL (100%)</td>
</tr>
<tr>
<td>Bourbon Coffee Shops</td>
<td>Coffee from farmers to consumers in Rwanda and abroad</td>
<td>CVL (100%)</td>
</tr>
<tr>
<td>Inyange Industry</td>
<td>Food processing, dairy, beverages</td>
<td>CVL (100%)</td>
</tr>
<tr>
<td>Ruliba Clays</td>
<td>Construction materials, roofing tiles, bricks, pavers</td>
<td>CVL (100%)</td>
</tr>
<tr>
<td>East African Granite Industries</td>
<td>Mining</td>
<td>CVL (100%)</td>
</tr>
<tr>
<td>Real Contractors</td>
<td>Constraction, engineering and real estate (including Kacyiru apartments)</td>
<td>CVL (100%)</td>
</tr>
<tr>
<td>Graphic Printing Solutions</td>
<td>Printing and packaging materials</td>
<td>CVL (100%)</td>
</tr>
<tr>
<td>InterSec Security</td>
<td>Security</td>
<td>CVL (100%)</td>
</tr>
<tr>
<td>MTN RwandaCell</td>
<td>Mobile telephony and internet services</td>
<td>CVL 20%; MTN Mauritius 55%; GoR 10%; 15% Private;</td>
</tr>
<tr>
<td>Building Material Investments</td>
<td>Clay blocks and brick-making</td>
<td>CVL, CSR and Horizon Group</td>
</tr>
<tr>
<td>Media Systems Group</td>
<td>Communications and broadcasting</td>
<td>100% CVL</td>
</tr>
</tbody>
</table>

*Source: Companies Website; Gokgur, 2012; Behuria, 2016b*

There is also a second large business conglomerate called *Horizon Group Limited*, a holding company run as a private corporation but owned by the RDF and used as an investment arm. In 2006-2007, the RDF—with the pressure from the government—wanted to own an independent investment company to invest in strategic sectors within which “social and political purposes remain important but profitability is strictly secondary” (Booth and Golooba-Mutebi, 2012:13; Behuria, 2015). The initial capital was received from the Military Medical Insurance and the Military Micro Finance Cooperation.
Society (ZIGAMA-CSS), the two institutions that are still majority shareholders\footnote{While Horizon Group Limited is owned by the RDF, the board of Horizon Group does not include any army officers (apart from its CEO, Eugene Haguma). However, ultimately the Board is accountable to the Ministry of Defense.}. Like Crystal Venture, it has several subsidiaries and joint ventures in a wide range of fields. Early on it was mostly a construction company that built irrigation canals, agricultural industrial infrastructures such as milk factories and coffee washing stations; and later Horizon developed as a complete urban development company. Horizon has three main subsidiaries: Horizon Construction, Horizon SOPYRWA (a pyrethrum processing plant) and Horizon Logistics, which supports the RDF’s ever-growing peacekeeping operations abroad. There is also another recently created military enterprise called 	extit{Ngali Holdings} that is owned equally by military institutions (CSS ZIGAMA and Medical Military Insurance). Ngali was originally set up as an engineering firm but later expanded its activities to ICT, transport, energy, healthcare, pharmaceuticals, and ecology. It has developed, with success, many partnerships with foreign partners, and with the Ministry of Infrastructure of Rwanda to work on the creation of infrastructure for power generation and distribution; the creation of a smart grid for electrification; aviation infrastructure; railway infrastructure; security-related infrastructure; and infrastructure and services related to ICT such as the "RwandaOnline" program offering public services online (Behuria, 2016b:640). In the energy sector, Ngali was put in charge of many leading strategic investments such as a 255-MW worth of energy/electricity projects estimated at around $778 million in partnership with several international companies. The aim of the company is to develop vanguard electricity projects from different sources like geothermal, hydropower, wind and solar. For the $30 million RwandaOnline project—which offers services online for the issuing of passports; health insurance; registration of birth; application for identity cards; visa permits; transfer of land titles; motorcycle license; driving license; and trading license (Tabaro, 2014)—Ngali has partnered with a Singaporean technical partner (CrimsonLogic) and the partially state-owned and influential Bank of Kigali for the loans. According to Behuria (2016b:640), this young company (Ngali) represents the Rwandan Government’s most recent attempt at "picking
the winner” and giving access to finance, in a typical East Asian developmental state fashion.

**Table 17 Military-Owned Investment Groups: Horizon Group Limited and its Subsidiaries, Ngali Holdings and Agro-Processing Industries**

<table>
<thead>
<tr>
<th>Enterprise Name</th>
<th>Product</th>
<th>Ownership Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ngali Holdings</td>
<td>ICT, Transport, Energy, Health Care, Pharmaceuticals and Ecology</td>
<td>Medical Military Insurance (MMI) (50%); CSS Zigama (50%);</td>
</tr>
<tr>
<td>Agro-Processing Trust Corporation Ltd (APTC)</td>
<td>Multiple</td>
<td>MMI (50%); CSS Zigama (50%);</td>
</tr>
<tr>
<td>Agro-Processing Industries Ltd.</td>
<td>Agriculture (Cassava, Coffee, Sericulture, Soybean, Maize and Dairy)</td>
<td>APTC</td>
</tr>
<tr>
<td>Rugari Meat Processing</td>
<td>Meat products</td>
<td>APTC</td>
</tr>
<tr>
<td>Nyanza Milk Industries</td>
<td>Dairy Products</td>
<td>APTC</td>
</tr>
<tr>
<td><strong>Horizon Group</strong></td>
<td>Multiple (see above)</td>
<td>MMI (50%); CSS Zigama (50%);</td>
</tr>
<tr>
<td>Horizon Construction Ltd</td>
<td>Construction of Building and Roads</td>
<td>Horizon Group Ltd (100%)</td>
</tr>
<tr>
<td>Horizon Logistics</td>
<td>Logistic Support of RDF’s Peacekeepers Abroad</td>
<td>Horizon Group Ltd (100%)</td>
</tr>
<tr>
<td>Horizon SOPYRWA</td>
<td>Pyrethrum</td>
<td>Horizon Group Ltd (70%); Former Private Owners (30%);</td>
</tr>
<tr>
<td>Gaculiro Property Development (GPD)</td>
<td>Construction of 4,000 Housing Units in Kigali</td>
<td>Caisse Sociale du Rwanda (CSR) and Horizon Group</td>
</tr>
<tr>
<td>Commercial Complex in Kigali</td>
<td>Construction of Real Estate</td>
<td>Horizon Group and Kigali City Council (public)</td>
</tr>
<tr>
<td>Green Horizon</td>
<td>Fiber Optic</td>
<td>Horizon Group and RDB</td>
</tr>
<tr>
<td>Africa Agropharm</td>
<td>Insecticide</td>
<td>Horizon Group (49%) and UK Agropharm (51%)</td>
</tr>
</tbody>
</table>

Sources: Companies Websites; Gokgur, 2012; Behuria, 2016b, (When the equity shares are not easily identified, only the name of the owners are mentioned).

Finally, the third conglomerate is Rwanda Investment Group (RIG), a holding company initiated by the government and created in 2006. It was presumably established with 41
shareholders—including six institutional investors, four mid-sized private companies and 31 well known Rwandan private individuals\textsuperscript{152}—such as the Rwanda Development Bank, National Social Security Fund (NSSF) and Crystal Venture Limited. It is now a large holding company with both public and private shareholders with the purpose of raising funds to invest primarily in the construction and energy sector, but also other sectors depending on the country need (Bozzini, 2014). The establishment of RIG and its subsidiaries were possible in part because of the government and its decision to provide equity financing from two of its major state-owned enterprises, Primeholdings\textsuperscript{153} and Caisse Sociale du Rwanda (Gokgur, 2012). The first company that was purchased by the Rwanda Investment Group was the state-owned cement manufacturer (CIMERWA), the leading producer of cement product in the country. Later RIG was involved in the extraction of methane around Lake Kivu as well as in peat extraction in order to respond to the lack of electricity for the country\textsuperscript{154}. In addition, the business group took part in the strategic financing of the Kigali Industrial Park. Subsidiaries of RIG are now active in many sectors including energy, construction (notably the construction of the Kigali Convention Centre) and agro-processing; while they also operate and own tea factories and several coffee washing-stations parallel to private operators. This allows RIG, like most of the conglomerates in the county, to exercise control over vertically integrated supply chains (Gokgur, 2012).

\textsuperscript{152} These include highly successful businessmen Hatari Sekoko and Tribert Rujugiro, although Rujugiro has left the country in exile.

\textsuperscript{153} Primeholding was a new SOE established in 2008 and charged to manage Serena Kigali and Serena Kivu Hotels.

\textsuperscript{154} The first one is the Kivu Gas project, a methane gas extraction project located in Lake Kivu on the western border with the DRC, where the vast amount of gas underneath the lake is now being extracted and used for electricity generation following a joint venture with an American firm (Kezio-Musoke, 2008; The Independent, 2017). At its last phase, the project is set to double the electricity supply of the country. Electricity is a well-known necessity to ensure industrialization, and it has been pointed out that “electricity and water do not go off in a developmental state, or at least they are developmental outcomes that are to be avoided” (Fine, 2010:273).
Table 18: Informal Investment Groups: Rwanda Investment Group and its Subsidiaries, Petrocom Group

<table>
<thead>
<tr>
<th>Enterprise Name</th>
<th>Product</th>
<th>Ownership Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrocom Group</td>
<td>Transport, Steel, Concrete and Stone, Truck and Bus, Dairy and Tea</td>
<td>Multiple Investors</td>
</tr>
<tr>
<td>Rwanda Investment Group (RIG)</td>
<td>Multiple (see above)</td>
<td>Multiple Investors</td>
</tr>
<tr>
<td>CIMERWA</td>
<td>Cement Production</td>
<td>RIG (90%); GoR (10%)</td>
</tr>
<tr>
<td>Rwanda Energy Company</td>
<td>Heat (Use Peat to produce heat for other company)</td>
<td>RIG (60%); EcoEnergy of Kenya (40%)</td>
</tr>
<tr>
<td>Peat Energy Company</td>
<td>Peat Mining</td>
<td>RIG (100%);</td>
</tr>
<tr>
<td>Multisectoral Investment Group</td>
<td>Agro-processing: coffee washing stations, tea plantations, honey making</td>
<td>RIG (100%);</td>
</tr>
<tr>
<td>Kigali Convention Centre</td>
<td>Total Complex</td>
<td>RIG (35%); CSR (25%); Primeholdings (50%)</td>
</tr>
<tr>
<td>Ultimate Concepts</td>
<td>Designing Kigali Convention Center</td>
<td>RIG (80%); Primeholding (SOE) (20%)</td>
</tr>
</tbody>
</table>

*Source: Companies Websites; Gokgur, 2012; Behuria, 2015; 2016b;* 

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This number, like many other numbers in the table has changed over time. In 2006, CIMERWA was bought by Rwanda Investment Group (RIG) (90%) with the commitment to make more investment to build new plants. However, while some investment was made RIG stopped its activity probably in relation to the arrest and charges against RIG’s leading investor, Tribert Rujugiro Ayabatwa for tax evasion and money laundering charges in the United Kingdom, South Africa, and Rwanda (RNA, 2009; Nsehe, 2017). Later in 2011, some state-owned institutions and investment groups decided to reinvest in CIMERWA. The new ownership structure was in the hands of the Rwanda Social Security Board (RSSB) (37.5%), the Government (30.7%), Rwanda Investment Group (21.2%), the Rwanda Development Bank (BRD) (8.5%), a local insurance firm called SONARWA (1.4%) and two local businessmen (Paul Mubiligi and Eugène Nyagahene) (0.7%). Later in 2013, South Africa’s largest cement producer, PPC Ltd. invested 69 million to assume 51 percent shares in CIMERWA while the remaining shares remained to RSSB (20.24%), the government (16.55%), RIG (11.45%) and SONARWA (0.76%).

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155 This number, like many other numbers in the table has changed over time. In 2006, CIMERWA was bought by Rwanda Investment Group (RIG) (90%) with the commitment to make more investment to build new plants. However, while some investment was made RIG stopped its activity probably in relation to the arrest and charges against RIG’s leading investor, Tribert Rujugiro Ayabatwa for tax evasion and money laundering charges in the United Kingdom, South Africa, and Rwanda (RNA, 2009; Nsehe, 2017). Later in 2011, some state-owned institutions and investment groups decided to reinvest in CIMERWA. The new ownership structure was in the hands of the Rwanda Social Security Board (RSSB) (37.5%), the Government (30.7%), Rwanda Investment Group (21.2%), the Rwanda Development Bank (BRD) (8.5%), a local insurance firm called SONARWA (1.4%) and two local businessmen (Paul Mubiligi and Eugène Nyagahene) (0.7%). Later in 2013, South Africa’s largest cement producer, PPC Ltd. invested 69 million to assume 51 percent shares in CIMERWA while the remaining shares remained to RSSB (20.24%), the government (16.55%), RIG (11.45%) and SONARWA (0.76%).
### Table 19 Rwanda's State-Owned Enterprises

<table>
<thead>
<tr>
<th>Name of State-Owned Enterprise</th>
<th>Controlling Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rwanda Air</td>
<td>99%</td>
</tr>
<tr>
<td>Automobile Guarantee Fund</td>
<td>100%</td>
</tr>
<tr>
<td>Prime Holding (Serena Kigali and Serena Kivu Hotels)</td>
<td>100%</td>
</tr>
<tr>
<td>Military Medical Insurance Scheme</td>
<td>100%</td>
</tr>
<tr>
<td>CAMERWA</td>
<td>100%</td>
</tr>
<tr>
<td>Rwanda Civil Aviation Authority</td>
<td>100%</td>
</tr>
<tr>
<td>EWSA (Electric Power and Water)</td>
<td>100%</td>
</tr>
<tr>
<td>National Bank of Rwanda (BNR)</td>
<td>100%</td>
</tr>
<tr>
<td>Caisse Sociale du Rwanda or National Social Security Fund of Rwanda (NSFR)</td>
<td>100%</td>
</tr>
<tr>
<td>OCIR Coffee</td>
<td>100%</td>
</tr>
<tr>
<td>OCIR Tea</td>
<td>100%</td>
</tr>
<tr>
<td>ONATRACOM</td>
<td>100%</td>
</tr>
<tr>
<td>Lotto Rwanda</td>
<td>40%</td>
</tr>
<tr>
<td>Soprotel (Laico Hotel)</td>
<td>40%</td>
</tr>
<tr>
<td>Rwanda Development Bank</td>
<td>38.20%</td>
</tr>
<tr>
<td>Bank of Kigali</td>
<td>21% and 34% in indirect shareholding</td>
</tr>
<tr>
<td>Commercial Bank of Rwanda</td>
<td>19.8%</td>
</tr>
<tr>
<td>CIMERWA</td>
<td>10%</td>
</tr>
<tr>
<td>MAGERWA</td>
<td>10%</td>
</tr>
<tr>
<td>MTN</td>
<td>10%</td>
</tr>
<tr>
<td>National Insurance Corporation</td>
<td>6.5%</td>
</tr>
<tr>
<td>Bralirwa</td>
<td>5%</td>
</tr>
</tbody>
</table>


An example of the horizontality and cooperation within the conglomerate in Rwanda is the activities of Graphic Printing Solutions, a manufacturer of printing and packing materials, which is the sole provider of packaging products to Inyange Industries, and both companies are owned by Crystal Venture (Gogkur, 2012). Of all the subsidiaries from CVL, Horizon Group and RIG, many have been able to build joint ventures either with

156 The monopoly of Inyage in public institutions has been noticed also by the author during his stay in Rwanda. Indeed, every ministry or agency offered only Inyage products to public servants or visitors. Knowing that Inyage is one of the most expensive bottled water in the country and that public water is not potable in general, it is easy to speculate on the value of that market for the company.
each other or with SOEs, therefore, building a powerful web of fiscal, financial and non-financial relationships amongst their own subsidies.

The financial power of the three Business conglomerates—but mostly of Crystal Venture—is also putting the RPF in a dominating position when it comes to the *financing of political campaigns*. According to a then member of the Board of CVL, Dr. Nshuti Manasseh, for the 2010 elections the RPF campaigning cost was 2.4 million and of that amount, one half was paid by the party members, and the other half by the RPF-owned conglomerate. To explain this, James Musoni, former Minister of Infrastructure and previously in charge of RPF’s business affairs said: "from the beginning, we said we should have our own resources so that we are not indebted either to business people who want favors or foreign people like Gaddafi" (Wallis, 2012).

8.4.3. The Different Views of Public-Private Cooperation in Rwanda

In the literature, the use of party and military enterprises in Rwanda is divided into two different camps. The *first view* argues that such enterprise activity demonstrates how the ruling elites are committed to what they call a “long-horizon deployment of rents” enabling the growth of the economy by investing in strategic sectors157 (Booth and Golooba-Mutebi, 2012; Kelsall, 2013). This is not so far from the official view of the government as expressed by Dr. Manasseh. The idea behind RPF’s empire is to free the government and the party from clientelistic obligations that would threaten the autonomy of the ruling elites and therefore the implementation of its developmental vision. Indeed, development scholars often say that it is these clientelistic obligations—where governments need to buy support—that is slowing development in most

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157 They add that there is a developmental logic behind this form of patrimonialism because these companies fulfill industrial policy-making and venture capital backing roles on behalf of the state. Behuria’s (2013) research has also shown that these patrimonialistic practices allow the government to allocate beneficial professional opportunities to retiring or transitioning members of the army in the private sector and therefore ensuring their loyalty and the stability of the country.
developing countries in the world (Lemarchand and Legg, 1972; Hutchcroft, 1997). The activities of these companies are thus considered as instruments for the ruling elites to develop the economy towards a more mature one and to follow the national development goals clearly written in the official documents of the GoR. As for the second view, it generally uses the neoliberal—or public choice theory—assumption that the close relationship between such enterprises and the government, along with the presence of a connected group of elites is in itself evidence that the enterprises are used for unproductive and personal purposes, therefore, damaging the economy\footnote{For instance, Gokgur (2012:10) have argued that these institutions have “become extractive economic institutions, concentrating power and opportunity in the hands of only a few”. He also adds that party-statals enjoy state-granted privileges through their close fiscal, financial and non-financial ties to state procurement contracts, as well as the ability to access loans from commercial banks. This accusation, while denied by the government is facilitated by some government policies that appear to favor some CVL companies. For example, Intersec (a subsidiary of CVL) is the only private security company authorized to carry arms; or a legislation instructing publicly funded school programs to purchase exclusively from the party-owned Inyange Industries for beverages, giving the impression of a market that is not as open as it looks.}

\footnote{For Fukuyama and Matfess (2016:103), Rwanda’s investment vehicles do more than promote economic growth: they are in fact a significant source of economic influence for the owning party and their profits are funneled into party coffers, rather then into the state. Contrary to SOEs, the party-owned companies are registered as private investments in national accounting, thus avoiding proper public accountability.} (Gokgur, 2012; Reyntjens, 2013; Huggins, 2014; Fukuyama and Matfess, 2016). However, as of now, it is not possible to find any evidence of such claim in Rwanda. In response to these critics, the World Bank has studied the activities of the conglomerates and they found no real evidence of non-competitive behaviours or irregular revenue (Manson, 2015). To be sure, the “pro-entrepreneurship” President Kagame\footnote{For President Kagame and his government, entrepreneurship is the “backbone of Rwandan society”; it will ultimately expand the tax base and decrease aid dependence, but also redirect the Rwandan mindset towards self-sustainable economic development. He adds—in a typical modernizing way—that supporting entrepreneurship is the surest way to “unlock people’s minds, to allow innovation to take place and to enable people to exercise their talents” (Kagame 2009: 4). Concretely, the government’s strategy to foster entrepreneurship includes providing access to loans, building infrastructure, training managers, and easing administrative requirements notably with a better “doing business” score (Biedermann, 2016).} seems extremely cautious of the potential negative effects that such accusations could have on international investments (Caslin, 2017). The habitual argument used by the government and the President himself is that as soon as there are enough competitors and the market is mature enough these companies intend to sell their shares (KTPRESS, 2017). This discourse is, again, clearly following a typical DS path where in the words of Woo-Cummings (1999:15) “the point...
here is not whether it uses the strong thumb or nimble fingers but whether it has the capacity to decide and enact which fingers to use and how, and when to quit”.

In retrospective, these conglomerates have most certainly contributed to the hegemonic domination of the Rwandan political economy by the RPF. Even by following the neoliberal assumption on these conglomerates activities and their role in the “patrimonial political systems”, it is interesting to question whether patrimonialism is inevitably an obstacle to growth. This question was asked in Mushtaq Khan’s (2000) study on the patrimonial nature of East Asian developmental states where he has shown that while private companies received privileged treatment and unfair advantages, they were only permitted to do so when they contributed to broader developmental objectives. This analysis was also advanced in relation to Rwanda by the Africa Power and Politics Programme (APPP) research consortium, which has studied how the GoR has used large investment holdings to centralize investment within priority areas. They have argued that this strategy diminishes the party’s need for larger and more devastating forms of corruption that might drive resources away from developmental requirements. In other words, it is not out of the question, under certain circumstances, that rent-seeking becomes developmental.

It is important to acknowledge that studying these party-statal companies or investment holdings is a difficult exercise since finding public data on their official finances and structures is almost impossible. While there could be many potential concerns regarding the way these businesses are run—such as a risk of favouritism and limited transparency— it does not seem correct to simply assume that the state is captured by private interest groups. However, it is fair to say that in Rwanda, the major investment holdings, the government, and the RPF are not totally separate bodies but rather a complicated web of organizations cooperating with each other.
8.4.4. Conclusion

In retrospect, according to virtually every developmental state's theorists, one of the unavoidable characteristic of the developmental state is the autonomy of the state and the public-private cooperation. Accordingly, in order to conform to the developmental state condition of embeddedness, it is necessary for a state to possess both state autonomy and an unusual degree of public-private cooperation. In this section, we have seen that Rwanda enjoys a dominant political settlement that is characterized by the concentration of power in the hands of the ruling elite factions, along with a significant degree of autonomy from unproductive (undevelopmental) societal pressure facilitated by a strong military capacity and power. The autonomy of the state has been socially anchored within a dense network linked to the military, politicians, and bureaucrats, but also and most importantly to the business community. This network—which is often informal—is generally associated with the Rwandan Patriotic Front. Indeed, it is impossible to understand the nature of the Rwandan state without considering this powerful institutionalized interaction which occurs within the RPF network. The RPF network which was in the early years of the regime mostly connected to the Ugandan chapter of the RPF but also to the international diaspora is still present while it has evolved and expanded over the years. It is this informal network that is behind the strong embeddedness between the public and private sectors.

It is fair to say that Rwanda's distinctive recent history and continuous threat to the regime was a fertile ground for the establishment of such a powerful centralized state and embedded autonomy. Indeed, this political-economic system is really similar to what developmental state theorists have described for East Asia: a closed and autonomous political elite and professional bureaucracy using its hegemonic position to bring about development because of its insulation from unproductive interference or pressure from

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161 This informal and especially opaque relationship between the different actors within the public and private sectors was also underlined by many informants.
162 As we have seen in chapter six, originally, this RPF network was in majority composed of Tutsi refugees.
lobbyists or politicians. In fact, in East Asian developmental states, this kind of "autonomy" and the dynamic interaction between the groups present is said to have facilitated the creation of policies favourable not only to the elites but also to development in general and poverty-reduction. While some authors have argued that the Rwandan state has overly favoured elite fractions in the last decades, it would also be hard to deny the government policies that have benefited the poorer sections of the society—notably with the establishment of universal health care services and education along with other pro-poor policies—and that have ultimately reduced the number of people living under the poverty line despite a high birth rate. One could also argue that this system has delivered impressive results in the section of the economy prioritized by the government such as the mobile phone/data coverage (covering almost 100% of the population, a high-speed fiber-optic network connecting all districts of the country). In conclusion, the party-state structure in Rwanda has provided the Rwandan state with substantial embeddedness with the society but also, and importantly, with the business community. In the next section, we will observe another important feature of the developmental state that is also related to the “embedded” nature of the state: the legitimacy and socio-economic growth nexus.
8.5. Performance-Based Legitimacy

The fifth and last feature of the developmental state is the legitimacy and socio-economic growth performance nexus. A developmental state is usually a strong—if not authoritarian—state which in addition to being able to resist lobbying from unproductive private interests, can also "actively shape the economy and society" in line with its intentions (Wade, 1990: 337). Civil societies in developmental states are often weak and subordinated, at least by western liberal standards (Leftwich, 1995; 2000). While a strong state in a weak civil society inevitably results in poor human rights records, in reality, the developmental state distinguishes itself from despotic states. Indeed, despite poor records of repression and limited human rights, developmental states have been able to gain popular support and significant legitimacy for their regimes. While some have underlined the persistent or even violent internal opposition presence, the developmental state's legitimacy has rarely been truly threatened, in good part because their regime was able to produce high socioeconomic growth—and sometimes exert a strong control over society (Leftwich, 2000). The reason for this paradox of legitimacy and poor human rights records is related to the successful socio-economic transformation and the relatively inclusive ways of distributing these outcomes. Developmental states normally arise from difficult developing country situations where citizens want to firstly increase their living standards, which are what the developmental state offers to raise in the first place (Beeson, 2006).

That being said, studying and measuring legitimacy is notoriously difficult, especially under political conditions in which opinion might be suppressed. In its most simple meaning, the legitimacy of a regime is measured by the confidence or acceptance by the people regarding a system and its leadership. More precisely, “legitimacy is a generalized perception that the actions of an entity are desirable, proper, or appropriate

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163 This acceptance may happen in many forms. For instance, there is positive informed acceptance, acceptance in which people may acquiesce out of fear or as a result of traditional compliance; or simply acceptance in which people may give only resigned acceptance or conditional agreement (Held, 2006; Leftwich, 2000).
within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995:574). On the other hand, most developmental states scholars argue that it is necessary to specify the meaning of legitimacy in a given historical or cultural context and resist ethnocentric conception of legitimacy related to the democratic state. For Johnson (1999), the legitimacy of developmental states cannot be explained simply by using the Anglo-American state-society categories that include civil liberties. Castells (1992:56) claims that there is a gap between the Western understanding of legitimacy and the way it was practiced in East Asia. While the Western democratic definition considers a state legitimate if it can establish some form of consensus in relation to the representation of the civil society through the form of political election and constitution, in a developmental state legitimacy is achieved by being able to define societal goals and demonstrate its ability to achieve these goals. Successful developmental states “have been quasi-revolutionary regimes in which whatever legitimacy their ruler possessed did not come from external sanctification or some formal rules whereby they gained office but from the overarching social projects or goals their society endorsed and they carried out” (Johnson, 1999:52; Onis, 1991). This overriding social project\(^{164}\) was certainly present among the Japanese people after the war, as it was the case for the Korean, Taiwanese and Singaporean people in their respective troubled time (Johnson, 1999). Also, the source of authority in a developmental state is not one of Weber’s “holy trinity” of traditional, rational-legal, and charismatic source of authority but rather a “revolutionary authority” that is the authority of a people committed to the transformation of their social, political and economic order. In that sense, legitimacy occurs from the state’s achievements and results, not from the way it came to power.

There are two elements to measure this feature and the presence of developmental state-type legitimacy. The first one is the presence of a quasi-revolutionnary regime in which whatever legitimacy possessed by the rulers does not come from external sanctification or some formal rule whereby they gained office. This “revolutionary authority” implies the

\(^{164}\) Johnson (1999:53) adds that “what distinguishes these revolutionaries from those in the Leninist states is the insight that the market is a better mechanism for achieving their objectives than central planning. The market includes people who want to work for a common goal; central planning excludes them”.
presence of an overarching project or “social engineering” project endorsed by society in
general and carried out by the government which can be observed with public policies
and state transformation aiming at implementing such a project. Therefore, the second
element is the gradual implementation of this project and the associated improvements
of economic conditions and living standards. These are to be assessed by the presence of
substantial investments in social services coupled with improvement in the education
sector, poverty reduction, health sector, and social security. To do so, it is necessary to
look at social policies and their performance through the evolution of indexes’ scores in
these sectors such as NDP’s Human Development Index, and other domestic and
international accounts. In addition to this, it will be interesting to analyze the state of the
civil society and human rights which are typically not a priority if not considered a threat
in a developmental state.

8.5.1. A Quasi-Revolutionary Regime with an Overriding Social Project

As we have seen in the previous sections, the Government of Rwanda is undoubtedly
committed to the economic development of their country. For a good number of scholars,
this commitment is essentially connected to the fact that the ruling RPF perceive their
leadership to be legitimized by achievements in socio-economic development (Golooba-
Mutebi, 2008; Longman, 2011; Marijnen and van der Lijn, 2012, Purdekova, 2012; Longman,
2012; Mann and Berry, 2016; Biederman, 2016; Fukuyama et al., 2016; Chemouni, 2017).
The government’s commitment to socio-economic development has also been associated
with a radical social project that could definitely be considered as "quasi-revolutionary".
In that matter, many critical authors of the RPF regime have stated that the government
has pursued a massive "social engineering project" with the aim of creating a "modern"
entrepreneurial population which closely follows the objectives drafted in the long-term
strategic plan of the government (Ansoms, 2009; Straus and Waldorf, 2011; Purdekova,
2011; Mann and Berry, 2016; Huggins, 2017).
Indeed, following Chalmers Johnson’s (1999) account on the issue, the government of Rwanda since 2000 has established and implemented an ambitious and overriding social project for the entire Rwandan society. The issue of Rwanda’s overarching project has been subject to a lot of interest by researchers in the past decades. One of the most influential works on the subject was prepared by Straus and Waldorf (2011:8) who have described post-genocide Rwanda's far-reaching social project as "social engineering" or following a "high modernist ideology" by making reference to James Scott’s (1999) framework. In their book Remaking Rwanda, they claim that through its "highly ambitious policy of reconstruction and development", the government not only wants to change governance and economic structures but also to "alter social identities, cultural norms, and individual behaviour" (Straus and Waldorf, 2011:4). According to this account, the RPF proposes to radically change the social order that caused the genocide in favour of an ambitious social engineering project which encompasses four main arenas.

The first one is *behavioural and cultural*, as Rwanda’s current leadership central goal is to change the way Rwandans understand themselves and the social categories around them. This transformation of the Rwandan passed through the inculcation of a new ideology of "national unity and reconciliation" for all Rwandans but with a focus on the youth (Ndahiro et al., 2015; NURC, 2016). This new ideology is backed by many institutions in the country including the National Unity and Reconciliation Commission which aims at convincing citizens to drop their ethnic labels in favour of a more inclusive identity of "Rwandan" (NURC, 2016). Rwandan citizens are also taught new social values—often related to traditional Rwandan culture—and "correct" Rwandan history along with the negative consequences of bad governance of previous regimes. The program is supported by a national re-education program in which Rwandan groups are taught about their past in *Ingando* (solidarity camps) and *Itorero* (civic education training). There is also the *Gacaca* (community courts)—that deals with genocide cases—which are said to be part of a larger effort to instill new social values through lectures on the previous regime’s bad governance (Rettig, 2011).
The second aspect of this overriding social project is the *spatial reconfiguration of Rwanda*. A good example of this is the redrawing of the map of the country in 2005 where the names of many cities and towns were changed and Rwanda's ten provinces were reduced to four provinces (northern, southern, western and eastern provinces). This spatial reconfiguration is seen as an attempt to eliminate the regional loyalties and divisions that were lethal in Rwanda's previous violence episodes. Also, one has to mention the villagization policy (*imidugudu*) that creates village structures in previously rural landscapes of traditionally scattered homesteads “in order to modernize, rationalize, and control the countryside” (Straus and Waldorf, 2011:9). In addition, the government has implemented a large and internationally acclaimed decentralization policy which has transformed the state's administrative units and redistributed their powers and responsibilities. These important changes were completed by the establishment of a new national flag and national anthem, along with the introduction of English as a new national language which de facto erased the existence of French in the country's administration. These spatial and symbolic reconfigurations are said to be so important that any long-term Rwandan expatriates coming back to their country may perhaps no longer recognize their country (Tertsakian, 2011)

The third arena of Rwanda’s overriding societal project is the *economy*. As we have seen in previous sections on the industrial policy and omnipresent long-term plan that aim to transform the agriculture-based economy into a knowledge and manufacturing-based economy, the economy is part of a large and ambitious project of the government. For instance, agriculture which was dominated by smallholder farming of subsistence crops and coffee has been subject to a lot of radical reforms by the government. The government has replaced subsistence agriculture with much larger agribusiness clusters and mono-cropping strategies (Ansoms, 2009; Huggins, 2017). The present regime also wants to make Rwanda an ICT and conference hub in Africa following their ambitious long-term growth plan.
Finally, the fourth arena is politics. We have seen that the present government has developed a constitution and some policies that define the strict boundaries within which political opposition, civil society and independent media have to operate. Indeed, the government established a political settlement in which political actors must subscribe to what they consider critically important values of non-sectarianism, relentless pursuit of socio-economic development and unwavering enforcement of rules. This system was also established to combat the genocide negationist forces still present inside and outside the country. This “political settlement” has been highly criticized by Western scholars and media for the lack of political space it allows to genuine opposition parties that could offer an alternative to the RFP platform.

When observing Rwanda's radical change of social, economic and political order, it is interesting to look into Scott's (1999:94) own description of high modernist when he notes that "at its most radical, high modernist imagined wiping the slate utterly clean and beginning from zero", which explains why this kind of high modernist projects are mostly launched after a period of war, decolonization or other decisive historical periods. The GoR has also implemented radical change with the central justification of avoiding future recurrence of genocidal violence. Radical change generally foster opposition which favours either the status quo or another form of change, and these opponents, if properly organized, can easily derail the process. However, according to developmental state scholars in a typical developmental state the critical civil society is usually eliminated or muted in order to ensure the implementation of the quasi-revolutionary national project.

**8.5.2. A Weak and Subordinated Civil Society**

Without surprise, the quasi-revolutionary project previously described brought about a great deal of change in Rwandan society which in turn attracted critics and opponents. However, in most developmental states these opponents within the civil society were either muted or repressed by government forces. This state of affairs for the civil society is
related to the developmentally-driven component of the developmental state that focuses primarily on socio-economic development and improvement of living standards before anything else, including personal freedom. According to Kohli (1999), it is the repression of the civil society and other civil liberties in developmental states that is freeing the state elite and bureaucracy to focus on economic activity.

For most scholars and human rights organizations, as of 2003, the Rwanda Patriotic Front has been able to take control of almost all aspects of the Rwandan society (Amnesty International, 2010; 2017b; Longman, 2011; Maru, 2017). While one might contend that the present regime has to operate in a difficult and sensitive post-genocidal political environment, it is nonetheless habitually considered a one-party state which has monopolized the political space around the RPF and eliminated critical and opposing voices. Timothy Longman (2011:26) for instance, claims that the government has become an authoritarian regime as it "systematically intimidated, co-opted, and suppressed civil society so that Rwanda today lacks independent social organizations capable of articulating most public interests. The government tolerates very little public criticism, strictly limiting freedoms of speech, press, and association". This kind of claim is generally corroborated by other authors or associations interested in human rights and civil society although some authors still describe the civil society in Rwanda as existing and spirited and occasionally enjoying some freedom thanks to electoral and decentralization politics and other development initiatives (Gready, 2011; Newbury, 2011).

With its constitutionally-backed "consensual democracy", the RPF government has requested the civil society to follow its path of "national unity and reconciliation" and socioeconomic development, and some members have been able to juggle properly in that frame. Authors like Longman (2011) and Gready (2011) see in the "consensual democracy" an obvious strategy of coercion to force civil society groups to accept pro-RPF policies.

For many observers, RPF cadres or those with close ties to the government have infiltrated the top jobs in local NGOs, umbrella groups and collectives, therefore leaving
only a little space for independent thinking (Gready, 2011; Reyntjens and Vandeginste, 2005). As a result, NGOs and other organizations that step out of the government line of “consensus” have often been suspended or expelled. For instance, many civil society activists have been arrested or forced out of leadership positions through accusations of involvement in the genocide or for supporting “divisionism” or “genocide ideology”. Even groups such as Ibuka (“remember” in Kinyarwanda) an umbrella organization for genocide survivors was not exempted as some leaders have faced harassment leading them to flee the country. In the late 1990s, Ibuka was especially critical of what they considered as the government’s neglect of genocide survivors and economic opportunities, and its vice-president, Josué Kayijaho, was detained and later was able to leave the country in exile (The Irish Time, 1999; Thomson, 2018). Other members have also left the country such as Ibuka founder Bosco Rutagengwa and Secretary-General Anastase Muramba in 2000. The organization has since adjusted to a more pro-government line and has even used more zeal than the government by accusing some known pacific survivors of negationism (The New Times, 2009). In 2010 the government also arrested five senior officials of Ibuka on accusations of corruption and financial mismanagement of funds intended for genocide survivors (Ssuuna, 2010; Longman, 2011). Additionally, in 2004 a parliamentary report on genocide ideology was released accusing the human rights group LIPRODHOR of harboring genocide ideology, and other local and international NGOs such as Care and many of the country’s churches and some schools were accused as well (Parliament of Rwanda, 2004; 2006; Amnesty International, 2004). This was followed in 2008 by a new law aiming to stop "genocide ideology" and "genocide revisionism". The law considered a "crime of genocide ideology" as "any behaviour manifested by facts aimed at dehumanizing a person or a group of persons with the same characteristics", which any person convicted should be sentenced to an imprisonment of ten to twenty-five years in prison (RoR, 2008: art. 3). As seen before, the loose accusations of genocide ideology are seen by critics as a way to silence opposing views.

165 Also, according to some of our informants, the RPF party is never too far and there exists a certain pressure on high-level managers to adhere to the party membership, especially in the years preceding elections.
These are various examples that have allowed many observers to conclude that Rwanda today has a civil society that includes many organizations but with only little independence and most of the time controlled by the regime (Reyntjens, 2004; Amnesty International, 2004; Gready, 2011; Longman, 2011). While some have flatly concluded that the civil society is solely “controlled by the regime” (Reyntjens, 2004:185) others note that occasional spaces are created by local politics and the frequent popular consultations (Newbury, 2011). Popular consultation and local politics—as controlled by the government they can be—can still allow the civil society to make valiant efforts to participate in debates over reconstruction and development.

As for the freedom of the press, it is also considered as subordinated to the state. In the last years of the Habyarimana regime, the freedom of the press was at a high and printed press has played an important role in challenging Habyarimana's regime and, more importantly, in the spread of genocidal ideology (Chrétien, 2000a). Like the civil society in general, the press was devastated by the genocide and the large-scale contribution of the extremist anti-Tutsi press in the genocide has discredited the free press in the country (Chrétien, 2000a). It is notably for this reason that ever since the RPF took power, it has maintained tight control on the press by allowing more or less only newspapers favourable to the regime to publish without the threat of punishment. Over the last two decades, several journalists were arrested or allegedly intimidated and seized by the government following "unfavourable” publication on the government (Longman, 2011:35; Sundaram, 2016; Freedom House, 2017). In reaction to this repression of journalists, Reporter Without Borders (2014) have labelled Paul Kagame one of the world’s "Press Predators". In 2009, the government passed a new press law to regulate journalists by setting educational and other new standards, but most importantly to allow the government to review the content of publication (Noorlander, 2010; Kagire, 2009b). The government has also created an institution called the Media High Council responsible for media monitoring and capacity building, and to “initiate and implement policies and strategies that enable the country’s media and practitioners” (Media High Council, 2018).
In sum, with reference to the kind of political settlement established in Rwanda after the genocide, it is safe to say that the prescribed role of the civil society in Rwanda is more to accelerate development and help with service delivery than anything else. In fact, this state of affair is more or less confirmed by officials such as Johnston Busingye, former secretary general of the Ministry of Justice who said that: “when civil society sees itself as something different to government, as almost opposed, then it is a problem” (cited in Gready, 2011:89); or Jean-Paul Kimonyo, a presidential adviser, who said that it is Rwandan nationalism which can explain the people’s willingness to make personal sacrifices in the interests of national progress and “if you don’t understand that, you can’t understand Rwanda, why people are giving up some freedoms for a greater goal” (Pilling and Barber, 2017; Kimonyo, 2017). In fact, the government’s argument when faced by donor’ critics is that it doesn’t want to reproduce the uncontrolled democratization that happened before the genocide and allowed the rise of the extremist Hutu political parties involved in the genocide. Therefore, a transitional period is considered necessary to “sensitize” the population to responsibilities related to a democracy. In other words, even though the government is said to be committed to democracy, it wants to proceed carefully (RoR, 1999). In light of this, it is possible to say that in Rwanda the civil society is “largely compliant, the opposition toothless, and the critical NGO’s expelled”, which consequently provides incentives to support the regime and encourage self-censorship (Jones, 2012: 239; Bozzini, 2014; Fukuyama et al., 2016; Sundaram, 2016). To say the least, Rwanda’s current model of governance is de-emphasizing the role of civil society and human rights as it is seen in the West.

These finding on the lack of personal freedom in Rwanda also raise the issue of the link between authoritarianism and development. While it is not the focus of this thesis, it is only fair to say that any researcher studying the East Asian or Rwandan experiences cannot overlook the empirical fact that rapid socio-economic development has occurred in the great majority of cases under authoritarian regimes. Indeed, if we define authoritarian as “favouring or enforcing strict obedience to authority, especially that of

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166 This issue will be discussed in more details in section 9.3.4.
the government, at the expense of personal freedom”, it is reasonable to say that the Rwandan state qualifies as such (Oxford Dictionary, 2018). That being said, while Johnson (1987) himself believes that there is no necessary link between authoritarianism and development, one might also concede that “the power of the developmental state grows both out of the barrel of the gun and its ability to convince the population of its political, economic, and moral mandate” (Woo-Cumings, 1999:20). However, that ability must not be only rhetorical but also bring actual results by improving economic conditions and living standards of the population. The next section will explore if Rwanda’s quasi-revolutionary project and enforced authority also brought positive socio-economic results.

8.5.3. Improved Economic Conditions and Living Standards

In Rwanda, while the early economic reforms of the RPF regime has allowed the economy to produce impressive growth in GDP (8% per annum between 2000-2017), the government had to invest significantly in social welfare to make sure the entire population benefited from the booming economy—but also to satisfy the requirements of international aid. Indeed, Rwanda’s leaders turned their attention to social policies aiming at easing the tension caused by neoliberal policies (such as income inequalities) and raising the living standard of the greater part of the population—which live in poverty.

Since 2000, the government has invested greatly in social services. According to the 2011 National Social Protection Strategy (NSPS), investments by the government generally falls into two categories: cash transfer to the poorest—such as widows, demobilized soldiers and genocide survivors—providing minimum income and livelihood security; and access to services for the entire population such as health care, education, water and sanitation (MINALOC, 2011:3). Service delivery is thus central in the Government strategy and present in almost each and every government policy. Interestingly, these social services
are also almost always intimately linked to economic development. In fact, the global objective of the NSPS is to “build a social protection system that tackles poverty and inequality, enables the poor to move out of poverty, help reduce vulnerability and protect people from shocks, helps improve health and education among all Rwandans, and contributes to economic growth” (MINALOC, 2011:3).

The Government’s overall investment in social services has allowed the country to make steady progress in developing its human capital and social welfare. This progress is reflected in its ranking in the Human Development Index (HDI) of the United Nations Development Programme (UNDP, 2016). The HDI is a summary measure for assessing progress in three basic dimensions of human development: a long and healthy life, access to knowledge, and a decent standard of living. In the Index, a “long and healthy life” is measured by life expectancy at birth. The “knowledge level” is measured by mean years of education among the adult population\(^{167}\) and access to learning and knowledge by expected years of schooling for children of school-entry age\(^{168}\). The “standard of living” is measured by Gross National Income (GNI) per capita expressed in constant 2011 international dollars converted using purchasing power parity conversion rates. The HDI is based primarily on international data from the United Nations Population Division (the life expectancy at birth data), the United Nations Educational, Scientific and Cultural Organization Institute for Statistics (the mean years of schooling and expected years of schooling data) and the World Bank (the GNI per capita data) (UNDP, 2016).

While Rwanda’s HDI value for 2015 (0.498) still placed the country among the low human development category (159\(^{th}\) out of 188 countries), it is important to note that between 1990 and 2015, Rwanda’s HDI value increased from 0.244 to 0.498, an increase of 103.9 percent—a far better increase than most sub-Saharan countries. For instance, Rwanda’s East African counterparts (Burundi, Kenya, Tanzania, and Uganda) have seen a much smaller growth of their Human Development value. Between 1990 and 2015, Burundi HDI

\(^{167}\) More precisely, it is the average number of years of education received in a lifetime by people aged 25 years and older.

\(^{168}\) More precisely, this is the total number of years of schooling a child of school-entry age can expect to receive if prevailing patterns of age-specific enrolment rates stay the same throughout the child’s life.
value has increased by 48 percent (0.27 to 0.40); Kenya by 17 percent (0.47 to 0.55); Tanzania by 43 percent (0.37 to 0.53) and Uganda by 63 percent (0.30 to 0.49) (see Figure 3) (UNDP, 2017). As we can see in Table 20, between 1990 and 2015 Rwanda’s life expectancy at birth increased by 31.3 years; mean years of schooling increased by 2.0 years; and expected years of schooling increased by 5.1 years. In addition, Rwanda’s GNI per capita increased by about 90.9 percent between 1990 and 2015.

<table>
<thead>
<tr>
<th>Year</th>
<th>Life expectancy at birth</th>
<th>Expected year of schooling</th>
<th>Mean years of schooling</th>
<th>GNI per capita (2011 PPP$)</th>
<th>HDI value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>33.4</td>
<td>5.7</td>
<td>1.8</td>
<td>847</td>
<td>0.244</td>
</tr>
<tr>
<td>1995</td>
<td>31.5</td>
<td>6.2</td>
<td>2.0</td>
<td>669</td>
<td>0.230</td>
</tr>
<tr>
<td>2000</td>
<td>48.1</td>
<td>7.1</td>
<td>2.3</td>
<td>792</td>
<td>0.332</td>
</tr>
<tr>
<td>2005</td>
<td>54.9</td>
<td>9.3</td>
<td>2.8</td>
<td>1,008</td>
<td>0.404</td>
</tr>
<tr>
<td>2010</td>
<td>61.7</td>
<td>10.2</td>
<td>3.5</td>
<td>1,318</td>
<td>0.464</td>
</tr>
<tr>
<td>2011</td>
<td>62.4</td>
<td>10.5</td>
<td>3.6</td>
<td>1,385</td>
<td>0.475</td>
</tr>
<tr>
<td>2012</td>
<td>63.1</td>
<td>10.8</td>
<td>3.8</td>
<td>1,463</td>
<td>0.485</td>
</tr>
<tr>
<td>2013</td>
<td>63.6</td>
<td>10.8</td>
<td>3.8</td>
<td>1,488</td>
<td>0.488</td>
</tr>
<tr>
<td>2014</td>
<td>64.2</td>
<td>10.8</td>
<td>3.8</td>
<td>1,553</td>
<td>0.493</td>
</tr>
<tr>
<td>2015</td>
<td>64.7</td>
<td>10.8</td>
<td>3.8</td>
<td>1,617</td>
<td>0.498</td>
</tr>
<tr>
<td>1990-2015</td>
<td><strong>+31.3 years</strong></td>
<td><strong>+5.1 years</strong></td>
<td><strong>+2.0 years</strong></td>
<td><strong>+90.9 %</strong></td>
<td><strong>+103.9%</strong></td>
</tr>
</tbody>
</table>

*Source: UNDP (2016)*
8.5.3.1. Education

Ever since it took power, the RPF government has put a lot of emphasis on education, with the rationale that education provides the human capital necessary for poverty reduction and general development. In the early post-genocide years, the government focused mainly on human capital rebuilding and increasing enrolment rates as an emergency plan through the first Education Sector Policy (1998). Later, for both Vision 2020 and the Poverty Reduction Strategy Paper (PRPS), the primary objective for education was to provide Universal Primary Education (UPE) by 2010 and subsequently Basic Education for All\textsuperscript{169} by 2015. Guided by both Vision 2020 and the PRSP—and also

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\textsuperscript{169} Education For All is a global effort led by UNESCO which aims to meet the learning needs of all children, youth and adults by 2015. It was adopted by The Dakar Framework in April 2000 with the goal in mind that all children would receive primary education by 2015 (Peters, 2004).
the Decentralization Policy and ICT policy—the *Revised Education Sector Policy*\(^{170}\) (MINEDUC, 2003) is another central policy document for education in Rwanda. Among other things, the document's key priorities include achieving the Basic Education for All and reducing gender inequality in education; the provision of textbooks and relevant curricula at all levels of the system; the training of more teachers principally at primary level; and the provision of HIV/AIDS education to all children from an early age. The review of the school curricula and teaching methodology aims at giving people skills for development such as life skills including entrepreneurial, practical and psycho-social skills. Health education, hygiene, environmental protection, and gender studies are also given special attention. This is to be done by dispensing a "holistic moral, intellectual, social, physical and professional education through the promotion of individual competencies and aptitudes in the service of national reconstruction and the sustainable development of the country" (MINEDUC, 2003:17).

In addition, the government of Rwanda has added children's schooling as a fundamental right, describing primary education as “compulsory and free” in the Constitution (RoR, 2003: art. 2) as well as in the 2003 Education Sector Policy. Other policies have also addressed the situation of specific disadvantaged groups in its *Strategic Plan for Street Children* (PMO, 2005), the *Special Needs Education Policy* (MINEDUC, 2007), the *Girls Education Policy* (MINEDUC, 2008), and the *Early Childhood Development Policy* (MINEDUC, 2011).

In 2013, the Ministry of Education (MINEDUC) produced the *Education Sector Strategic Plan*\(^{171}\) (2013-2018) (*ESSP*). The ESSP builds upon the “national priority” of making quality 12 Year Basic Education available for all children and also reflects the overarching mission

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\(^{170}\) *The Revised Education Sector Policy* follows the 1998’s Education Sector Policy which was passed as an emergency document during which the main objective was to reshape and try to restart the education system which had broken down after the genocide. That policy mainly focused on how to bring a solution to the real exigencies of the prevailing situation, in order to achieve a significant change in the education system in the short term after the genocide (MINEDUC, 1998). Contrary to the 1998 document which was a short-term solution, the Revised Education Sector Policy is said to be “more developmental” (MINEDUC, 2003:3).

\(^{171}\) The Education Sector Strategy Plan (2013-2018) is, in fact, an update of the Education Sector Strategic Plan (2010-2015) and an alignment of plans for education in line with the Economic Developmental and Poverty Reduction Strategy II (EDPRS 2).
to make education at all levels more accessible and more relevant to the national needs of development (MINEDUC, 2013). Outside of producing the indicators for monitoring and evaluation of policy implementation, the aims of this document are to improve access to education by increasing the coverage and the quality of 12 Year Basic Education and school readiness programs; prioritize skills development to strengthen the quality and relevance of education; and to better equip students to meet the requirements of the diverse labor market. To do so, the Ministry calls for focusing on core literacy and numeracy skills in basic education as well as strengthening technical and vocational education or training, and higher education provision together with a focus on skills-based science and technology.

Since the implementation of these policies, Rwanda has witnessed significant improvement in student enrolment in both primary and secondary schools. This was notably made possible with the 9 Year Basic Education access and enrollment which offers six years of primary education and three years of secondary education to all Rwandans free of charge, introduced in 2009; and the 12 Year Basic Education (12YBE) policy later in 2013, which includes the Technical and Vocational Education and Training (AEO, 2017; UNDP, 2016; Ndahiro et al., 2015). In addition, in 2013 the University of Rwanda was established by merging seven higher education public institutions in order to meet the economic, social and cultural needs of the country. Students can now choose from a wide range of courses at undergraduate and post-graduate levels, and they have access to modern facilities and are taught by internationally qualified staff (MacGregor, 2014). According to UNICEF (2018), these policies have allowed Rwanda's education to score the "highest participation rates in East Africa as well as gender parity in net and gross enrolment at the pre-primary, primary, and secondary levels". Progress has also been made in Early Childhood Development, with the pre-primary gross enrolment rate increasing to 20.2 percent in 2015 from 10 percent in 2010; however, it remains slightly short of the EDPRS II target of 24.0 percent in 2015. Between 2000 and 2015 primary enrolment increased from 72.6 percent to 96.8 percent and the primary completion rate from 22.0 percent to 78.6 percent during the same period (AEO, 2017). According to the
2015 Millennium Development Goals (MDGs) report (UNDP, 2015a), the literacy rate for 15 to 24-year-olds increased to 78.8 percent in 2015 from 57.2 percent in 2000. Rwanda also invested in higher levels of education and skills development. Accordingly, the net attendance rates for secondary school increased to 23.0 percent in 2013 from 17.8 percent in 2010. Attendance at tertiary institutions increased to 3.0 percent from 1.7 percent during the same period.

8.5.3.2. Health Care and Poverty Reduction

In the health sector, Rwanda under the RPF has seen various improvements. After 1994, Rwanda had the highest child mortality and lowest life expectancy at birth in the world, and twenty years later it has attained the Millennium Development Goals (MDGs) for health set by the United Nations. It achieved all the MDGs targets related to improving maternal and child health care except those related to stunting and malaria. Child mortality has fallen by more than two-thirds since 2000 and Rwanda’s immunization campaign has allowed coverage of 90 percent for all children with 10 vaccines and 11 vaccines for girls aged 12 and above (UNDP, 2015a; Ndahiro et al., 2015). The government has taken a series of measures to improve nutrition among children under five years old by implementing the three phases of the Health Sector National Strategic Plan (Ministry of Health, 2005; 2009; 2012). As a result, the proportion of underweight children declined to 9.0% in 2014 from 11.0% in 2010, while wasting, as measured by weight for height, declined to 2.0% from 5.0% during the same period. Stunting, as measured by height for age, declined to 38.0% in 2014 from 44.0% in 2010, but the rate remains significantly higher than the world health target of 12.2%.

The GoR has also concentrated its efforts on social security. In 2010, the government merged the Social Security Fund of Rwanda—created in 1962—and Rwanda Health Insurance Fund (RAMA) to form the more vibrant and business-oriented Rwanda Social Security Board (RSSB). The RSSB offers a range of products such as medical insurance
coverage, pension and work-related accident compensation\textsuperscript{172}. In addition, over the last two decades, Rwanda has made impressive progress towards universal health coverage. This progress was made possible thanks to policies that provide health insurance to the poor in the informal sector notably through community-based health insurance (CBHI). That arrangement, known as the Mutuelles de Santé, has increased medical care utilization greatly and allowed Rwanda to become the country with the highest health insurance coverage in Sub-Saharan Africa, and is now regarded as one of the rare successes of CBHI on the continent (Twahirwa, 2008; Chemouni, 2016b). In 2006, this insurance evolved in its form from voluntary health insurance to one based on obligatory enrolment and subsidies from the formal sector, thus creating a national insurance model. These data are generally in line with the findings of the Demographic Health Survey, which found that in 2015, 70 percent of respondents were enrolled in the CBHI, and 5.7 percent in another insurance (NISR et al., 2015: 32). Overall, according to some authors, Rwanda’s CBHI has successfully increased medical care utilization and decreased out-of-pocket expenses (Chemouni, 2016).

The outcomes of these social protection reforms can also be seen in poverty reduction. To monitor poverty reduction, the government has put in place a monitoring mechanism which includes the Integrated Household Living Condition Survey (EICV) and the Demographic and Health Survey. Based on the EICV 4 (NISR, 2015), Rwanda has had notable success in reducing poverty by bringing down the poverty ratio to 44.9% in 2010/11 and 39.1% in 2014 from as high as 78.0% in 1995. Extreme poverty dropped to 16.3% in 2013/14 from 24.1% in 2010/11. While the share of the population in poverty (30.2%) is still quite high, it is important to acknowledge that close to 1 million Rwandans were taken out of poverty between 2006 and 2011, and over 650,000 people from 2011 to 2014\textsuperscript{173}. In terms of income inequality, best measured by the Gini coefficient, it has dropped to 0.448 in 2014 from 0.507 in 2000. According to the 2014 African Development Report of the

\textsuperscript{172} As a social security fund, the RSSB is also investing in catering for middle income-earners, social housing, and other job-creating activities, while benefiting the members with investments (Ndahiro et al 2015 add source).
\textsuperscript{173} Interestingly, while poverty has declined consistently in rural areas, urban poverty increased to 34.8% in 2005/06 from 28.0% in 2000/01, subsequently going back up to 30.0% in 2010/11. Rwanda has also reduced income inequality substantially (NISR, 2015).
African Development Bank (AfDB), several factors contributed to such a rapid reduction in poverty: peace and political stability, high and sustained real GDP growth and sound macroeconomic management, as well as improved social services. The efforts of the government in education, skills and entrepreneurship development could also be considered as a positive factor which has contributed to reducing poverty. Other large social protection programs could also be cited as having their part in the positive outcomes. For instance, the integrated local development program “2020 Umurenge Programme” (VUP), which aims to accelerate poverty eradication, rural growth, and social protection is one of the largest social protection policies in the developing world (RoR, 2007). VUP invests in assets, livelihoods and sustainable economic, social and environmental development, targeting mostly households. According to the government, the VUP played a major role in reducing poverty in the country and should help the government to attain its poverty reduction targets of 30.0% for 2018 and 20.0% for 2020 (RoR, 2007). Finally, life expectancy (figure 5), often considered the best proxy for aggregating a whole range of welfare and development factors, has highly increased going from 33.4 years in 1990 to 64.7 in 2015 (UNDP, 2016).
In addition to the health sector and social protection, another important sector which has seen much improvement in Rwanda is: gender equity. Indeed, for virtually every government policy, laws and programs—including the National Constitution, the New Civil Code, Vision 2020, EDPRSSs and National Decentralization Policy—gender-based development occupy a significant place. In 2004, the government produced its first National Gender Policy followed by a substantial revision in 2010 (MIGEPORF, 2004; 2010). In these trans-sectorial documents, the overarching principles of gender parity are stated in order to be integrated into various institutional policies, practices and programs, and it put much emphasis on the need for budget commitments in every ministry. The omnipresence of gender considerations in policy papers and political discourses has allowed gender parity to be achieved in many sectors including education, where a ratio of girls to boys of 1.03 in primary schools and 1.12 in secondary schools for enrolment has been achieved (NISR, 2015; AEO, 2017). Rwanda also has the highest female majority in parliament in the world, with 64% women in 2015. Since 2000, other institutions were created in the country to ensure that the voice of women is heard in decision-making and in society in general. Among these
institutions, there is the Gender Monitoring Office which is mainly responsible for monitoring and carrying out evaluations, on a permanent basis, of compliance with gender indicators and “fight against Gender Based Violence in public, private, civil society and religious institutions to achieve gender equality in Rwanda” (GMO, 2017; 2018). There is also the National Women Council which constitutes a forum for women’s empowerment and active participation in national development by “advocating for women’s rights and gender equality, ensuring proper capacity building for women, and mobilizing women to participate in development activities” (MIGEPROF, 2010:29); and the Forum of Rwandan Women Parliamentarians that aims to “lobby and advocate continuously to decision makers” (MIGEPROF, 2010: 30). As a result of the generally successful implementation of the above policies, procedures and programs, many positive outcomes can be documented today. Outside of the highest number of parliament seats occupied by women and some important ministries lead by women—such as Foreign Affairs and the RDB—poverty among women was reduced from 66 percent to 60 percent, and maternal mortality rate has greatly decreased over the last two decades (NISR, 2015). In sum, while some challenges are still hindering the process of gender equality, any honest observer would acknowledge Rwanda’s notable development in terms of gender parity.

8.5.4. Conclusion

In conclusion, this section has shown that the RPF regime has been able to produce, in a pretty clear and convincing way, the three conditions said to lead to legitimacy in developmental states. Indeed, according to developmental states scholars, legitimacy generally includes two characteristics: an overriding social project and improved economic and living conditions. In the case of Rwanda, these conditions are fulfilled. The presence of a legitimacy-growth nexus in Rwanda is also corroborated by many scholars (Golooba-Mutebi, 2008; Longman, 2011; Marijnen and van der Lijn, 2012; Purdekova, 2012; Longman, 2012; Mann and Berry, 2016; Biederman, 2016; Fukuyama et al., 2016; Chemouni, 2017) that have highlighted the fact that the ruling RPF elites perceive their leadership to be legitimized by the achievement of socio-economic development. As
argued by Behuria (2015) and Chemouni (2017) the socio-economic development and legitimacy nexus in Rwanda is in fact connected to the vulnerability experienced by the ruling elite which has forced it to commit to delivering economic development. This view confirms one point that we have seen earlier which places vulnerability or potential "threat" as an important aspect of the developmental state's experience (Onis, 1991; Castells, 1992; Woo-Cumings, 1999; Putzel, 2002; Doner et al, 2005). The nexus of performance and legitimacy is also present in most discourses of the governing party's politicians including President Paul Kagame (Ntambara, 2010; Kagame, 2017; 2017b; RPF, 2017b). His view on legitimacy and democracy is well summarized by a speech he gave in 2016 when he said: "we increasingly base our legitimacy on results achieved and on the views of our citizens, rather than on external validation" (Kagame, 2016). Since Rwanda is a formal democracy, one could also see the presidential elections results in 2003, 2010 and 2017, which have been over 90 percent in favor of Paul Kagame, as some sort of evidence of a legitimacy although many critics cite that opposition members are often silenced and intimidated hence tainting the results. For Kagame, these election results mostly show that "in poor countries [like Rwanda] democracy is more about access to calories, schooling and health care than about periodic voting exercises", which in other words means that legitimacy is about bringing about better living standards and delivering economic growth to the whole population (cited in Piling and Barber, 2017). Indeed, for

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174 To better understand the nature of the political legitimacy in Rwanda, one also has to look back in the 1990s. When the RPF reached power in 1994, it was a Tutsi-dominated organization ruling over a Hutu-dominated population which was victims of anti-Tutsi propaganda for over forty years. Therefore, the RPF was facing a serious political legitimacy threat when it reached power in 1994 and especially after 2000 under President Kagame. For Chemouni (2017), this situation and potential threat gave every reason to use public sector reforms as a tool to address the problem and therefore base its strategy of legitimation on rapid socio-economic progress and impartial rules. This led to a political legitimization of power based on promises of future development. That being said, the RPF has also faced tremendous challenges to maintain its legitimacy in terms of its governance systems. It is only fair to say that Rwanda remains a polarized society and the external origins of the RPF have added another layer of social cleavage within Rwanda (McDogough, 370).

175 In general, international bodies considered these elections as credible although a set of issues are raised. Concordantly, the European Union has called for increasing “the inclusiveness and transparency of the process, in particular as regards the registration of the candidates, the tabulation of results and other prerequisites for achieving a level playing field”, recommendation which have also been brought by the African Union to avoid future risks of counting irregularities and to allow disqualified candidates to appeal (European Commission, 2018; African Union, 2017). From the insight of the fieldwork performed in the country in 2015-2016 in all regions of Rwanda except the South-East and discussions with several informants, the population is still behind the government while not completely satisfied and annoyed by the persistent inequality present in the country and especially in Kigali.
Kagame, legitimacy is above democracy since legal power can be deprived of legitimacy; in other words, political legitimacy lies in good governance and the capacity of leaders to work for the general interest (Lardinois, 2017). According to the Rwanda Reconciliation Barometer published in 2010 and 2015, more than 90 percent of Rwandans (90% in 2010 and 95% in 2015) agreed that they can trust the country’s leaders to do what is in their best interest (NURC, 2010; 2015).

Moreover, since 1994 the Rwandan population has come a long way and the obvious transformation into an ordered and secured country along with the improvement in living standards can most probably help explain the approval rate of the population for the regime, despite the lack of respect for human rights and the inequality still perceptible on the hillside. Although critics are right to highlight the fact that severe inequality persists in Rwanda and that Rwanda remains among the most unequal country in the region (World Bank, 2017a; SID, 2014), it is only fair to say that the government has attempted and succeeded—at least partly—to redistribute the economic growth experienced over the last two decades. As seen before, this redistribution has largely taken the form of providing health and education services but also gender parity. In sum, after this analysis on the presence of a performance-legitimacy nexus in Rwanda since 2000, it is possible to say that today’s RPF regime in Rwanda qualifies as a country in which performance is intimately connected with legitimacy.
Chapter Nine: Conclusion

Since 2000, Rwanda has been able to embark in an overarching and highly ambitious socio-economic transformation which has not been seen often in recent history. While Rwanda is still among the poorest countries in the world, it has greatly improved its economy and the living standards have decidedly grown in the last two decades. This doctoral research has shown with clarity that this transformation has followed a much different model and "vision" than most of its neighbours on the continent. Indeed, instead of following the status quo regarding the role played by the state in the economy, Rwanda has followed a different path.

This thesis has demonstrated that the conditions of Rwanda around the reform process that started around 2000 were highly favourable for the emergence of a developmental state and that the Rwandan state was able to reproduce the five ideal-typical features of the developmental state model. This setting has allowed the government to play a dominant and developmental role in the economic development of the country since 2000. Therefore, the main argument of this thesis is that Rwanda has followed the developmental state model even in today's environment it is still possible and beneficial for a state to transform its national economy by following this East Asian model, as long as it possesses the pre-conditions enabling its emergence. In other words, while many scholars have doubted the possibility of establishing a developmental state in today's political economy—and especially in Africa—the case of Rwanda shows that some states are still able to create the most important and necessary features that were seen in East Asian developmental states and govern their country towards a transformation of their economy. Such findings suggest that even today, the developmental state-type of governance provides a relevant model for developing countries in the quest for rapid socio-economic development and transformation. In this concluding chapter, we will first summarize the results of this thesis which include the pre-conditions present in Rwanda around the reform period and the five main developmental features possessed by the
Rwandan state since 2000. We will also draw a conclusion and discussion on what was learned and the particularities of Rwanda's governance notably with regards to the centrality of the context in which its development has taken place; the lack of bureaucratic capacity; Rwanda's flexible and adaptive approach; and the issue of democracy and developmental state. This will bring us to the relevance of the Rwandan experience within the political economy and public administration debates. And lastly, we will discuss how post-genocide Rwanda can offer lessons to other developing countries and the potential implications for future research.

9.1. Summary of the Results

In the fourth chapter of this thesis, we have built a theoretical and analytical framework to assess, in a systematic way, a country's governance system from the developmental state lens. This framework was separated into two sections, in the first one we have underlined the four context-based preconditions criteria which are necessary for a developmental state to emerge. These preconditions are the presence of external/internal security threat; the coalition of internal elite or political settlement; the concentration of power and continuity of policy; and a favourable international context. Secondly, we have highlighted the five main features of the ideal-typical developmental state: the developmentally oriented leadership and vision; a capable and meritocratic public administration; an industrial policy with its institutional arrangement; the embedded autonomy; and lastly the performance-based legitimacy. According to that analytical and theoretical framework, possessing the nine criteria of the ideal-typical developmental state means that the country qualifies as a developmental state; otherwise, the country at study would not qualify. The following two subsections will summarize the result of this thesis on the case of Rwanda and its governance system since the reform process of 2000.
9.1.1. Rwanda and the Developmental Pre-Conditions

Through this theoretical framework and the analysis of empirical data and other information related to the development process in Rwanda, we have been able to produce a clear outlook of Rwanda’s governance under the developmental lens. The research on the ideal-typical preconditions of a developmental state for the case of Rwanda has shown that the East African country possesses all four necessary criteria which favour the emergence of a developmental state.

In Rwanda, the first precondition—the presence of an external/internal threat—has been an obvious one with the numerous collateral effects of the genocide against the Tutsi and the four-year civil war. Indeed, after the 1994 genocide, the RPF-led government faced a constant external—and internal—security threat by the ex-FAR in Zaire along with a constant threat from potential foreign aid fluctuation putting the country in a state of dependence and therefore threatening the quality of life of Rwandans. The second precondition—the coalition of elite or political settlement—was also observed in the Rwandan context in the form of "new politics of consensus". After the genocide, the RPF government established an "inclusive" political settlement in which political actors must subscribe to what they consider critically important values of non-sectarianism, relentless pursuit of socio-economic development and firm enforcement of rules. While there have been some dissidents in the RPF ranks over the years, in general, the coalition of elites in Rwanda has been especially strong and well-functioning. As for the third precondition—concentration of power and continuity of policy—we have seen that by dominating the political, military and ideological spheres of the country for the last 18 years and more, the RPF party in Rwanda easily fulfills this pre-condition. This has allowed the regime to produce and implement long-term development plans such as Vision 2020. And finally, the "presence of a favourable international context" has also been observed in the context of post-genocide Rwanda where the government of Rwanda has continued to receive strong and persistent support from international donors coupled with unusual policy
independence. Our findings have shown that Rwanda enjoys an uncommon international context because of the genocide guilt and its perceived exceptional character by the international community. It is often this last precondition that is used by scholars (Wade, 1990; Hayashi, 2010) to explain the impossibilities for new developmental states to emerge today and outside East Asia. However, this case study has challenged that argument.

In addition to the preconditions, we have noted the importance and relevance of the general historical context described in chapter six. Indeed, to understand the ability of today’s Rwanda to satisfy the preconditions and also the main developmental features of a developmental state, a solid knowledge of Rwanda’s pre-colonial, colonial and post-colonial history is essential. The historical context of Rwanda presented in chapter six shows that, in a way, the present governance model and the large-scale transformation are part of a long process of historical continuity. Unquestionably, we believe that it is probable that the present governance path of Rwanda lies, in part at least, in their pre-colonial and colonial heritage of centralism, social engineering/authoritarianism, and violent conflicts. These features have undeniable effects on the present nature of governance and on the possibility to follow the developmental state path. Therefore, the presence of the pre-conditions favouring the emergence of a developmental state and the existence of such favourable historical patterns of governance shows that Rwanda around 2000 possessed the preconditions of the developmental state which allowed for its emergence.

9.1.2. Rwanda and the Main Developmental Features

In chapter eight, we have examined Rwanda's institutional characteristics, policies, and legislations in association with the five main features of the East Asian developmental states. The results have allowed us to conclude that the Rwandan state possesses all the five main developmental features. Even if we have underlined some features that are still
weak in certain sectors, such as bureaucracy and industrial development, these features are nonetheless still solid enough as exposed by comparison with other states in the region for instance. Overall, Rwanda has qualified for the five features of the developmental state ideal-type which has enabled the Rwandan state to play a highly dominant role and direct the course of the socioeconomic development and the transformation of the country. In the following subsection, we will review the results of the case study on Rwanda in regards to the five developmental state features.

For the first feature—the developmentally oriented leadership and vision—we have seen that the RPF leadership has shown a strong commitment to development coupled with an ambitious long-term vision. Post-2000 Rwanda the government commitment to development and results was strong. The Rwanda Vision 2020 long-term plan along with EDPRS-1 and EDPRS-2—which were all following the results-based approach—show the highly developmental vision of the government but also allow the monitoring of the actual implementation and evolution of these policies.

The second feature (8.2) was related to the all-important capacity of the state and public administration in Rwanda. While this feature is probably the weaker feature of Rwanda and needs improvement, our analysis has nonetheless showed that the Rwandan state qualifies as a capable, notably because of its meritocratic nature and the fact that it stands out in comparison to other low-income countries. In fact, one should not overlook how the East Asian capacity-building occurred dynamically as part of the development process, Rwanda seems to also fit this description (Ohno and Ohno, 2012; Routley, 2014). In general, the positive results showed by national and international indicators described Rwanda’s public administration as efficient and quickly improving, with the capacity to properly use public resources to implement ambitious targeted socioeconomic policies. We have seen that after 1994, Rwanda has entered a vast enterprise of deep-seated public sector reforms that transformed the bureaucracy from a system gangrened by favouritism and incompetency to a rather meritocratic and technocratic system. The government has launched many decentralization initiatives and a large-scale downsizing of the public
sector. This change and the following successes have to do with the strong commitment from the political leadership and the elite but also to the almost obsessive focus on measurable results.

The third feature which is certainly related to state capacity was about the targeted economic policies (industrial policy) and its associated institutional arrangements. Section 8.3 is mostly related to the important issue of state intervention in the economy. The results of this chapter have shown that Rwanda has in fact used industrial policy with a combination of strategic and selective diversification into new sectors aimed at propelling their growth. The Rwandan state has selectively protected and supported certain domestic industries in order to allow them to become a national champion and develop prioritized sectors. We have seen that in 2000 while the government has identified the importance of manufacturing, it initially prioritized the development of the service sector notably through ICT and tourism arguably because of the country's geopolitical condition and advantage. However, around 2010 the GoR has also begun to focus on more traditional industrial policies to promote its domestic exports and weak manufacturing sector. At last, we have seen that to implement its industrial policy, the state has created new powerful institutions such as a "Pilot Agency"—the Rwanda Development Board—to "direct" key industrial capitalists and the economy in general towards the selected sectors. The RDB is also coupled with a set of institutions which make available financing primarily for activities within tourism, ICT, and manufacturing but also for agricultural production for exports. Overall these institutions allow the government to "pick the winner" and accelerate development in its selected sectors.

The following section (8.4) and the fourth feature of the developmental state deal with the special relationship between the private and public sector, and the "embedded autonomy" of the state. The analysis of the public and private sector has shown that Rwanda enjoys an overriding political settlement along with a significant degree of
autonomy from unproductive societal pressure facilitated by a strong military capacity and power. We have seen that the autonomy of the state has been socially anchored within a dense network linked to the military, politicians, and bureaucrats. As for the close relationship between the state and the business community to accelerate and manage its economy, Rwanda's present regime has relied heavily on party-owned or army-owned vehicles sometimes described as "party-statals". These companies owned by either the dominant party—the RPF—or the military have replaced the typical role of large private conglomerates present in some developmental states. In sum, the party-state structure and the omnipresence of the military are giving the Rwandan state substantial embeddedness with the business community, and importantly, with the society.

Finally, in section 8.5 we have investigated the fifth and last feature of the developmental state which is related to the legitimacy and socioeconomic growth performance nexus. In this subchapter, we have seen that despite poor records of repression and limited human rights, the Rwandan state since 2000 has been able to gain popular support and significant legitimacy. The reason for this paradox of legitimacy and poor human rights records is related to the successful socio-economic transformation and the relatively inclusive ways of distributing these outcomes by the RPF regime. In order to study if there is a presence of performance-based legitimacy in Rwanda, we have explored if there is a "revolutionary authority" committed to the transformation of the social, political and economic order. Our results have shown that Rwanda has, since 2000, established an overarching project which aims to encompass four main areas: behavioural and cultural, spatial reconfiguration of Rwanda, economy, and politics. Similarly, our results have shown that Rwanda's RPF regime has been able to take control of almost all aspect of the Rwandan society; has monopolized the political space around the RPF and reduced critical and opposing voices in the civil society. Nevertheless, in order to be granted the proper legitimacy, it is necessary to bring the results and performance to back the revolutionary project and improve economic conditions and living standards of the population as promised. The assessment of these improvements in Rwanda since 1994 have shown that Rwanda's overall investment in social services has allowed the country to
make steady progress in developing its human capital and social welfare as reflected in its ranking in the Human Development Index (UNDP, 2016). We have highlighted the significant advancement in regard to education, health care, poverty reduction and gender equity, all central to improving living conditions. Therefore, Rwanda’s RPF government qualifies as a country where a performance-legitimacy nexus is present.

9.2. The Rwandan Developmental State

Earlier in this thesis, we have asked an important research question regarding Rwanda’s governance: To what extent does the development experience of Rwanda since 2000 compare with the developmental state model? This was followed by a secondary question: How has Rwandan state’s economic role developed and evolved in their selected strategic sectors? While many have used the concept of “developmental state” to explain the governance and societal system in place in Rwanda, none have really systematically followed the developmental state’s theoretical framework and tested its main aspects to empirically see to what extent the post-2000 Rwandan experience compares with the East Asian developmental state model. This doctoral thesis’ main focus was to answer these important questions which have important implications for the African continent and for the understanding of the country. As it was exposed, since the beginning of the reform process that started in 2000, Rwanda has qualified for the nine ideal-typical criteria of the developmental state. This was made possible by the influential and active role played by the Rwandan state in the development process of the country. The state has played a fundamental role in the important socioeconomic growth the country has experienced since 2000 and was able to "govern" the market and the economy according to its long-term plan and industrial policy. As it was specified in section 8.3 and 8.4, Rwandan economic reforms since 2000 have been highly selective in order to develop the service sector and industrialization. Such industrial policy and selectivity are clearly demonstrated by the stated strategic areas such as ICT, tourism or agro-processing which are parts of the progressive climbing of the value chain (Figure 2). At the same time, the
state embeddedness with the private sector is especially strong and has enabled the
government to manage the private sector and guide the economy towards its selected
strategic sectors. Through a series of policies and subsidies, the government has protected
its domestic industrialists from foreign companies, yet at the same time, it has managed
to promote FDI in strategic sectors.

While the Rwandan picture is still far from where the present East Asian developmental
states are, the country has had undeniable success in rebuilding the country after its
devastation in 1994. There still exist some weaknesses in the governance system such as
the capacity of the state which is still in development. However, results show that a
professional public administration is quickly developing and Rwanda’s capacity is
considered among the best in the region. After all, the East Asian capacity-building
occurred dynamically as part of its overall developmental process (Ohno and Ohno, 2012).
Likewise, contrary to the "Asian Tigers", land-locked Rwanda has not yet been able to
develop its export-led manufacturing sector: only the evolution through the next decade
will tell us how successful export-oriented industrial development will be. Nonetheless,
Rwanda has still generally shown significant success in the development of the service
sectors, due in great part to its state-led development strategy. Subsequently, it has been
made clear that our research questions stated in chapter one have been answered.
Therefore, we have found enough evidence to conclude that the state of Rwanda, since
the reform process of 2000, has become a developmental state; and this development was
due in great part to the active role played by the state in the economy. In the next section,
we will explore the particular qualities of the Rwandan state which make it a different,
more contemporary developmental state.
9.3. Discussion

As we have seen earlier, this research has offered answers to the targeted research questions. In this section, we will see how the case of Rwanda contributes to the theoretical debates on the developmental state. Indeed, in addition to satisfying the nine criteria of the ideal-typical developmental state, Rwanda has also shown its specific differences which have helped to establish a contemporary developmental state. Post-genocide Rwanda has faced many challenges. While enjoying favorable international environment, it has operated in an especially hostile environment with a serious constraint of resources, overpopulation, and growing regional conflicts. Despite this difficult reality and the indescribable effect of the war and the genocide on the society, the Rwandan government has been able and willing to maintain its determination to implement its transformational long-term project to develop its economy. From the beginning, the RPF-led government has considered economic growth as the only way to ensure peace within the country but also national autonomy and defence. This consistent discourse in the last two decades illustrates perfectly the nature of the RPF regime and the development process it has produced. Rwanda's governance reforms since 2000 have been clearly and desperately developmentally oriented and driven by a remarkable political commitment. Since 2000, it appears clear that Rwanda has decided to chase the "East Asian Miracle", and ever since it has done so, the country has done well. We believe that this decision to follow the developmental state model is, in fact, the principal reason behind the country's noteworthy transformation.

This research offers many theoretical implications with regards to the developmental state theory as it is challenging several scholars' interpretations which have contested the idea that it is possible today to reproduce the developmental state model. It is also corroborating the growing number of observers which see much resemblance between Rwanda's governance and East Asian's historical development. Moreover, it contests the view that Rwanda's transformation was strictly due to its ultra-friendly approach to the
market and its private sector welcoming environment. We will see in this section that it is impossible to understand today's governance system in Rwanda without taking into account its particular and singular history and context. While the fact that following the developmental state model was behind the country's transformation, it is also necessary to remember that establishing a developmental state is highly contextual. In addition, Rwanda's experience shows that even if the country still lacks bureaucratic capacity it was able to produce positive results. And these positive results have been possible thanks to the state pragmatic and adaptive governance characterized by a highly flexible, results-based, and top-down process where government policies have tried to adapt to its own context and today's rapidly changing environment. Also, this thesis shows that the Washington Consensus approach and its tendency to apply dogmatic neo-liberal policies is not always the best fit to "catch up" with the developed economies. On the contrary, a state-led development characterized by a flexible and open-minded approach is sometimes de rigueur for developing countries. Finally, we will see that while there is an potential link between developmental state and autocratic government, scholars need to comprehend the nuances of this sort of regime and the possible positive democratic scenario that can emerge from it.

9.3.1. History and Context Matter

This thesis has put much emphasis on the significance of the contextual features that were present in East Asian developmental states before their transformation. While Rwanda has clearly qualified the four historical pre-conditions allowing the emergence of the developmental state, the post-genocide reforms have been possible thanks to the country's particular historical legacy. This legacy is in fact tightly linked with the pre-conditions which draws on the historical context of the country. An important element that can be taken from this thesis is the importance—if not the centrality—of the strength of the Rwandan state which has characterized the country's polity for a long time and even more since the RPF took power in 1994. It is not negligible that pre-
genocide Rwanda mirrored a number of developmental state features such as a centrally 
concentrated power, a high degree of autonomy of the state leadership, and the relative 
bureaucratic capacity to implement specific development projects. This contrasts greatly 
with other much weaker states in Africa and the world. In this sense, Rwanda’s historical 
pattern of governance characterized by powerful and centralist states has much to do 
with the fairly successful implementation of the developmental state model. Indeed, the 
present governance model and the large-scale transformation is part of a long process of 
historical continuity and it is probable that the present governance path of Rwanda lies, 
in part at least, in their pre-colonial and colonial heritage. Therefore, the state’s nature 
has facilitated the governing and managing of socioeconomic development in Rwanda 
even if its bureaucracy was not already particularly competent like in some East Asian 
states. In other words, the presence of a strong and competent enough state is still 
essential to ensure proper development in developing economies.

As for the comparison to the level of development of East Asian developmental state and 
Rwanda at the same stage of development, some might be tempted to consider present 
Rwanda at a much lesser level of development. However, it is important to remember 
that context matters when referring to governance reforms and the post-genocide 
reforms were built on a much shakier base than in East Asia. Not only did Rwanda deal 
with the terrible effect of an unprecedented tragedy and political crisis but it also had to 
deal with a much lower industrial starting point than the East Asian developmental state. 
For instance, Japan and South Korea already had a solid industrial base to build on and 
had already been through early industrialization processes in the Meiji era allowing them 
to use existing expertise and material infrastructure. We have also seen that the 
international context between today’s Rwanda and the Cold War era’s East Asia is quite 
different. While Rwanda had qualified for the favourable international context notably 
because of its unique genocidal past, it is still not the equivalent of the global economic 
war that was characterized by the Cold War era—which facilitated East Asian states 
insertions in the globalized economy. Also, today’s era faces considerably slower growth
in global markets which makes it harder for emerging developmental state to achieve the same kind of economic growth. Therefore, it is important, when comparing the early successes of both Rwanda and East Asia, to take into consideration these different historical contexts. Contrary to what some developmental state scholars have advanced (Wade, 1990; 2003; Pempel, 1999; Chang, 2006; Hayashi, 2010), the case of Rwanda shows that it is still possible for a developmental state to emerge in today’s economy. While the changing nature of the geopolitical situation and the global economic environment has had a significant impact on the emergence of developmental states, this case study contradicts such arguments. In sum, while it is still possible for a developmental state to emerge, the case of Rwanda demonstrates that when considering an alternative model of governance such as the developmental state, it is imperative to consider its own history and context.

9.3.2. The Lack of Bureaucratic Capacity

The bureaucratic capacity in Rwanda is the most evident weakness. Although it is considered as technocratic by most observers and it was demonstrated in this thesis as capable and meritocratic, it is still a weak feature of the Rwandan developmental state. This, again, has much to do with its recent historical context which has limited and slowed the bureaucratic development. The genocide against the Tutsi of Rwanda and subsequent war has forced almost the entire class of public servants to leave the country and therefore deprived the country of their expertise. While some were able to return later, it has left an almost incurable scar on the country’s public administration. In addition, because of the genocide and the subsequent wars against the previous regime and their allies—and the unavoidable polarization of the society—it is fair to say that the pool of candidates was much lower than what it should have been. However, the increased security in the country over the years has allowed many highly competent exiled Rwandans to come back to the country and work as public servants. It is thus this overall situation that has made it especially challenging for the RPF leadership to hastily
develop its public administration. That being said, while state capacity is still weak today, the quality of the personnel in leadership roles in the public administration is getting closer to international standards, especially with the government’s aggressive recruitment of Rwandan diaspora members in Western countries (Tumwebaze, 2011).

For most of the literature on the possibility of an African state to "replicate" the East Asian success, it is the lack of bureaucratic capacity that has been considered as the biggest impediment. Indeed, a large section of this literature refutes the possibility of establishing a developmental state in Africa on this basis. Several authors perceive African states as weak, predatory or neo-patrimonial (Bayart et al., 1999; Diamond, 2008; Fukuyama and Matfess, 2016). Of course, this shows the general tendency of some authors to homogenize the African experience without taking into account its diversity and strengths. As noted by Laura Routley (2014), some researchers commit the temporal error of saying that developmental states—or state capacity—can not emerge since they are not currently emerging. In fact, the authors who argue that it is not possible to become a developmental state because of a lack of state capacity tend to overlook how the East Asian capacity-building occurred dynamically as part of the development process (Ohno and Ohno, 2012; Routley, 2014). Naturally, the state capacity is an important feature and it must show promise of the appropriate capacity and commitment to implement developmental policies, and it is also part of the general transformation process. In the case of Rwanda, there is a historical legacy of a strong central state which is able to implement specific development projects. Also, Rwanda enjoys important resources from the World Bank and other private partners such as UK's Tony Blair Institute for Global Change, Israel's Yehuda Weinstein Advocates or Singapore's CrimsonLogic which provides a strategic capacity building in key ministries and sectors. In addition, one could say that the relatively high management expertise of Rwanda's party-statals—which includes international managers—is also contributing to the development of the capacity building in the country with human resource movement from the private to the public sector.
In sum, even though the Rwandan state has faced many challenges in regard to its bureaucracy, it was still able to develop high-quality development policies, prioritize key industries, develop programs to support these industries and find a way to implement and measure almost every aspect of socioeconomic development in the country. It is fair to say that if the government continues its commitment to capacity building, proper institutions and expertise will grow in the country at the same time as the economy.

9.3.3. Pragmatic and Adaptive Governance

One other specific characteristic of Rwanda’s governance which might explain in part its success is its pragmatic and adaptive nature. Indeed, it is pragmatism and adaptation that has allowed the government to adjust on the go while making sure to consider its own context and take ownership of its policy-making. Rwanda has not blindly emulated the East Asian “formula” but instead has remained regardful of its own domestic and international environment. For instance the analysis of Rwanda’s state intervention and the RPF’s strategy to create powerful party-statals while respecting the IMF and the World Bank’s demands for privatization of public owned enterprises shows an interesting sense of adaptation to today’s political economy. The RPF regime understood quickly that it needed to show a willingness to follow market forces within its economy but found a way to keep control of the economy by creating party-statals which are technically private but in reality much closer to a publicly owned enterprise structure. This has allowed the Rwandan state to govern the market, enhance the state’s development and probably also satisfy the unavoidable neo-patrimonial thirst present in the country (Booth and Golooba-Mutebi, 2012). Therefore, party-statals have increased the ability for the government to raise the standard of living of the population and the RPF’s regime legitimacy. At the same time, if done properly, this strategy has the potential to allow for the development of the private sector within the country. Also, the state used a "pick the
winner” strategy within the domestic party-statals, military conglomerates, and informal investment groups, just like the Korean and Japanese experiences; this, however, has not stopped the government from putting a lot of energy into attracting "selective" foreign direct investments (FDI) and "picking the winner" among foreign corporations. Attracting FDI is seen as another way to enhance the country's capacity and bring new technological or management capabilities, just like Singapore and Taiwan did. This rather pragmatic method of using both investment strategies is much more adapted to the small landlocked character of Rwanda and to today's political economy which is considerably more globalized than in the Cold War era. This strategy seems to make sense in this context not only because of the now commonly accepted benefits of FDI for economic development\textsuperscript{176}, but also for the fact that Rwanda’s national capitalist class, while clearly powerful and prosperous, are nonetheless too small to bring about the rapid development envisioned by the government. Although foreign corporations are potentially less reliable and loyal to the government's long-term vision than the domestic ones, the state seems ready to accept this trade-off in order to attain its developmental goal. Overall, this use of a mixed strategy helps to understand better the nature of Rwanda's governance which stands out by its pragmatic and adaptive approach.

In addition, the unplanned evolution of the Vision 2020's targets grew from mostly focusing on service sector development to both services and manufacturing, which is also a sign of the non-dogmatic nature of the government’s view on economic policy-making. While ICT and the services sector are eye-catching and significant in today’s economy, it seems that the government has later reconsidered the more traditional path to development—export-led manufacturing—which has the advantage of employing the larger, less educated section of the society and reduces the trade deficit. This decision shows a sense of pragmatism and flexibility which was virtually always present in East Asian developmental states and is considered by many developmental state scholars as

\textsuperscript{176} Indeed, in many developing countries, FDI has overtaken aid, remittances, and portfolio investment as the largest source of external finance. FDI is also seen as a way to bring many advantages such as driving technology exchange and innovation; diversifying and increasing exports; and helping with government revenue and foreign exchange reserves (Nenova, 2018).
their transversal feature (Onis, 1991; Cummings, 1999; Fritz and Menocal, 2007). The case of Rwanda confirms the importance of this feature which is often neglected by developmental state scholars, but also, and importantly, shows it is a necessary approach to tackle the challenges of rapid development and transformation.

With regards to ideology, Rwanda has also stood out for its pragmatism and adaptability. Just like the Asian Tigers during the Cold War era, Rwanda has been able to cleverly navigate between different ideas and views on the role of the state and other development issues. President Kagame has said numerous times that “one size does not fit all” and has always been straightforward and critical of the ideological and normative model pushed by Western countries and international institutions in Africa (Kagame, 2016). Corroborating with this discourse, Rwanda’s governance has shown its highly pragmatic nature, which places it above simplistic characterization. Although it has followed the developmental state model with a state-led approach, it has also “overtly promoted and cultivated the neoliberal ideal of the self-sufficient citizen who drives economic progress through entrepreneurship and innovation” (Honeyman, 2016: 19). Rwanda has also distinguished itself with its strong promotion of small and medium enterprises, private sector associations, and protection of property rights. In sum, the country has not confined itself to one side or the other of the ideological spectrum but has instead looked at the best fit in their interest. While many observers have focused on the long-term planned nature of the developmental state, the Rwandan case shows that it is, in fact, less planned and more focused on problem-solving and meeting the immediate needs of the moment. This pragmatic and adaptive account of the Rwandan state is in direct line with Chalmers Johnson’s (1982:323) advice which says that: "other nations seeking to emulate Japan’s achievements might be better advised to fabricate the institutions of their own developmental state from local materials". In the same vein, for David Henley (2010) one of the most interesting aspects of the developmental state experience is the fact that pre-planned strategy was never dogmatic but rather focused on problem-solving and urgent action. Rwanda has indeed adapted its own developmental state model with the resource and ideas available to deal with priority issues instead of zealously following a long-term
plan. It has also used its own local material by (re)developing many traditional policies targeting better development, accountability, nation-building and social participation (Gaudreault and Champagne, forthcoming). It is thus for these reasons that, while following the developmental state model, the Rwandan state has developed its own specificities, just like every other developmental state.

9.3.4. The Rwandan Developmental State and Democracy

Ever since the publication of Chalmers Johnson’s groundbreaking book *MITI and the Japanese Miracle* in 1982 and the creation of the term "developmental state", this model of governance was seen by some observers as a potential model for other developing countries. However, as successful as this model might have been, it has, at the same time triggered many lively debates regarding the role of democracy in development. In a way, the developmental state has substantially confronted the western notion of democracy and liberal state. To be sure, the notions of democracy or democratization are central to social sciences but it is also a sensitive topic for many reasons. Today, any positive painting of the outcomes of an authoritarian regime is quickly described by some sections of academia as an apologia of illiberal states and authoritarianism. Unfortunately, this kind of simplification and "partisanship" is doing more harm than good and is sometimes tainted by a western-centric vision of reality.

Any researcher studying the East Asian experience cannot overlook the empirical fact that rapid socio-economic development in the great majority of the successful East Asian states has occurred under authoritarian regimes. In most cases, the developmental states were governed by authoritarian governments—at least in the first decades—and democracy was either restricted or simply non-existent, with the only possible exception of Japan which has been under a dominant one-party system since 1955, something hardly
conceivable in today’s ultra-partisan\textsuperscript{177} liberal democracy. This should certainly not be an argument to conclude that all authoritarian countries are successful. However, this raises a highly controversial question as to whether there is a correlation between the developmental state and a particular political system. This question is not the subject of this thesis and in a broader sense the issue of development in relation to democracy was amply discussed in the literature but has not created any consensus.

According to the Economist Intelligence Unit’s Democracy index 2017 (EIU, 2017: 64) Rwanda is an "authoritarian regime" which means that: "state political pluralism is absent or heavily circumscribed; [t]here is disregard for abuses and infringements of civil liberties; [m]edia are typically state-owned or controlled by groups connected to the ruling regime; [and] [t]here is repression of criticism of the government and pervasive censorship". In light of the developmental state experience in Rwanda, one may assert that authoritarianism in the form of poor human rights records, restricted opposition and co-opted civil society could solve problems that democracy could not elsewhere. Johnson (1987:143) for instance said in 1987 that an authoritarian government seems to be more able to achieve political stability and long-term predictability of the system, therefore enabling leadership to take a long-term view on development. Other scholars claim that democracy could be seen as problematic in regard to the emergence of a developmental state notably because of the often short-termism that electoral politics can produce or encourage (Kelsall and Booth, 2010). Also, in relation to the bureaucratic autonomy feature of the developmental state, Wade (1990:375) said that the authoritarian developmental state is in better position to suppress or simply ignore interest groups demands enabling them to pursue their long-term plan. However, although the association between the developmental state and authoritarianism seems to be historically stable, if not a necessary combination for some (Schneider, 1999: 298), others think that a sharp distinction between an authoritarian and a democratic state might be

\textsuperscript{177} This is better exemplified by the populist uprising in most Western countries but also the lack of consensus-seeking between the major political parties in regular liberal democracies over the last thirty years.
too simplistic (Routley, 2014). The “father” of the developmental state, Chalmers Johnson, said that “to think of such a regime (Japan) as authoritarian is to both miss the point and fail to recognize real authoritarianism when it occurs” (Johnson, 1999: 53-54). In retrospect, he said that he “den[ies] any necessary connection between authoritarianism and the developmental state but acknowledge that authoritarianism can sometimes solve the main political problems of economic development” (Johnson, 1999:52).

In hindsight, one should be careful with the assertion of the existence of the correlation between authoritarianism and developmental state because the case of post-genocide Rwanda is singular; as were the cases of South Korea, Taiwan, Singapore, and Japan. Socio-economic development and highly transformative processes are hard to achieve consensually and a developmental authoritarian regime or a dominant-party democracy seems to facilitate this process. It is also hard to imagine this kind of overarching socio-economic transformation within the frame of "under-institutionalized democracies" which are common in the Global South (Kohli, 2004). In a more democratic context, maybe it is, therefore, more relevant to implement a "broader-based coalition" which includes popular organization concerned about poverty reduction as advocated by Evans (1995:17; 2010) and Edigheji (2005:5)—and discussed in chapter 3.5.2. In fact, some might argue that Rwanda, with its neo-traditional policies of participation and solidarity, more or less tries to implement a broader-based coalition.

When looking at the nature of politics, Rwanda could easily be compared to Singapore and South Korea in the first few decades of their developmental experience. Like Singapore, Rwanda has practiced a formal democracy but at the same time, it has restricted the political space by allowing political participation only to the opposition parties willing to accept the political settlement in place and its developmental vision. In Rwanda, the uncompromising system is presented by the government as the only way to allow the reconstruction of the country and avoid further ethnic-based violence; in

178 This refers to states which have not yet established strong government institutions to oversee or implement policy. It also refers to the lack of legitimacy of government institutions which make it harder for the state to implement its policy with the blessing of the whole population.
Singapore, the People’s Action Party has defended the system as a necessary way to avoid the blatant takeover of the ethnic Chinese majority and the Communist party which was considered at the time as a threat—in the context of the Cold War. Also, comparable to South Korea, Paul Kagame’s Rwanda has historically been dominated by career military and secret service officers who have established tight government control over the society with the official motive of countering the risks posed by genocidal and ethnic-based ideology. In South Korea, General Park Chung-Hee’s government was also a strict military-dominated government which was established in order to fight the communist ideology and North Korean threat.

In this research, we have seen that two developmental features seem to promote some sort of authoritarianism: the embedded autonomy which does not tolerate what is considered as unproductive lobbyism; and the cooptation of the civil society. Theoretically, these two characteristics are based on the need to produce a large-scale socio-economic transformation and guarantee a "consensus" around it\textsuperscript{179}. These characteristics and the capacity to enforce them are not to be neglected as they have been significant in East Asian rapid socio-economic development. However, by observing the recent democratization of previously authoritarian regimes of South Korea and Taiwan, it is only genuine to believe that once the transformation has taken roots and the standard of living and education level higher, the “natural” process is to democratize (Lipset, 1959; Zakaria, 2007; Acemoglu and Robinson, 2009). That being said, one should keep in mind that democratization has developed differently and contextually in East Asia as it has elsewhere in the world and there is no simplistic dichotomy between tradition and modernity.

Societal characteristics and values such as communitarianism and collective responsibility are also bringing new forms of democracy which are carrying their part of

\textsuperscript{179} Indeed, implementing such a long-term plan and vision is a very difficult task notably because at any point the population or the elite might rebel against the transformational vision—by refusing to work or by bringing down the government—or because the state lacks the capacity to make it reality.
complexity—something which can be hard to understand by researchers from different cultural backgrounds (Gaudreault and Champagne, forthcoming). Such context-based or traditional democratic characteristic is also present in today's Rwanda. It is exemplified by neo-traditional policies and practices such as Imihigo, Umuganda, Ubedehe, Girinka, Abunzi and Gacaca which are tools that can help bring a local form of democratization and implant habits of social participation and national ownership within the society. Such approaches which are often embedded within traditional communitarian practices are opening the way for democratization that only the country itself and its population can craft. In sum, while the neoliberal paradigm prescribes "one-size-fits-all" political and economic liberalization policies, in post-conflict countries such as the Rwandan developmental state, this approach is questionable as it can deepen competition among elites which still may have violent inclination. Apart from the traditional mechanism of social participation and transparency, there is also great hope that the Rwandan younger generations which have not been part of the previous conflicts will bring democratic change; while at the same time, in the future, more mature formal institutions should bring stability. As it was often the case in the East Asian developmental state, Rwanda has relied on a competent and committed leader. There is always a risk that the development achievements are lost when there is a leadership change. In fact, there is the possibility that the nature of Rwandan developmentalism might be resting too much on their leader's shoulder and that, in the event of a succession, a less developmentalist and less efficient form of governance takes place. Only the future will tell us how the present leadership manages its succession and if institution-building continues its course.

9.4. Rwanda Is a Contemporary Developmental State

In sum, this doctoral thesis has shown that Rwanda has uniquely and directly learned from the East Asian developmental state. What is most important and what can be taken from this thesis is that the Rwandan governance reform process since 2000 compares very
well with East Asian developmental states and has qualified under every feature of the ideal-typical developmental state. Like many post-conflict states, Rwanda, with the pressure from the IMF and the World Bank, has implemented a "shock therapy" following the 1994 conflict by undertaking large-scale privatization of public companies but at the same time, it has built a private empire managed by the RPF, the dominant political party. With these party-statals and other private groups, Rwanda has taken control and directed its economy while following—at least technically—the main principles of the market economy and most ideas of the Washington Consensus, allowing them to receive Western financial support. In all probability, this kind of economic behaviour would have been decried much more vehemently by the Western donors in another African country, but the post-genocide context seems to have allowed the RPF regime to implement what would have been considered by some as a state-led development approach. This developmental scheme, while original, is similar to what East Asian developmental states have done in the first phase of development when the government was playing an active role in controlling the economy and supporting socioeconomic growth.

The following section will situate the Rwandan experience in term of the international political economy and the larger developmental state theory. At last, this will be followed by the lessons which can be learned from this case study and some important reflections on potential future researches.

9.4.1. Rwanda and the Political Economy

At the beginning of this thesis, we have discussed the potential change of discourse in the fields of political economy of development and public sector reform from what was believed to be a universal road to development based on neoliberalism and the "Washington Consensus" precepts to an alternative discourse. Indeed, we have seen that the "liberal model" of development that has generally encouraged free market and minimal state intervention in the economy has proven to be persistent. However, the
experience of Rwanda has revealed that there is, in fact, a change of discourse in terms of governance model in this country. This case study has shown that Rwanda has taken its distance with the Washington Consensus. Rwanda's state-led development has shown that it was able to achieve significant socio-economic development through a complete transformation of the country. These results challenge the previously dominant neoliberal paradigm which claims that economic development can only happen if markets are able to operate freely and effectively through deregulation, liberalization, and privatization of much of the economy (Friedman, 1962/2009; Buchanan, 1986). The exceptional context of Rwanda which has experienced in 1994 one of the most awful and violent episodes in the contemporary history has allowed the government to emancipate itself and change its approach towards Western influence, its governance and development model. This exceptional situation and the change of regime made it possible for a complete reorganizing of the government strategy for development. Rwanda has thus followed a different model of governance with a state-led development approach: the developmental state. Importantly, this experience has shown many positive results in terms of development and also post-conflict peace. This has made Rwanda one of the most looked upon models in Africa, consequently increasing its influence\textsuperscript{180}.

Our theoretical framework and the findings in this thesis have also demonstrated how central the context and history of a state is when it comes to its governance system. The case study of Rwanda has shown that to establish a developmental state, a country must first and foremost satisfy the entire set of developmental preconditions. These preconditions, for the most part, are embedded within its historical legacy, recent or ancient. In other words, to choose a form of governance in a selected country, it is necessary to take into account its distinct historical context. This idea also challenges the notion of the "one-size-fits-all" approach to development which is still trusted in the Western world. Consequently, this dissertation has demonstrated that establishing a

\textsuperscript{180} This might be exemplified by the presidency of President Paul Kagame at the African Union (28 January, 2018 to 10 February 2019) and the presidency of Foreign Affairs Minister Louise Mushikiwabo at La Francophonie Organization (3 January 2019- today).
developmental state model is possible in today’s political economy but the type of governance model chosen must be built in accordance to its own historical context to have a chance to succeed. Also, the case of Rwanda where bureaucratic capacity is lacking in comparison to developed states but has, nonetheless, being able to develop a capable state reveal that the capacity of state can mature simultaneously with the economy. It has also shown that the developmental state model does not fit simplistically in the neoliberal versus other models of classification but is, in fact, a model that requires ownership through adaptation, pragmatism, and flexibility. These characteristics of Rwanda’s public administration show that state capacity is still absolutely central for socio-economic development. However, it is important to note that one of the reasons behind the success of a bureaucracy—especially in a developing country—is the strong engagement/commitment from the leadership to development. This public administration and committed/engaged leadership nexus should not be ignored in this analysis.

These research conclusions on the Rwandan governance model come at a time where the West is slowly losing its monopoly of influence and the Global South is losing confidence in the neoliberal model and Washington Consensus. Indeed, since the 2007-2008 global financial crisis, the market-led discourse and its neoliberal paradigm have lost attraction to many developing countries which are now looking at different perspective and more adapted approach to development. Just like the East Asian "miracle", the success of the Rwandan developmental state might create a renewed interest in this alternative form of governance in Africa and other developing countries. Consequently, it is highly possible that other developing countries will seek to emulate the East Asian developmental state or the Rwandan developmental state. However, these states will emerge only if the preconditions necessary for a developmental state are in place. Theses state should also consider the centrality of history and context, and the need for pragmatic and adaptive governance in order to facilitate the emergence of a developmental state. In sum,
contrary to what many authors have advanced, it is still possible for states in this period of time to play a developmental role and enjoy success.

9.4.2. Lessons and Reflections on Future Research

This research on the nature of the governance model used in Rwanda since 2000 has found that despite the high number of disadvantages and weakness, Rwanda was able to establish a developmental state. The Rwandan experience confirms the contemporary relevance of the developmental state model as a development path for other developing countries.

The experience of Rwanda's policy-making and implementation provide highly relevant lessons for any policy-makers in the world but mostly for those living in emerging or developing countries aiming at transforming their economies. Rwanda's experience shows that it is possible to take its inspiration from elsewhere than the West—East Asia in this case—and also comply with most of the conditions required by Western international institutions. This research has shown that in the case of the developmental state model the context is crucial. The case of the East Asian and Rwandan developmental states has revealed that a certain set of contextual preconditions are necessary to possess in order to favour the emergence of a developmental state. Contextual preconditions such as the presence of an external or internal threat, a coalition of internal elite, a strong concentration of power and a continuity of policy, and a favourable international context, are all crucial for a developmental state to emerge. Neglecting these preconditions might bring enormous additional challenges to establishing the main features of the developmental state, which are already hard to create. Pragmatism and adaptation are also central characteristics which have to be present in the higher sphere of the leadership to succeed. The developmental state model is not a "one-size-fits-all" model and every country must find its own comparative advantage and path, develop it, and monitor the international trend carefully to stay in the avant-garde. In other words, the
developmental state is highly connected to the rest of the world and does not operate in silos: it must be well aware of the regional and international dynamics in order to fit within the global economy. It also has to deeply take into account its own distinctive nature in terms of society and economy to design the most suitable and effective developmental strategy and institutions.

As for the democratic issue, it might be possible in the future to establish a democratic developmental state but policymakers must be well aware of the country’s necessity to possess a strong coalition of internal elite coupled with a concentration of power and a continuity of policy to succeed. This precondition which implies the possibility to implement a long-term plan is not impossible in a liberal democracy but certainly difficult to sustain with highly competitive elections or with the pressure of unproductive private interests. In addition, the embedded autonomy, as well as the coopted civil society, is also difficult to implement within a liberal democracy which gives every citizen or private organization the right to participate and influence public decisions even if it is detrimental to the society at large. Also, in more general terms, the research has shown that successful development can be done with the state playing a central and strategic role in the economy. Finally, through the Rwandan experience we have seen that while the state might try to develop the ICT sector by focusing on utilizing its comparative advantage, it also has to make sure it is not following a dogmatic pre-planned long-term strategy but rather focusing on problem-solving and urgent action. It must not blindly follow a fixed model but instead create its own adapted developmental state.

In conclusion, this case study offers many reflections which might be used in future research. First, the theoretical framework that was produced offers a pragmatic but sophisticated way to analyze any country under the developmental lens. Other case studies using this theoretical framework might enable relevant comparison in Africa or elsewhere and illuminate the field on the future. It would also be interesting to add multiple countries, like Rwanda, that are often cited as showing developmental signs such
as Ethiopia and Mauritius in order to arrive at a more comprehensive conclusion on the emergence of developmental states in Africa. Furthermore, other comparative work on the historical and even cultural experience of Rwanda and East Asian developmental states would bring interesting research findings as the contexts have similarities while being from two different continents and cultures. In this regard, it would be interesting to see if a new model of developmental state à l’africaine is emerging with common characteristics and adaptations for today’s challenges.
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Appendix A: The list of Important Primary Sources used: Government Sources

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Appendix B: The list of Important Primary Sources used: International Institutions Sources