Pritish Behuria

Countering threats, stabilising politics and selling hope: examining the Agaciro concept as a response to a critical juncture in Rwanda

Article (Accepted version)
(Refereed)

Original citation:

DOI: 10.1080/17531055.2016.1250871

© 2016 Informa UK Limited, trading as Taylor & Francis Group

This version available at: http://eprints.lse.ac.uk/69580/

Available in LSE Research Online: February 2017

LSE has developed LSE Research Online so that users may access research output of the School. Copyright © and Moral Rights for the papers on this site are retained by the individual authors and/or other copyright owners. Users may download and/or print one copy of any article(s) in LSE Research Online to facilitate their private study or for non-commercial research. You may not engage in further distribution of the material or use it for any profit-making activities or any commercial gain. You may freely distribute the URL (http://eprints.lse.ac.uk) of the LSE Research Online website.

This document is the author’s final accepted version of the journal article. There may be differences between this version and the published version. You are advised to consult the publisher’s version if you wish to cite from it.
Countering threats, Stabilising Politics and Selling Hope: Examining the Agaciro concept as a response to a Critical Juncture in Rwanda

By Pritish Behuria, LSE Fellow, London School of Economics and Political Science

ABSTRACT

The political settlements literature (Khan 2010, North et al. 2009) has assigned a privileged role to rents as instruments used by ruling elites to maintain political stability. Since then, there has been some attempt (Hickey 2013, Hudson and Leftwich 2013) to highlight how ideas may play a similarly important role in contributing to political stability. This article explores how ruling elites in Rwanda responded to a ‘critical juncture’ in 2012 when donors withdrew foreign aid after they alleged that the Rwandan Patriotic Front (RPF) government was supporting rebel groups in the Democratic Republic of Congo. Ruling elites then used an idea – Agaciro (a Kinyarwanda word, which means dignity or self-respect) – as one instrument to maintain political stability and legitimise the new development programme in Rwanda. Ruling elites have also used the rhetoric around Agaciro to target the younger generation in Rwanda. This paper argues that Agaciro is symbolic of the vulnerabilities faced by ruling elites in Rwanda today. These vulnerabilities are a specific outcome of the Rwandan developmental strategy, which combines neoliberal market-led reforms, with some developmental state-like policies. The Agaciro concept was also operationalized, with the creation of an Agaciro Development Fund (AgDF) in 2012. The AgDF was legitimised on the basis of a commitment to self-reliance (among elites) during a time where symbolic coalition building among elites was important for political stability. However, Agaciro is also used to project the country’s development strategy (particularly in relation to entrepreneurship and financial inclusion) as one of opportunity, instead of acknowledging the severe inequality that has been associated with development in Rwanda thus far.
In October 2012, donors – including the United States of America (USA), United Kingdom (UK), Germany and the Netherlands – delayed or withdrew the aid they had promised to the Rwandan government. Donors threatened such actions after the United Nations renewed allegations that the Rwandan government was supporting rebel groups in the Democratic Republic of Congo (DRC). At the time, the Rwandan government was in the final stages of preparing its Economic Development and Poverty Reduction Strategy Paper 2 (EDPRS 2). Surveys conducted had shown that the impressive growth achieved by the Rwandan government since 1994 had not yet addressed the severe inequality that persists in the country. Rwanda’s Gini coefficient was 0.51 in 2000/01, making it well above the United Nations Development Programme’s (UNDP) alarm boundary of 0.40.¹ By 2011/12, Rwanda’s Gini had only slightly improved to 0.49. Despite the positive acclaim that Rwanda has received for poverty reduction,² government officials recognised that creating employment opportunities for Rwandan youth would represent the most significant challenge for the country in the coming years.³ Since more than half of Rwanda’s population was under 19-years-old, the salience of this challenge was clear. The EDPRS 2 showed that the government was willing to respond to this challenge by revising its strategy from becoming a ‘knowledge-based economy by 2020’ to a ‘manufacturing and knowledge-based economy’ (MINECOFIN 2013). Though the need for changing the strategy was acknowledged, creating the political and fiscal space to push through such changes became increasingly difficult after aid was withdrawn.

This paper argues that the period after foreign aid was temporarily cut can be characterised as a ‘critical juncture’ for the Rwandan Patriotic Front (RPF) government. Critical junctures are defined as “relatively short periods of time during which there is a substantially heightened probability that agents’ choices will affect the outcome of interest.”⁴ A critical juncture is “a period of significant change”, which may produce distinct legacies.⁵ Once aid had been cut, the RPF government faced different concerns. It had already revised its national strategy to reflect growing concerns over the need to create employment for its young population. It faced the prospect of aid cuts given allegations that it was supporting rebel groups in the DRC. Lastly, it needed to protect itself from any potential challenges from rival elites during this period. This paper argues that during this critical juncture, the government used Agaciro as a rhetorical commonplace to address these concerns and protect itself from any vulnerabilities that accompanied them.
*Agaciro* is a Kinyarwanda word, which can be translated to mean dignity or self-worth. As a concept, *Agaciro* is said to be firmly rooted in Rwanda’s precolonial past. In 2012, the use of *Agaciro* appealed to national goals of self-reliance and emphasised the importance of solidarity in the face of external threats. Achieving self-reliance was a central goal of the RPF’s liberation effort and appealing to such goals united RPF elites symbolically (or at least, called them to show loyalty to a national cause). During this period, the Agaciro National Development Fund (AgDF) was created, which further established the credentials of *Agaciro* as a national symbol. However, *Agaciro* also had an important political message directed at the population. For nearly two decades, the government embraced neoliberal policies – emphasising the delivery of health and education at the cost of creating jobs (and manufacturing). Though the government was revising its policies, it remained extremely difficult to create enough employment opportunities to meet the demands of the population. During this phase, it was important to counter any popular challenge. Though coercion was clearly one way in which stability could be maintained, the other was to support the convenient creation of ‘entrepreneurial citizens’, with the onus of job creation and the shame of failure resting with individuals themselves. *Agaciro* symbolised individual dignity and called on individuals to take responsibility for the situations in which they lived, rather than relying on the government to support them. In effect, *Agaciro* worked as a temporary neoliberal fix to the inequality associated with Rwanda’s development strategy.

This paper makes a contribution to the political settlements literature. It builds on existing work to illustrate how ideas can be powerful tools for ruling elites to stabilise their rule during critical junctures. It begins with a discussion of the political settlements literature. It then describes the critical juncture in Rwanda. The last section demonstrates how *Agaciro* was used as a political and economic instrument to manage the threats associated with the instability that occurred during the critical juncture. The essay then ends with some concluding remarks.

**Ideas and the Political Settlement**

The political settlements literature emerged as a response to the dominance of New Institutional Economics (NIE) in the 1990s. NIE explained variations in terms of institutional capacities and leadership qualities of governments. Mushtaq Khan argued that NIE lacked explanatory power. NIE focused on formal institutions, which included rules that guide the activities of economic organisations and also political and constitutional rules that determine
how other rules may be changed. Instead, Khan argued that the institutional capabilities of developing countries depend on the pre-existing disposition of organisational power of governments in those countries or more specifically, “the political settlement.” The political settlement refers to “a combination of power and institutions that is mutually compatible and also sustainable in terms of economic and political viability.”¹⁰ Unlike NIE’s focus on formal institutions, Khan emphasised how power is significantly based on informal institutions, typically the patron-client networks that exist in late developing countries.

Khan conceptualises power in terms of ‘holding power’—the capability of an individual or group to engage and survive in conflicts.¹¹ Some¹² have criticised Khan (and related work by others on Limited Access Orders)¹³ for maintaining a restrictive economistic definition of power. However, Khan actually emphasises that ‘holding power’ is not based on income or wealth (or control over the distribution of economic rents alone). Instead, he stresses that the holding power of an organisation also depends on ‘its capability to mobilise supporters to be able to absorb costs and its ability to mobilise prevalent ideologies and symbols of legitimacy.’¹⁴ Khan and others,¹⁵ who retain such a conception of ‘holding power’, perceive ideas and ideologies as instruments to support patron-client relationships, which are largely constructed on the basis of how rents are distributed. While it should be acknowledged that Khan recognises that ideas may be one instrument used by elites to stabilise or threaten political hierarchies and mobilise support for their intentions, he chooses not to elaborate on his conceptualisation of ideas and assigns them a limited role within the arena of politics. He does not differentiate between ideas and ideologies (or ideational structures). He also views ideas neutrally and restrictively as a ‘set of beliefs’, which is a common tendency in political science.¹⁶

Hudson and Leftwich argue that ideas play a central role in politics and find that ideas have been largely ignored in the political settlements literature. They emphasise how the language of politics highlights the centrality of conflict and struggle over values and ideas. In fact, ideas ‘structure behaviour when they are enacted via human agency’ and ‘the way actors use ideas is brought back into the broader ideational structure, either reinforcing the existence of ideas or changing the original idea.’¹⁷ Their work differentiates between ideas and an ideational structure. However, ideology can be conceptualised (in a similar way to ideational structures) as a specific, lived experience for different communities and political organisations or as “maps of problematic social reality and matrices for the creation of collective conscience.”¹⁸ Within a Marxian conception of ideology, ideology is not perceived
neutrally as a set of beliefs but as an inversion of reality to sustain asymmetric relations of power and maintain systems of domination.¹⁹ Such understandings assume that elites use ideas to mobilise support in their favour but such ideas must fit within the broader ideational structure. Thus, for ideas to be perceived as legitimate, they must have broad support in society. Or at least, such ideas should not be more widely rejected than supported. Ideas should not be understood to be a ‘subordinate outcome of the incentives that flow from political settlements and its resultant institutional arrangements.’²⁰ They are not added-on in support of incentives to mobilise support. Instead, the power of ideas is reflected in the ideational structures through which legitimacy must be contested.

This paper examines Agaciro – as an idea (and a rhetorical commonplace) – that the RPF government used to mobilise support and counter the legitimacy of any potential challenge after aid was withdrawn in 2012. Rhetorical commonplaces refer to words and phrases that have a shared meaning among groups. Patrick Jackson sketches how The West was transformed into a rhetorical commonplace, which was popularised and contested by various groups after the Second World War.²¹ Vincent Pouliot illustrates how The West and The Cold War clearly outlined adversarial groups and common enemies. Such rhetorical commonplaces “captured evolving intersubjective dynamics and locked them into a past background of interaction.”²² Thus, rhetorical commonplaces work within histories of interactions between communities to strengthen group identities and outline common enemies. For the RPF, Agaciro symbolised a similar common enemy (donors) within a past background of interaction. Where donors had ignored the plight of the Tutsi community during the genocide, they showed little respect for Rwandan interests in the DRC in 2012. Agaciro’s other meaning (individual dignity) held normative value in a neoliberal environment where entrepreneurship and self-reliance were revered qualities. This paper focuses on how RPF elites used Agaciro to address domestic political challenges after their vulnerabilities were exposed when aid was withdrawn in 2012.

The 2012 Critical Juncture and Elite Tensions that followed in Rwanda

Several donors made the decision to delay and withdraw the disbursal of aid to Rwanda after the United Nations Security Council’s Group of Experts (GoE) reports found increasing evidence that the Rwandan government was supporting rebel groups in the DRC.²³ Donors included the EU (suspended $90 million), UK (withheld $34 million), Sweden (suspended over $10 million), Germany (suspended US$26 million), Netherlands (cancelled
President Kagame contested these claims. He argued that “solving the crisis will be impossible if the international community continues to define the issues erroneously.” Some scholars also contested the validity of the evidence used in GoE reports. Regardless of the extent of Rwanda’s involvement in the DRC, the withdrawal of aid posed a serious challenge to the Rwandan government. The monetary hit was substantial in itself. In December 2012, then-Minister of Finance John Rwangombwa claimed that “in total, Rwanda was expecting $362 million from donors in general and sector budget support and of that, we had received $122 million while $240 million is yet to be released.”

Foreign aid has comprised over 40 per cent of government revenues since 1994. Such financial support has been the cornerstone of economic growth in Rwanda over the past two decades, with the country achieving 6 per cent growth every year since 1994 (with the exception of 2003 and 2013). One government official recognised that ‘more aid will be required now if self-reliance can be achieved in the long-term.’ In this regard, Government officials have been conscious of avoiding foreign aid acting as a resource curse, noting their awareness that high levels of aid are often correlated with low levels of taxation. Figure 1 shows that domestic tax collection has increased at a similar rate as foreign aid received by Rwanda. Though self-reliance (and a reduction of aid) is a central priority for the Rwandan government, there is recognition that only through the support of donors in the short-term can self-sufficiency be achieved in the long-term.

Source: MINECOFIN
The shock of the withdrawal of foreign aid came at a time when the government was revising its national development strategy. Earlier in 2012, the Census reported that 60.6 per cent of the 5.89 million Rwandans of working age were between 14-35 years old, 65 per cent were listed as under-employed while four per cent were unemployed. In a recent study on Rwandan youth, Marc Sommers claimed that nearly three out of four male youth and four out of female youth that he interviewed were either destitute or poor. One government official said, “Our number one priority is to think about these young people coming to the city and leaving school. We have nowhere to put them. We are prioritising this everywhere.” It was clear that the existing development strategy, which focused on growth in the services sector, had not created enough jobs for the population. Additionally, the government’s focus on providing health and education services had not resulted in individuals creating their own jobs. Alice Amsden’s warnings were clearly being observed in Rwanda. Mainstream grassroots approaches to poverty, inspired by Amartya Sen’s capabilities approach and operationalised in the Millennium Development Goals, had resulted in ‘job dementia’ in developing countries. Quietly (and with little foreign coverage), the government was also refocusing its strategy to bring investment to the manufacturing sector. Manufacturing sector had experienced comparatively little growth over the past two decades and annual growth rates in the sector were even less than in the 1980s. The Rwandan government also set a developmental state-like job target of creating 200,000 jobs every year until 2017.

The capacity to deliver new targets was dealt a temporary setback by the withdrawal of foreign aid. To regain access to donor funds, the Rwandan government had to deal with several challenges. The government had to appease donors by ceding to their demands while making sure that any actions taken would not be interpreted as a sign of weakness. Self-reliance and dignity are central features of RPF ideology and form the basis of political legitimacy among RPF elites. When reflecting on the withdrawal of foreign aid, one senior military official said, “We were worried. But in many ways, we were prepared. We know that we cannot rely on the goodwill of donors forever.” After aid was cut, President Kagame directly linked Agaciro with the goal of achieving self-sufficiency: “the self-sufficiency we are talking about here, the Agaciro we keep repeating, you can’t achieve these if you don’t stand up for your rights.” The withdrawal of foreign aid forced President Kagame to make political calculations with reference to Rwandan engagement in the DRC and revising Rwanda’s development strategy. Such decisions affected the internal cohesion of the RPF.
Many civil society groups, experts and journalists who pressured donors to withdraw aid from Rwanda had argued that RPF elites were motivated primarily out of ‘greed’ to support rebel groups in the DRC.\(^3\) Such arguments ignored the historical roots of tensions between communities in the region. They also did not recognise that the concern for Congo’s Tutsis was real and the interest in defending Congolese Tutsi was more than a pretext to justify intervention.\(^4\) Eventually, the decision to cut aid failed to take into account that the RPF and the rebel groups they supported were not a unified group. In fact, there was no indication that all RPF elites were unified in their interests in the DRC.\(^5\) It was true that “many of the Tutsi commanders in the Congo today cut their teeth in the RPF rebellion.”\(^6\) However, powerful figures within the M23 and former CNDP had previously disagreed with the RPF hierarchy. Others harboured grudges against the RPF for not allowing them enough independence over their actions. In 2012, Bosco Ntaganda and Sultani Makenga were rivals, rather than allies. Some within the older ranks of the RPF also complained about the wastefulness of continued involvement in the DRC.\(^7\) Others held interests in areas occupied by rebel groups.\(^8\) When donors withdrew aid, they failed to recognise that it may result in internal contestation within the RPF and that such rivalry would be accompanied by tensions, vulnerability and intra-elite violence.

The withdrawal of aid was a signal to rivals that the legitimacy of Kagame’s regime had weakened abroad. For Rwandan exiles abroad and other rivals at home, this period of weakness was a political opportunity. Meanwhile, the government feared that rivals would act on such an opportunity. After aid was cut, there was increasing tension among senior RPF cadres. The roots of such tension emerged in the early 2000s when senior RPF cadres were gradually excluded from positions of power. Among this group were Kayumba Nyamwasa, Patrick Karegeya, Theogene Rudasingwa and Gerald Gahima. This group established the Rwanda National Congress (RNC) in 2012. Nyamwasa had been Kagame’s right-hand man in the military. He served as the head of the Department of Military Intelligence (DMI) and as Chief of Defence Staff. Rudasingwa served as the RPF’s General Secretary, Ambassador to the United States and as Director of the Cabinet. Karegeya was the former Chief of the External Security Organisation and played a pivotal role in establishing Rwanda’s intelligence services. Gahima was the former Vice-President of the Rwandan Supreme Court. Since then, these individuals have been a relatively loose alliance with other former RPF officers and supporters, including David Himbara (who had served as the Principal Private Secretary to President Kagame).
On 1 January, 2014, Karegeya was murdered in a hotel room in Johannesburg. Though Kagame and other senior RPF figures denied the Rwandan government’s involvement, Kagame admitted that he ‘wished’ that he had ordered Karegeya’s murder. Following the murder, ties between the Rwandan and the South African governments became frosty. The case is still being investigated in South African courts, as is a past assassination attempt on Nyamvumba. Himbara had become particularly vociferous in his criticisms of the RPF government, making public appeals to the USA and UK governments and accusing the RPF government of corruption and murdering its opponents abroad. In 2015, he gave a testimony to the US Subcommittee on Foreign Affairs, accusing the Rwandan government of increasingly ‘random’ human rights violations since 2012. He accused the RPF government of several murders including those of Karegeya, Theogene Turatsinze in Mozambique (2012), Gustave Makonene of Transparency International (2013), Assinapol Rwigara (prominent businessman, 2015), Emmanuel Gasakure (Kagame’s former physician, 2015).

In 2014, two senior RPF cadres Frank Rusagara and Tom Byabagamba were arrested on charges of inciting insurrection and tarnishing the government’s image. Rusagara and Byabagamba have been sentenced to 20 and 21 years in prison respectively.  Another leading figure in the RPF, David Kabuye, was also arrested at the same time as Rusagara. Kabuye was finally released in December 2015 after he was “acquitted of the charge of inciting the public to rise up against the state but convicted of uttering public insults.”

Kabuye’s wife – Rose Kabuye – and Byabagamba’s wife – Mary Baine – were also publicly admonished at an RPF meeting.

It is unclear whether the RPF is guilty of the accusations made against them by exiled Rwandans abroad. However, tensions between the RPF and its rivals abroad have increased significantly. Some of them have also become increasingly vocal. For example, Himbara regularly criticises the Rwandan government in international publications. After Rwanda’s National Intelligence and Security Services chief Karenzi Karake was arrested on a Spanish warrant in London in June 2015, President Kagame named Himbara among those (along with Rene Mugenzi and Norbert Marara) responsible for pushing Western governments to take such action. He also named Tribert Rujugiro (a former ally and prominent businessman) as the funder of such efforts.

“We have Rwandans who are out there, who exiled themselves under all sorts of claims but all of them having cases here. Not a single one that does not have a case to answer here…  If you check their records, they used to be in the army and have committed a series of
crimes. One of them used to work for me [Take Dr Himbara]… the only thing he can pride in
is having ever worked for me — that is the only thing, nothing else.”

Such claims show that the RPF is increasingly worried about its legitimacy abroad,
with its reputation under increasing threat (given the strength of some of its rivals) and its
vulnerability still exposed (given its dependency on donors for financial support). The
government also exhibited clear worries about the RNC, given that it publicly accused
Rusagara and Byabagamba of maintaining contact with RNC officials abroad. However, it
is also clear that the RNC have failed to work with other rebel groups abroad. The RNC has
failed to build a collective challenge against the RPF and any attacks to the government’s
credibility have been made by a scattered group of individuals. It is also important to note
that the RNC and Himbara have chosen to target the Rwandan government’s credibility in
terms of human rights violations and corruption. This has also taken the form of questioning
the validity of economic growth statistics. There has been very little criticism of the form of
the Rwandan government’s strategy, which has placed little emphasis on manufacturing
sector growth and creating jobs for a young population. In turn, the government has also
criticised Himbara and the RNC for being corrupt and for betraying national ideas. One
senior RPF official said that those in the RNC “had no Agaciro. They lost their dignity while
they were here. You know that all of them were found to be corrupt and that’s why they lost
their jobs. They don’t care about Rwanda. They only think about themselves.”

Earlier this year, after a referendum, President Kagame confirmed that he will run for
a third term in 2017. Tensions between the RPF and its opponents abroad may continue to
flare up in the time leading up to the elections. However, the initial tensions that surfaced
after 2012 (as Himbara also highlights) have calmed. The use of ideas such as Agaciro
provided a powerful back-up to coercion following 2012.

This essay argues that ruling elites in Rwanda use ideas (backed up by the threat of
violence) to tackle the political challenges of rival elites. Such an argument goes against
those (e.g. Douglass North and his colleagues) who emphasise that ruling elites distribute
economic and political rents to convince rival elites not to use violence to challenge the
existing order. It is acknowledged that rents and the threat of losing rents may motivate
elites to actions (e.g. showing loyalty to the ruling coalition and exiting the ruling coalition).
However, elites must contend with protecting and seeking rents while maintaining their
holding power. In order to do so, these elites must show that their motivation for challenging
authority is not ‘petty’. Those elites who chose to rebel against the authority of the dominant
coalition must show that the government no longer abides by the values presented in RPF ideology. For example, elites show that they are not motivated for self-seeking reasons but for the good of the country. Ruling elites also tarnish the image of those elites who challenge their authority (e.g. by accusing them of corruption or other ways in which they have worked against RPF values). As a result, power is negotiated through the capacity of elites to control perceptions that they prioritise staying true to RPF values (or that they have enough support to contain any violent challenge). Retaining such perceptions is important to convince would-be rivals against mounting challenges against leadership.

Senior RPF cadres are pivotal actors in determining the distribution of holding power between ruling elites in Rwanda and the RNC (although donors, new RPF cadres and the population also contribute to holding power). Agaciro provides a moral underpinning to the actions and policies undertaken by the RPF. The moral authority of Kagame and his supporters is dependent on ensuring that any rumours or facts that are evidence of their own transgressions are ignored or rejected. This essay argues that individuals draw moral legitimacy from the public perception of their commitment to national goals of attaining self-reliance. Such moral legitimacy is based on the shared experiences and collective memories of RPF senior cadres. Immediately after aid was withdrawn, Kagame invoked Agaciro and called for similar acts of self-sacrifice from RPF cadres, as were expected of them during and after the liberation effort of the 1990s.57

“Agaciro has been – and continues to be – the indispensable ingredient of Rwanda’s transformation. To truly grasp the meaning of Agaciro, it helps to contemplate the consequence of its absence. The genocide in Rwanda eighteen years ago had its origins in decades of bad governance, hateful ideologies and impunity. For that to have happened – to the unbelievable degree that it did – people had to have surrendered the last shred of their dignity because to truly value one’s own life means valuing the lives of others. As a people, Rwandans have since sought to rebuild a sense of individual as well as collective worth.”58

Agaciro as a Political and Economic Instrument

Agaciro had initially been conceived during the 2011 National Dialogue (Umushyikirano), which is an annual forum that brings together senior Rwandan government officials and citizens to discuss Rwanda’s development. In 2011, events were also organised around themes of Agaciro abroad. For example, Rwanda Day 2011 in Chicago was themed ‘Agaciro: Our Heritage. Our Future.’” A short film was made on the subject of Agaciro for the
event. However, its use gained traction after the withdrawal of aid. The 2012 National Dialogue was themed ‘Agaciro: Working for Self-Reliance.’ The High Commissioner of Rwanda in Uganda General Frank Mugumbage wrote that dignity in Rwanda “had been lost through our reliance on aid.” The creation of the Agaciro Development Fund (AgDF) in 2012 was presented as a way “to instil a sense of ownership, change the mindset of dependency and build the dignity Rwandans deserve.” The political value of Agaciro resided in a collective commitment to self-reliance in Rwanda. The RPF developed solidarity around a common goal against an external threat (Western donors), which was perceived to be attacking Rwanda’s sovereignty. At the 2012 National Dialogue, President Kagame said, “dignity and self-reliance are not easy gains, the more we seek peace and self-reliance, the more resistance we face from external actors who do not support our progress… In the morning, they teach us about human rights but they come back in the evening to take away your rights and tell you to do as they say.”

For the RPF, Agaciro was also a convenient symbol for its development programme, which individualised dignity. “Agaciro is understanding that we are agents of our own change.” The objective was to focus on the prospects of entrepreneurship in the country, which had been facilitated by government investments in health and education. Agaciro symbolised the virtues of a market society and placed the burden of failure on individuals themselves. It urged these individuals to work harder and relieved the government of the responsibility of providing jobs for the population. Such ‘responsibility’ was not a part of the government’s initial target of creating a ‘knowledge-based society by 2020.’ Unlike East Asian developmental states and like a large chunk of the development community today (as Ha-Joon Chang characterises it), Rwanda ignored the production-side of development and the absorptive employment capacity of the manufacturing sector.

The AgDF became Rwanda’s first sovereign fund. The Ministry of Finance and Economic Planning (MINECOFIN) was charged with the responsibility of collaborating with local institutions to operate the fund. Three accounts were opened in the Bank of Kigali, Banque Populaire du Rwanda and the National Bank of Rwanda. Cabinet members were the first to contribute, giving 33 million RwF within the first few days that AgDF was established. In the first two weeks, Rwandan citizens had promised 7 billion RwF to the AgDF, showing the symbolic importance of Kagame’s rallying cry. By October 2014, 23.7 billion RwF had been collected. In 2014, it was reported that most of these funds (76 per cent) had been invested in short-term bank deposits. The remaining funds had been invested...
in past and future treasury bonds. Government officials claimed that if each of the 1.32 million Rwandans who received regular incomes contributed 3,000Rwf every month, AgDF could contribute up to 47.4 billion RwF annually. As per data recorded in 2013, government officials contributed over 60 per cent of funds, approximately 15 per cent had been contributed by corporate businesses and private individuals had contributed about 11 per cent. Most of the funds collected were likely to have been collected out of patriotism (although it could have been ‘shamed’ or ‘forced’ patriotism). Many of those who donated were elites. Kagame called upon RPF cadres to donate to the AgDF: “It is the spirit, the principle that matters most. It is the responsibility of leaders to transform such ideas to action to produce results needed to achieve the country’s goals.” Government officials claimed that the poorer sections of society were not expected to contribute to such funds. Publicly, government officials warned leaders who forced people to contribute to AgDF, amid complaints from local schoolteachers in September 2012. Then-Finance Minister John Rwangombwa said, “the spirit of the fund is to dignify yourself – and you can’t be forced to do so.”

The AgDF may have provided some economic relief to the government when donors withdrew aid. However, it was more important as a symbolic instrument. Government documents emphasised that “the Agaciro spirit is more important than the contributions.” Kagame likened the AgDF to “the invincible army of our nation.” Agaciro gradually became a buzzword or a rhetorical commonplace, activating collective memories through shared meanings among groups. It symbolised the importance of collective memories of vulnerability in Rwanda. The word was used widely – as a name for basketball tournaments, football tournaments and music concerts. Powerful imagery was developed, with some young RPF supporters likening the concept of Agaciro to the philosophies of Kwame Nkrumah and Thomas Sankara. It was crucial in building a sense of nationalism among younger RPF cadres, supporters and senior cadres. The Ministry of Defence spokesman Joseph Nzabamwita echoed these sentiments: “when aid was withdrawn, it was very difficult for us. Agaciro was very important then. It is right that it is not much money but it reminded us we have to work together, not fight among ourselves. Foreigners thought it would weaken us. It had the opposite effect.” Agaciro is the RPF’s attempt to construct and enforce nationalism among elites and the population where individuals owe a duty to the state. Nationalist duty “overrides all other public obligations.”
The AgDF, or the AgDF Corporate Trust Ltd. (as it is now known), has gradually increased its portfolio over the years. In 2016, it was also admitted to the UK-based International Forum of Sovereign Wealth Funds (IFSWF). At the end of 2013, the AgDF had quickly amassed 20.5 billion RwF. This increased to 24.9 billion RwF by the end of 2014 and 29.2 billion RwF by the end of 2015. In April 2016, the AgDF’s funds totalled 31.2 billion RwF. The AgDF’s funds have been invested in government treasury bonds and commercial banks’ term deposits. The AgDF also receives 5 billion RwF every fiscal year from tax revenues and five per cent of proceeds from every public asset, which is privatised. The fund also receives 5 per cent on royalties from minerals and other natural resources each year. The AgDF’s goal is to receive total contributions worth 500 million USD by 2024. With current contributions at around 40 million USD, there is still a long way to go.

_construction an Agaciro Generation_

Aside from being of symbolic importance to combating aid dependency, the AgDF has made some financial contributions to achieving self-reliance. However, Agaciro is also important because of the ways in which the RPF uses it to relate to Rwandan youth. In his speeches, Kagame has asked Rwandan youth ‘to internalise what we mean when we say Agaciro. Whatever you do, whatever you will be, you must embody the dignity of Rwandans.’ This is not to say that the youth are passive recipients of the rhetoric and ideas associated with Agaciro. They are social actors who embrace, interact and reject such ideas depending on their own experiences. Children and youth in Rwanda have been a central focus for RPF policymaking since 1994. The government has ‘communicated great expectations of its young people’ and the RPF’s model of governance ‘generates very high aspirations and perceptions of possibility for youth.’ However, this essay argues that Agaciro is used as one political instrument to protect the government against mass resistance from youth (whose expectations and aspirations are not being met). The government focuses on entrepreneurship, financial inclusion and health and education. This occurs at the cost of neglecting job-creating sectors (manufacturing) for the last two decades. Such ‘job dementia’ has been characteristic of its policies.

The RPF development strategy has developed along neoliberal lines while also using some strategies similar to those employed by developmental states. Aside from its neglect of the manufacturing sector, it has also embraced market-led reforms to a much greater extent than East Asian developmental states of the past. The government can be proud of its
achievements in the health and education sectors. Net enrolment has increased from 72.6 per cent in 2000 to 96.6 per cent in 2013.\textsuperscript{80} Between 2000 and 2013, the maternal mortality rate has reduced by 60 per cent while the infant mortality rate has dropped by 70 per cent.\textsuperscript{81}

The Rwandan government has also made financial inclusion a key pillar of its development strategy, aiming for a target of 90 per cent financial inclusion by 2020. One government official mentioned that a 2008 Finscope survey highlighted that 52 per cent of the adult population was financially excluded and only 21 per cent had access to formal financial services. He argued that it was then that the government ‘started prioritising improving access to finance.’ Between 2012 and 2016, a survey claimed that the share of the ‘financially included’ population had increased from 72 per cent to 89 per cent.\textsuperscript{82} Financial sector development has also been highlighted as a key component of the EDPRS 2. As of 2015, there were 13 commercial banks operating in Rwanda. Though financial inclusion has increased quite dramatically recently, the percentage of banked adults has only increased from 21 per cent in 2012 to 26 per cent in 2015. Alongside the commercial banks, Umurenge Savings and Credit Cooperatives (SACCOs) are the key instruments to achieve such inclusion.

The Rwandan government’s prioritisation of financial inclusion is in line with the ‘international development community’s preferred economic and societal model based on self-help and individual entrepreneurship.’\textsuperscript{83} Agaciro – as a rhetorical commonplace – also fits neatly with such ideas. Such ideas are rooted in a belief that entrepreneurship will be the pathway out of poverty for the Rwandan population. The government has made efforts to instil such values among Rwandan youth. The government’s education policy requires all students to take classes in entrepreneurship during all six years of secondary school. Honeyman argues that such initiatives are another example of the government’s social engineering project.\textsuperscript{84} In this case, the Rwandan government has designed such programmes to create ‘orderly entrepreneurs’ although Honeyman emphasises that students and educators have also influenced the new entrepreneurship curriculum in different ways.\textsuperscript{85}

Rwanda is not alone in imagining that financial inclusion, microfinance and entrepreneurship may act as pathways out of poverty. Ananya Roy uses the term – bottom billion capitalism – to characterise such initiatives, which are widespread in developing countries.\textsuperscript{86} She argues that such initiatives recast poverty as a site of opportunity for businesses.\textsuperscript{87} In fact, ‘the poor’s relationship to development is changing in a powerful shift
in kind-making wherein, people are no longer recipients but customers and agents. Such shifts are geared to empowering individuals and work in line with the methodological individualism on which neoclassical economics and neoliberal ideology is based. Unfortunately, the evidence that such initiatives are actually assisting the poor is inconclusive.

In Rwanda, there is also very little evidence that the government’s continued emphasis on self-employment initiatives has led to sustained employment. Private Sector Federation (PSF) representatives claim that very few small- and medium-enterprises (SMEs) that are registered survive beyond two years.

“In our surveys, we have found that skills is a problem but it is also because most companies are unable to find markets for their products. We are helping them with business plans but there is a lot of competition. It is very difficult for new companies to survive.”

Though the Rwandan government also revised its national strategy (through the EDPRS 2) in 2012 to refocus on the manufacturing sector, the thrust of its strategy to address unemployment in the country continues to focus on self-help and entrepreneurship. However, it is unclear whether the Rwandan government will be successful in addressing the employment needs of its young population through maintaining such policies. However, the Agaciro concept works as one useful tool to absolve the government of any blame for the predicament of the unemployed.

**Stabilising Politics, Selling Hope and Smoothing over Cracks**

This essay has demonstrated how ideas are important instruments for elites in political struggles to mobilise support. In the political settlements literature, the role of ideas remains under-theorised. Ruling elites in Rwanda used the Agaciro concept during a critical juncture (2012 aid cuts) to stabilise the political settlement. Agaciro was used to legitimise the exclusion of senior cadres and the inclusion of younger party members. It was also used to smooth over difficulties accompanying shifts in the country’s development policy. The Agaciro concept was also used to sell hope through ‘bottom billion capitalism’ to the Rwandan youth. It activated powerful ideals of dignity and self-reliance, which simultaneously evoked ideas of nationalism while also cultivating the creation of ‘entrepreneurial citizens.’ The focus of this essay is to emphasise that ruling elites have used Agaciro for these varied aims and that the Agaciro concept characterises the RPF government’s co-existing mix of neoliberalism and nationalism. The 2012 critical juncture forced the Rwandan government to push through changes in its political and economic
strategies. Ruling elites used Agaciro to stabilise their positions during such changes. As with other critical junctures, the actions that were taken over this time have had a significant impact on the political and economic development of Rwanda. In particular, the RPF has been reorganised during this time and development strategy has refocused its efforts on providing employment opportunities for the youth.

The essay also shows that the use of the Agaciro concept has not been limited to the creation of a national development fund. Though the creation of AgDF during the 2012 critical juncture had an important economic symbolic aim (though limited in monetary value), it also had other political aims. It called on RPF elites to commit to goals of national development, asking them to sacrifice in similar ways they did during the 1990s. Such calls for collective action relied on the activation of collective memories of shared experiences during the liberation effort in the 1990s. It was during those formative experiences that senior RPF cadres developed a collective commitment to self-reliance. Thus, appeals to self-reliance also provide the RPF with the moral authority to discount rivals who have been previously accused of corruption when they were in government employment.

This essay has showcased how the Rwandan government has reacted when the withdrawal of aid exposed its vulnerabilities. The RPF has proven capable of maintaining political stability while steering itself through this critical juncture. However, it is only because ruling elites have used a variety of instruments (including ideas) to increase political space to adapt to domestic and international shifts that such stability has been maintained.

With elections set for 2017, occasional tensions are likely to surface. Those who characterise such political changes as an increasing ‘consolidation of power’ fail to recognise that inclusionary and exclusionary political processes are occurring simultaneously. By examining domestic politics in Rwanda dynamically, as in this essay, it is possible to show how ruling elites legitimise their development policies. It is also possible to identify the associated vulnerabilities that accompany such policies. In Rwanda, the activities of exiled senior RPF cadres continues to occupy the attention of ruling elites. Though rivals outside the country have found it difficult to mount an effective challenge within the country or mobilise support, their relevance lies in attacking the credibility of the RPF abroad. Within the country, the lack of employment opportunities (and the way in which the solution has been conceived by the government) continues to be among the most significant vulnerabilities facing the Rwandan government.
1 Ansoms and Rostagno, “Rwanda’s Vision 2020 halfway through.”
2 Booth and Golooba-Mutebi, “Policy for Agriculture and Horticulture in Rwanda.”
3 Interviews, May 2013 and January 2015.
5 Collier and Collier, Shaping the Political Arena, p. 29.
6 Rutazibwa, “Studying Agaciro.”
7 Kamat, “The Privatization of Public Interest.”
8 Hickey, “Thinking about the Politics of Inclusive Development.”; Hudson and Leftwich, “From political economy to political analysis.”
9 Khan, “State failure in weak states.”
10 Khan, “Political Settlements and the Governance of Growth-Enhancing Institutions”, p. 4.
11 Ibid.
12 Hickey, “Thinking about the Politics of Inclusive Development.”; Hudson and Leftwich, “From political economy to political analysis.”
13 North et al., “Violence and Social Orders.”
14 Khan, “Political Settlements and the Governance of Growth-Enhancing Institutions”, p. 20.
15 Roy, “The Political economy of growth under clientelism.”
16 Knight, “Transformations of the Concept of Ideology”; Lee, “Beyond Ideology.”
17 Hudson and Leftwich, “From political economy to political analysis,” p. 89.
18 Geertz, The Interpretation of Cultures, p. 220.
19 Paige, Coffee and Power; Cramer and Richards, “Violence and War in Agrarian perspective.”
20 Hickey and Lavers, “Investing the political economy of social protection,” p. 11.
21 Jackson, Civilising the Enemy.
22 Pouliot, “The materials of practice”, p. 34.
23 “Rwandan officials have provided military support to M23 through permanent troop reinforcements and clandestine support through special forces units of the armed forces stationed alongside the Congolese armed forces in Rutshuru for joint operations.” United Nations Security Council, “Report of the Panel of Experts”, p. 7.
25 Smith, “Kagame defies UN condemnation.”
26 Clark, “Why the Congo Experts need more scrutiny.”
27 Kagire, “Now Rwanda tightens its belt.”
29 Moss et al., “An Aid-Institutions Paradox?”
30 Interview, Special Policy Unit in the Office of the President, May 2013.
31 Ibid.
32 Sommers, “Stuck.”
33 Interview, Office of the Prime Minister, May 2013.
34 Amsden, “Say’s Law.”
35 Behuria and Goodfellow, “The Political Settlement and ‘Deals’ Environment in Rwanda.”
36 Reyntjens, “Reimagining a reluctant post-genocide society.”
38 Kagame, Opening Address at Umushyikirano
41 Clark, “Kagame’s power struggle.”
42 Stearns, “From CNDP to M23.”
43 Observations made during interviews, May 2013.
44 Land worth “millions of dollars” belonged to Tribert Rujugiro, who was formerly closely aligned to ruling elites in Rwanda. Stearns, “From CNDP to M23.”
45 Stevis and Barker, “Rwanda President denies role.”
46 Himbara, “Testimony by David Himbara.”
47 Rwirahira, “Byabagamba, Rusagara get lengthy jail terms.”
48 Uwiringiyimana, “Court orders Kabuye release.”
49 Kanuma, “At Big RPF Meeting.”
51 Kagire, “Kigali fighting back.”
52 Ibid.
53 Ibid.
Rhetorical commonplaces are words that have a shared meaning amongst groups. Each set of speakers, audiences and issues are characterised by different groups of rhetorical commonplaces which speakers draw on to convey a shared meaning of their arguments to audiences. Jackson, “Civilising the Enemy.”


Mpyisi, “Agaciro as the next African Philosophy.”

Hobsbawm, “Nations and Nationalism.”

Mwai, “Agaciro Fund seeks to diversify investments.”

Kagame, Speech at Commencement Ceremony for Gashora Girls Academy.”

Pells et al. “Promising Developments?”

Amsden, “Say’s Law.”

Behuria, “Between Party Capitalism.”

Behuria, “Committing to self-reliance.”

Agutamba, “MDGs.”

McNeil, “Rwanda’s Health Care Success Story.”

Tumwebaze, “Over 89% Rwandans.”

Bateman and Chang, “Microfinance and the Illusion of Development.”

Honeyman, “The Orderly Entrepreneur.”

Ibid.

Roy, Poverty, Capital.

Ibid.


Bateman, “Why Doesn’t Microfinance Work?”

Interview, PSF Representative, January 2016.

Clark, “After Genocide”; Verhoeven, “Nurturing Democracy.”

Reyntjens, Political Governance.

References:


Jackson, P. Civilizing the Enemy: German Reconstruction and the Invention of the West. The University of Michigan Press, 2006.


Kagame, P. “Opening Address by H.E. President Paul Kagame at the 10th National Dialogue Council (Umushyikirano),” Kigali: Rwanda, 2012.


Kagire, E. “Kagame drops last two RPF ‘historicals’.” The East African. 1 June, 2013.

Kagire, E. “Kigali fighting back as dissidents gain upper hand with the arrest of Karake in the UK.” The East African, 27 June, 2015.


Kanuma, S. “At Big RPF Meeting, Kagame denounces indisciplined party members.” Rwanda Focus, 2 September, 2014.

Karinganire, E. “Agaciro – No more Painkillers, but a Cure.” Rwanda Focus. 27 August, 2012.


Mugambage, F. “Agaciro: Rwandans have ability to chart their own destiny.” *The East African*, 12 October, 2012.


Tumwebaze, P. “Over 89% Rwandans have access to finance.” *The New Times*, 4 March, 2016.