

# Rwanda. Understanding the Growth of an Economy at War During the Last Thirty Years

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## **Introductory note by John Philpot**

*I would like to comment on the discipline of Mr. Ngirabatware. He was held alone in Arusha for two years. This is an admirable piece of work by a man who was unjustly imprisoned and was able to surmount the difficulties of the prison and produce this important work.*

*It is also reminiscent of the discipline of the late Jerome Bicamumpaka who spent so many years in prison. At his funeral on June 11, a family member or his lawyer Philippe Larochelle explained that Mr. Bicamumpaka would get up every day in prison and go to work as if he were free.*

## **John Philpot**

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## **What did inspire me to write the book ‘Rwanda. Understanding the Growth of an Economy at War during the Last Thirty Years’**

The growth of the Rwandan Economy is my focus of research as an economist since 1986 when I obtained a PhD in Economics and started to work in the Rwandan Ministry in charge of Economic Policy. What prompted me to write this book is a kind of propaganda from all sides which makes the world believe that Rwandan leaders have made miracles and practise managerial methods unknown by leaders of other African countries.

The Rwandan government is often accused of manipulation of statistics on poverty reduction, even by its own partners in Europe and the United States. I wanted to assess and to examine myself the statistics from the government and compare with what is said outside Rwanda in order to confirm or to deny the accusations.

## **Summary**

Rwanda has been in a state of almost perpetual war during the last thirty years, whether through internal conflict or through wars in Democratic Republic of Congo, conducted directly or through proxies and militias. Thus, one would expect very low economic growth rates and this is not the situation in Rwanda. It is crystal clear, Rwandan economy declined and the real economy collapsed in 1994. Since 1996 up to June 2022, those wars have not ceased, but there are high annual growth rates of global GDP and Rwanda remains a country of marked poverty and inequalities among rural and urban population and among social classes.

## **General subject and Central concepts**

- Diagnosis of the macroeconomic environment at the threshold of the October 1990 war, during the war 1990-1994 and during the Kagame tenure (1994-2019)
- Disproportionate Growth of GDP among economic sectors what I call “Intersectoral revolutions” and social inequalities.

## **Place**

The phenomenon examined takes place in Rwanda. Foreign countries intervene either as public donors (UK, USA, etc.) or battle field and where plundering of natural resources is carried out (Democratic Republic of Congo).

## **Interest**

Very few research is made on Economies at war. In general, while the impact of war on the macroeconomic management of a country is considerable, research on the relationship between an economy and defence is still in its infancy. The sector involves more of an underground economy and the flows of financial resources are not recorded by the institutions normally in charge. This succinctly describes the situation in Rwanda.

Three particulars are pointed out in the book:

- Rwandan leaders are champion to fight against corruption when the beneficiary is not the political party on power (RPF);
- Population is distributed among sectors of economic activities depending of ethnic groups. Very high GDP growth rates have been accompanied by an increase in social inequalities between urban Rwandans and rural Rwandans. Rwanda is on the list of 14 out of 189 countries with the highest coefficient of income inequalities within its population over the period 2010-2019.
- The destination of bank loans and foreign direct investments in recent years demonstrates partially how capital accumulation is distributed among economic sectors, agriculture being almost abandoned. The share of GDP of agriculture, forestry and fishing for two decades, varied between 40% around 2000 and 28.0% in 2019.

## Attractiveness of the book

The book is a mix of economic policy in theory and practice within an economy at wars or quasi-wars. I avoided as much as I could writing in the book anything similar to pure politics although I was perfectly capable to set out information on bad governance in Rwanda. I want to be objectively reliable since my great wish is to be read in several circles including economic policy makers, scholars, students, NGO involved in development, in Africa and in other continents.

## How did I discover the subject ?

Reflections on Rwandan Economy started in 1986 when I obtained a PhD in Economics from University of Fribourg in Switzerland and a Diploma Troisième Cycle in Management from Universities of French Speaking States of Switzerland. My former credentials as Director General of Promotion of investments in industry in Rwanda for two years and as a Minister in charge of economic planning in Rwanda for four years keep alive my reflections on Rwandan Economy. I observe and analyse with the greatest attention the Rwandan macroeconomic aggregates.

[Click here to order the book.](#)

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**Augustin Ngirabatware** was born in Rwanda on 12 January 1957. He was part-time Lecturer of Economics at Université Nationale du Rwanda. From 1987 to 1990, he was member of Board of Governors of Banque Rwandaise de Développement in Rwanda. From 1990 to 1994, he was Minister of Economic Planning and Minister of Planning and International Cooperation. For two terms in 1991-1992, he was Chairman of African, Caribbean and Pacific States (ACP) Council of Ministers having its headquarters in Brussels (Belgium). In 1994-1998 he taught at Université Omar Bongo/IST and at Institut d'Economie et des Finances, Libreville (Gabon) and was for a short time Director of Institute of Advanced Studies in Economics and Management (ISEM), Libreville, (Gabon). And from 1998 to 1999, he was Researcher-Consultant at Development Center of OECD in Paris, (France).

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