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Understanding the Political Motivations that Shape Rwanda’s Emergent Developmental State

(Forthcoming in New Political Economy)

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Abstract

Twenty years after its horrific genocide, Rwanda has become a model for economic development. At the same time, its government has been criticized for its authoritarian tactics and use of violence. Missing from the often-polarized debate are the connections between these two perspectives. Synthesizing existing literature on Rwanda in light of a combined year of fieldwork, we argue that the GoR is using the developmental infrastructure to deepen state power and expand political control. We first identify the historical pressures that have motivated the Rwanda Patriotic Front (RPF) to re-imagine the political landscape. Sectarian unrest, political rivalry, wider regional insecurity, and aid withdrawal have all pressured the RPF to identify growth as strategic. However, the country’s political transformation extends beyond a prioritisation of growth and encompasses the reordering of the social and physical layout of the territory, the articulation of new ideologies and mindsets, and the provision of social services and surveillance infrastructure. Growth and social control go hand in hand. As such, the paper’s main contribution is to bring together the two sides of the Rwandan debate and place the country in a broader sociological literature about the parallel development of capitalist relations and transformations in state power.

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Introduction

Twenty years after one of the world’s most horrific genocides, Rwanda has dramatically changed its image. Each year, groups of MBA students from top US business schools descend upon Kigali not to visit its genocide memorials, but to act as witnesses to what some are calling a “developmental miracle.” The Government of Rwanda’s (GoR) guiding policy, “Vision 2020,” contains ambitious social and economic targets that aim to make Rwanda a middle-income country by 2020, increasing incomes to $900 and life expectancies to 55 years (from $290 and 49 years in 2000). Over the past decade, the country has had stable GDP growth of around 8.0% (World Bank, 2013) and in 2014, the World Bank listed it as the 32nd best country for business – the highest in Sub-Saharan Africa. Transparency International has heralded it as having one of Africa’s lowest corruption rates.

The GoR sees private sector-led growth as the force that will raise living standards and reduce aid dependence. Evangelical pastor Rick Warren, Starbucks and Google CEOs, Howard Schultz and Eric Schmidt and former British Prime Minister Tony Blair have all championed Rwanda as a model. Indeed, in a ceremony at Oxford’s Said Business School, it was President Paul Kagame who received the inaugural “Distinction of Honor for African Growth Award.” Newsweek, Time, the New York Times and Harvard Business Review have all run articles lauding Kagame’s visionary leadership. Article and book titles such as “Why President Kagame Runs Rwanda Like a Business” and Rwanda Inc.: How a Devastated Nation Became an Economic Model for the Developing World are indicative of the genre (Fox, 2013; Crisafulli and
Redmond, 2012). In such works the role of business in Rwanda’s success is emphasized, while political discussions are avoided. Rwanda is used as an example of growth for other developing countries. Michael Porter, a Harvard Business School Professor claims: “[Rwanda represents] a very rich story about management and leadership and strategy and communication. And I think this is not a politics story. At the core is the private sector of [the] economy” (quoted in Fox, 2013). In the political economy literature, however, scholars have nuanced this view of Rwanda as an enterprise model by stressing the strong role of the state in the development process through industrial policy-making and party- and state-owned companies (Booth and Golooba-Mutebi, 2012; Kelsall, 2013).

Alongside the story of growth, there is also a parallel story of authoritarianism. Social scientists, human rights organisations, and journalists have documented extrajudicial assassinations and disappearances, use of militias in neighboring Democratic Republic of Congo (hereafter Congo), and repressive domestic laws limiting free speech.¹ The GoR does not attempt to hide its violence. At a recent media event, Kagame addressed his critics, declaring: “We will continue to arrest more suspects and if possible shoot in broad daylight those who intend to destabilise our country” (East African, 2014a).

This paper reconciles these competing narratives by arguing that the prioritisation of growth and political control go hand in hand. In what follows, we synthesize the existing literature on Rwanda in light of a combined year of fieldwork and interviews with over 250 Rwandans ranging from the national political elite to the rural poor.² Our fieldwork brought to the fore aspects of the political transformation not captured by macro-economic indicators of growth. We argue the GoR is attempting to use the development of markets as a way to deepen power. Through the construction of a common coordinative system of control and
communication (conceived of as ‘markets’), the GoR aims to create an infrastructure of power that is decentralized and embedded into everyday life. Such transformation extends beyond a prioritisation of growth and encompasses the articulation of ideologies, the provision of social spending and the reordering of the social and physical layout. As such, the paper’s main contribution is to bring the two sides of the debate on Rwanda in conversation with one another and place the country in a broader historical and sociological literature about the parallel development of capitalist relations and transformations in state power.

We first situate the argument in that literature. Scholars of European and Asian development have described how geopolitical shocks such as inter-state war have pressured power-holders to restructure their political systems towards growth. Conventional wisdom has deemed Africa’s neo-patrimonial political culture too insalubrious for such a process to unfold. However, recent work by Kelsall (2012), Booth and Golooba-Mutebi (2012) have argued that neo-patrimonialism need not be an obstacle to growth, and instead urge scholars to scrutinise situations where neo-patrimonialism might coexist with developmentalism. They have described Rwanda as such a case. We build on this proposition but explicitly question the origins of the development orientation in Rwanda.

Section two probes this question in close detail. While it is impossible to document the belief system or worldview of a political elite, our impressions from the field and our extensive review of the literature allow us to identify a number of influential pressures shaping the leadership’s power calculations. We describe how waves of political violence following independence led to widespread instability in the early 1990s that eventually culminated in genocide. After the international community failed to stop the killing, the Rwandan Patriotic Front (RPF) came to see itself as the only actor capable of preventing further bloodshed. It
exerted a strong grip over the country and engaged in frequent campaigns in neighboring Congo to restore security. It also began to deliver mass social payments to reduce potential unrest. Increasing international condemnation and the corresponding threat of aid withdrawal have provided strong incentives for the GoR to prioritise growth.

Section three shows how these threats have translated into policies on the ground. We argue that the introduction of capitalist processes has served a second objective of strengthening the RPF’s political position. Use of market language helps attract much needed international investment to embolden parastatal companies while fomenting a developmental ideology among the elite. To make the wider environment suitable for business, the GoR aims to quell potential unrest, restructure the physical environment and re-orient the political imaginations of ordinary Rwandans away from ethnic explanations for wealth and poverty towards ideas about patriotic self-reliance and entrepreneurship. In the long-term, the GoR hopes these policies will allow it to change the basis of state power, moving it away from a reliance on violent coercion to more infrastructural forms of social control. We conclude by stressing the importance of understanding motivations in shaping developmental states. Such an approach helps to reconcile the polarized debate on Rwanda in current scholarship, but also provides a more comprehensive understanding of whether the GoR’s model of growth will be sustainable in the long-run.

1. State Power and Economic Development: Motivation Matters

The apolitical approach to Rwandan development partly reflects the limited space for political discussions in Rwanda, but also reflects broader neoliberal currents in development, depicting markets as apolitical spaces where ‘economics’ can work (Mitchell 2008). Current discourse in the World Bank, UNDP, and UN Global Compact increasingly stresses business-oriented
thinking. Governments are instructed to adopt technocratic strategies to promote Small and Medium Enterprise development (SME), encourage private sector associations, promote property rights and extend access to formal credit (Harrison, 2010; Taylor, 2012). The neoliberal approach that characterised markets as spaces devoid of state involvement has transitioned into a state-as-enabler agenda, in which markets are seen to require state governance but political pressures are seen to undermine them. In this new formulation, states must put politics aside to get serious about development. This extrication of politics neglects a vast social science literature.

Historical sociologists have emphasised that deepening state power set the scene for European capitalism (Weber, 1922/1978; Tilly, 1985; Hall, 1986; Mann, 1986/1993; North and Weingast, 1989). As states made their subjects easier to mobilise, they increased not only their power, but that of other social groups by facilitating a territorially consolidated system of organisation and by promulgating a stable macroeconomic environment. Michael Mann (1986/1993) has described this process as the transformation of a state’s despotic power (power over society) into infrastructural power (power through society). Scholars of technology and high modernist development may find similarities between infrastructural power and the concept of ‘legibility’ as conceptualized by James C. Scott (1999). Infrastructural power is ultimately about the logistics of political engagement and coercion, including the development of bureaucracies and laws, codified languages and measures, and the spread of information and communication infrastructures such as roads, telecommunications, and statistical capacities (Mann 1985: 117). A widening of a state’s power infrastructure can provide a framework for private sector coordination, and indeed this has been the classical sociological understanding of the history of capitalism in Europe. States and markets developed in tandem with each other, with states often laying the groundwork for the expansion of capitalism, and in turn, capitalist relations facilitating
the deeper power of states (Polanyi, 1944/2001; Mann 1986; North and Weingast 1989; Grief 2006; Luiten van Zanden 2012).

Sociologists have identified inter-state war as the key ingredient pressuring power-holders to embark down this path. As the nature of war changed in the 17th century, feudalism – presided over by nominally powerful states – increasingly gave way to more centralised forms of power, as monarchs were pressured to deepen fiscal extraction and establish frameworks for the mobilisation of their territories for war. They engaged in negotiation with elites (local nobilities or mercantile classes) and established forms of representative (if not democratic) governance that allowed them to mobilise populations. Economic development was thus initially incidental to political consolidation, but through state efforts to deepen power, leaders were transformed from despotic rulers into development partners, first with elites, then later with broader constituents.

Use of European history as a template for other regions must be tempered by two reservations. First, late-developers operate within an international system where there is strong recognition of juridical sovereignty and thus less pressure to gain legitimacy through effective, or empirical territorial control. Second, despite the continued prominence of the Washington Consensus, late-developers operate in a more competitive international economy that makes industrial policy more necessary (Gerschenkron, 1962; Chang, 2011). With these two reservations in mind, the productive question becomes not whether or not states should or should not be “present” in economic development – for states are never truly absent – but to understand what motivates power-holders towards growth.

Many have looked to the rapid development of Japan, South Korea, Singapore and Taiwan for clues. Scholars have stressed their development was neither the result of neoliberalism nor Soviet-style command and control, but rather a form of state-directed
capitalism (Johnson, 1982; Wade, 1990; Weiss and Hobson, 1995; Evans, 1995; Woo-Cummings, 1999; Pempel, 1999; Vu, 2007). These “developmental states” were characterised by the capacity to deflect political capture and to forge cooperative relationships with private sector groups, an arrangement Evans has described as a “felicitous combination of autonomy and embeddedness” (Evans, 1995: 164). Power-holders built Weberian-like bureaucracies with meritocratic recruitment, performance-oriented contracts and sanctions on corruption. In many cases a “pilot agency” was formed, sitting outside the everyday politics of the state and entrusted with the political clout to enforce developmental directives (Johnson, 1982: 47; Evans, 1995: 156). Examples include Korea’s Economic Planning Board (EPB), Taiwan’s Council of Economic Planning and Development (CEPD) and Singapore’s Economic Development Board (EDB). These agencies formed relationships with businesspeople, building “growth coalitions” that simultaneously allowed businesspeople to gain access to policy-making and allowed bureaucrats to gain technical knowledge and monitor behavior. Weiss and Hobson refer to this arrangement as “governed interdependence” with the state using this interdependence in a “market conforming way,” giving preferential treatment to “winners” in return for their meeting performance targets and offering reciprocal benefits to the wider economy (Weiss and Hobson, 1995: 136-157. See also Johnson, 1982: 316). State efforts were strengthened when the private sector had a capacity of its own, often represented by a “peak association” encompassing interests from across the private sector (Schneider and Maxfield, 1997).

Attempts to transpose this experience onto other regions have been criticised for ignoring geopolitical context. As Leftwich (1998: 55) writes, different developmental records “[turn] crucially on the primary role of politics in shaping the character and capacity of the state.” Conventional wisdom has considered African political systems too inhospitable for the
emergence of strong developmental states (Bayart, 1993; Allen, 1995; Chabal and Daloz, 1999; Cooper, 2002. For a critique see Mkandawire, 2001 and Jerven, 2014). Scholars argue that the “fixing” of arbitrary borders at the 1884 Berlin Congress, and the maintaining of these boundaries by the African Union, set in motion a very different kind of state formation. Rather than state power being derived from an empirical sovereignty, African statehood was formed in the realm of juridical sovereignty (Jackson and Rosberg, 1982; Herbst, 2000; Thies, 2007). Accordingly, power holders have faced less pressure to develop effective territorial control and have not always needed to maintain a monopoly of violence to control rents (Reno, 1999). Likewise, economic infrastructures created during the colonial period were focused on commodities concentrated in specific areas (Shafer, 1994). Value extraction did not require wider economic predictability, and business elites seldom developed a generalised voice or an autonomous identity separate from political elites (Bräutigam et al., 2002; Handley, 2008).

When narrow coalitions are able to capture the state and maintain control over key exports and aid, they are less likely to promote forms of political and economic organisation that might threaten their powerbases. In relation to African countries, scholars have argued that elites rely on extraversion as a power accumulation strategy, instrumentalizing their countries’ dependent relationships with the international world to fund patronage networks (Bayart, 2000). Cooper (2002) thus describes the African state as a “gatekeeper” through which competing groups fight over rents and display little interest in broader development. Even when leaders might have strong ideological motivations for wanting to restructure the system, policy-making has to be politically viable and entrenched interests can thwart these attempts if they feel threatened. Neopatrimonial situations range from those in which there is a competition over the spoils of the state to those where one group effectively captures the state for good.
Various attempts by international organisations to promote development have failed to fully engage with this political environment. Neither diminishing the state’s role through structural adjustment (Mkandawire, 2001; Jerven, 2014) nor subjecting it to democratic pressures (Collier, 2009; LeBas, 2010; Tripp, 2010; Wrong, 2010) appears to have upset the underlying problem of political disinterest in economic development. Quite simply, African leaders have rarely found it in their interests to promote broad-based development. Without state frameworks for growth, foreign investment has flown into extractive enclaves and export sectors where private forms of security and governance frameworks secure investment (Reno, 1999; Hibou, 2004; Ferugson, 2005; Abbink, 2011). If state participation appears necessary for transformative and inclusive growth, but neo-patrimonial political systems appear predatory, how can the impasse be broken?

To answer this question, it is first necessary to question whether patrimonialism is such a formidable barrier to growth. Work led by Mushtaq Khan (2002) has explored the patrimonial nature of East Asian developmental states (See also Gray and Khan, 2010 and Gray, 2013 on Tanzania). He and his colleagues have shown that while private companies received privileged treatment that gave them unfair advantages, they were only permitted to do so when they contributed to broader developmental objectives. Thus, given certain conditions, rent-seeking can be developmental.

These ideas have been explored in relation to Rwanda by scholars in the Africa Power and Politics Programme (APPP), who have pointed to the strong role played by the RPF’s partystatals in the economy. Booth and Golooba-Mutebi (2012) and Kelsall (2013) argue that the GoR has used partystatals to centralise investment in priority areas and crowd in private sector participation. This strategy diminishes the party’s need for more overt forms of corruption that
might divert resources away from developmental needs. They call this arrangement “developmental patrimonialism” and use Rwanda and Ethiopia as cases of emergent African developmental states. In accounting for the origin of these arrangements, Kelsall (2013) and Booth and Golooba-Mutebi (2012/4) note Rwanda’s history of violence, as well as current threats to the regime from the rural majority and from opponents abroad. In this paper, we expand on these threats, by asking what specific elements of this history have contributed to the GoR’s radical re-imagining of the political landscape.

Weiss and Hobson (1995: 185) provide a possible answer in relation to Taiwan and South Korea, arguing that these states acquired their ‘will to develop’ in relation to the threat of aid withdrawal and regional insecurity. They write of Taiwan:

In 1963 came the announcement that US aid would end in 1965. This had a dramatic effect in galvanizing action to develop an independent source of foreign exchange. The Council on United States Aid was quickly converted into the Council on International Cooperation and Development, which assumed the task of development planning and coordination functions. With the ending of American aid, ‘President Chiang Kai-shek quietly shifted his priorities from a military campaign against the mainland to the economic independence of Taiwan...’(Johnson, 1987: 155). The goals of the state had thus shifted; the promotion of development now served the state’s own power objectives.
This idea has been formalised by Doner, Ritchie and Slater (2005) into the concept of “systemic vulnerability.” Contrasting the growth records of South Korea, Taiwan and Singapore with those of Indonesia, Malaysia, the Philippines and Thailand, they argue states become developmentally oriented when they face three vulnerabilities: “1) the credible threat that any deterioration in the living standards of popular sectors could trigger unmanageable unrest; 2) the heightened need for foreign exchange and war material induced by national insecurity [and] 3) the hard budget constraints imposed by a scarcity of easy revenue sources” (2005: 328). Together, this “systemic vulnerability” compels leaders to build bureaucracies and forge public-private coalitions to secure political survival. Central to their model are “side payments,” investments in education, health and infrastructure that buy the acquiescence of the population and develop their long-term capacities.

In the next section, we draw inspiration from this work and more recent work by Whitfield and Buur (2014) on the politics of industrial policy in Africa, to explore the political and fiscal pressures forcing the GoR to embark on political transformation. We first highlight the history of the ruling elite, both its internal discipline and its sense of vulnerability. We next outline contemporary threats to its stability: fear of internal unrest, competition from political rivals, incursions from neighboring Congo and reductions in foreign aid. We argue that economic development and fiscal independence would allow the GoR to pursue its domestic and foreign agenda unfettered by donor concerns while extending an embedded power infrastructure throughout the country. Reconsidering this political landscape allows us to better understand the long-term viability of the model. As Sandbrook (2007) and Mkandawire (2001) have suggested in similar cases, whether or not Rwanda can teach us about development depends on whether its
authoritarian form of development is effective at absorbing social conflict and adapting its policies to popular expectations in the long run.

2. Geopolitical Origins of Rwandan Development

Rwanda is a small, densely populated and landlocked country that has exhibited a tightly controlled and hierarchical government throughout its history. Since at least the mid-19th century, politics was primarily defined by an ethnic-class system. The minority Tutsi, approximately 14% of the population, were cattle owners and dominated the monarchical political system. The Hutu majority, approximately 85%, were primarily sedentary farmers (Codere, 1973; Pottier, 2002). Both groups spoke the same language, belonged to the same clans, and practiced the same religions. During the colonial era, German and later Belgian colonial powers favored the Tutsi monarchy, deeming Tutsis a superior “race” and thereby racializing ethnic groups that previously had more to do with class (Newbury, 1988). A Hutu Revolution in 1959 granted Hutu elites exclusive control of the entire political system for the first time and displaced Tutsi political elites. During the Kayibanda (1962-1973) and subsequent Habyarimana (1973-1994) regimes, the leadership re-organised the agrarian space and mobilised peasant labour to increase agricultural capacities (Verwimp, 2013). The economy became heavily dependent on a few commodities like bananas, tea, coffee and tin (Pottier, 2002). Few efforts were made to initiate industrial production or manufacturing.

Waves of anti-Tutsi violence began during the Hutu Revolution in 1959 and continued in the early 1960s and 1970s, sending hundreds of thousands of Tutsi into exile. This violence was driven by a ‘proletarian’ ideology, putting forth an ethnic explanation for Hutu poverty and Tutsi wealth. A large number of Tutsi refugees settled in southern Uganda. There, they witnessed Idi
Amin’s massacres, Obote’s civil wars, and anti-Rwandan pogroms in the early 1980s. During Museveni’s guerilla movement to overthrow Ugandan President Obote, several Rwandan refugees – most notably Paul Kagame and Fred Rwigema – rose to leadership positions within Museveni’s rebel army. Another 500 or so fought in the lower ranks (Prunier, 2009). In 1986, after a grueling five-year bush war, Museveni successfully overthrew Obote’s regime. This experience gave Rwandan exiles confidence in the possibility of overthrowing entrenched national governments, and moreover taught the leadership that “violence was not exceptional; it was a normal state of affairs” (Prunier, 2009: 13).

Throughout this period, Kagame and Rwigema were part of a Rwandan diaspora network that sought to organise an armed political movement with the goal of securing the repatriation of all Tutsi exiles, and eventually a Tutsi presence in Rwanda’s government and military. This movement later became known as the Rwandan Patriotic Army (and for the civilian wing, Front). It developed expansive diasporic financial networks, particularly in English-speaking countries. Equipped with such military support and financial resources, the RPF grew into a sophisticated and disciplined army (Prunier, 1995; Jones, 2012; 2014).

The RPF launched a military incursion into Rwanda on October 1, 1990. Rwigema was killed during the first few days, elevating Kagame to a central leadership position. Over the next few years, the RPF waged a low-level civil war in northern Rwanda. Tensions were aggravated by land scarcity, food insecurity, and a fall in global commodity prices that had began in the late 1980s (Mamdani 2001: 146; Verwimp 2013). On April 6, 1994, during international efforts to negotiate a peace agreement, the Rwandan President’s plane was shot down as it landed in Kigali. This event triggered the genocide, as extremists within his party filled the power vacuum and began to eliminate threats to their power.
Over the next three months, Rwanda was completely destroyed: the economy was devastated, between 500,000 and one million people were killed, and the entire ruling elite was displaced (Des Forges 1995; Jones, 2012; Verwimp, 2013). Former power-holders were killed, imprisoned, or fled into exile in Congo – and as they fled, they took all funds from the Central Bank and approximately 2.1 million people with them (Lemarchand, 2009: 223; Prunier, 2009: 5). At least another one million Rwandans were displaced internally. While this massive exodus was occurring, the RPF continued its battle against the government-controlled Forces Armees Rwandaises (FAR). By July 1994 the RPF had secured most of the country and had stopped the genocide. For months it faced frequent challenges to its monopoly over force as banditry was widespread and génocidaires or FAR militias periodically invaded from Congo aiming to “finish the job” of exterminating Tutsis (Jones, 2012: 230). This left the RPF military-cum-political party reliant on coercive strength to secure control.

The initial government established after the genocide was purportedly a “Government of National Unity” featuring representatives from several political parties; Pasteur Bizimungu, a moderate Hutu, became President, and Kagame served as Vice-President. Before long, however, Kagame and other RPF elites from the diaspora emerged as the true power-holders. There was a strong moral taming of any opposition, as those who opposed the regime or questioned its tactics were labeled “génocidaires.” The new RPF elites established themselves as highly competent “liberators” who had stopped the genocide, confirming their moral superiority in relation to the international community, which had failed to do so.

This liberation ethos cultivated the RPF’s credibility as a well-organised, capable military. Such moral authority allowed it considerable room to maneuver by using force (or threat of force) to silence opposition voices (Longman, 2011: 25-47; Reyntjens, 2011: 1-34).
Prunier (2009) and others have presented strong evidence that the RPF conducted many extrajudicial assassinations and even massacres in the early years of its rule. The RPF also engaged in killings outside its borders, which included collaborating with the governments of Uganda and Burundi to overthrow Mobutu Sese Seko’s regime in Congo. When Mobutu’s replacement, Laurent-Desire Kabila, also fell out of Rwandan favor in 2001, the RPF was widely rumored to have orchestrated his assassination as well (Prunier, 2009; Lemarchand, 2009). Yet with few domestic or international consequences, these campaigns of violence helped restore the state’s centralised power structure to its pre-genocide strength, giving the RPF nearly panoptical control over the population (Jones, 2012: 230-232). To maintain security, the RPF subsequently implemented many new structures of power, exemplifying Tilly’s statement that “war makes states.” The RPF’s experience of violence cultivated a core belief among the leadership that ethnicity is dangerous, violence is legitimate, a strong state is necessary to maintain security – and that ultimately Rwanda cannot rely on the international community for support.

2.2 The Link Between Insecurity and Motivations to Develop

Twenty years after the RPF’s rise to power, the military and security services remain the backbone of its strength. The leadership justifies this force by arguing it must protect the country against various security threats. At the same time, it has articulated a strong commitment to economic independence. This aspiration must be seen as reflecting a desire to maintain a sovereign monopoly of violence in order to respond to threats.

The first threat is of Hutu sectarianism, as the regime is predominantly comprised of minority Tutsis. As wealth is increasingly consolidated in the hands of a small regime elite, the GoR fears growing unrest among the peasantry. This threat has gained traction in recent years
due to a series of grenade explosions in Kigali marketplaces and bus stations, generating fears that public dissatisfaction could spill over into instability and violence. Proletarian ideology was a centerpiece of “Hutu Power” logic during the genocide, and the RPF feels a genuine need to appease the peasantry, with whom it has few social or political ties (Ansoms, 2009).

The GoR mitigates this threat by maintaining visible security forces, and also by granting “side payments” to the population, which help encourage a sense of collective progress. As Doner et. al. (2005) describe in relation to South Korea and Vietnam, “side payments” take the form of “wealth sharing mechanisms” including rural land reform and free primary education. They also include policies such as the “One Cow Per Poor Family” program and the Mutuelles de Sante health care system, programs that have contributed towards increasing living standards (Ansoms, 2009). But available funds are limited, particularly as the GoR faces additional threats that motivate it to pour resources into its security apparatus.

The second threat comes from a growing number of political rivals and organised dissidents, many of whom have fallen out with the leadership. This has been the purported motivation for the violent suppression of former RPF affiliates who have formed the Rwandan National Congress in exile. Prominent targets include Patrick Karegeya, the one-time chief of Rwanda’s Intelligence, who was murdered in early 2014 in South Africa, and Kayumba Nyamwasa, the former Chief of Staff of the Rwandan Army, who has barely escaped several assassination attempts (York and Revner, 2014). Violent elimination of former RPF insiders is not a new tactic: Seth Sendashonga, a widely respected Hutu member of the RPF and former Minister of the Interior, was assassinated in Nairobi in 1998 (Prunier, 2009: 367-368.) Political rivals from other parties, like Victoria Ingabire, have been targeted or sentenced to jail on trumped-up genocide ideology charges (Human Rights Watch, 2010).
Journalists and human rights organisations are also targeted. Press freedom is extremely curtailed, and journalists who have openly criticised the GoR have been beaten and threatened. The violence is not confined to Rwanda: in 2011, individuals suspected of being GoR proxies gunned down journalist Charles Ingabire in Uganda (BBC News, 2011). The GoR has also shut down domestic and international human rights organisations. Human Rights Watch has long provoked the GoR’s ire, which has (wrongly) accused it of being the “campaign mouthpiece” of the FDLR militias in Congo (Human Rights Watch: 2014). LIPRODHOR, the last remaining independent human rights organisation in Rwanda, was restructured by government agents in 2013 (Human Rights Watch, 2013). The GoR fears these independent critics will undermine Rwanda’s status as an “aid darling.”

The third threat is an invasion from militias in Congo. Lemarchand (2009), Prunier (2009), and others have described the formation and continued presence of these militias, composed of remnants of the FAR and génocidaires. Rwanda is particularly vulnerable given its small size and the nearly impossible task of securing its border with Congo in the Virunga Mountains. During the late 1990s, Congo-based groups repeatedly conducted cross-border raids into Rwanda, prompting the GoR to “neutralise” refugee settlements and eliminate militias hiding among civilians. To do so, tens of thousands of Rwandan troops and proxy militias have been deployed over the past 20 years.

The RPF perceives these threats as having the potential to topple the regime and – more importantly – to instigate a return to genocidal violence. Underscoring all three is the fact that the regime lacks confidence in Western intervention. Seen from this perspective, threats to its power become a threat to the security of the country as a whole. This brings us to the fourth threat, that of international condemnation jeopardizing the ability of the GoR to maintain control.
Since 1994, the GoR has received billions of dollars of aid, motivated in part by the international community’s collective guilt over failing to have stopped the genocide. Today aid constitutes approximately 40% of Rwanda’s annual budget. Most of it comes from a handful of big donors, including the US, Britain, the World Bank, and the European Commission (Zorbas, 2011: 104). While for years the GoR had largely avoided condemnation for its foreign and domestic human rights record, it has come under increased scrutiny since 2009. Freedom House ranks Rwanda as “Not Free,” and in 2012 the UN Group of Experts in Congo implicated the GoR in providing extensive support to the M23 rebel group, which is accused of wreaking havoc around Lake Kivu. The GoR’s involvement in Congo has also been linked to the extraction of lucrative mineral resources – including coltan, tungsten, and gold (UN Security Council, 2014). This report prompted the United States, Germany, and other donor nations to threaten to withhold approximately $70 million of aid.

The GoR considers this interference as restricting its ability to deploy violence both to maintain security and to extract the resources it seeks to deploy towards Rwanda’s national economic objectives and social redistribution efforts. This makes Rwanda similar to Taiwan and South Korea, where a sense of ‘systemic vulnerability’ and a nationalist ethic (Woo-Cummings, 1999; Thurbon, 2014) oriented power-holders towards development and economic sovereignty. In comparison to geographically expansive countries that have abundant natural resources and a sense of spatial fortification, small countries like South Korea, Taiwan, and Rwanda are particularly aware of their vulnerabilities (Weiss and Hobson, 1995: 188). The combination of these threats has encouraged the GoR to engineer a new infrastructure of power, oriented towards national economic independence but also reflecting its desire to exert control and use force against rivals.
On the surface, GoR officials portray aid dependency as stripping Africans citizens of dignity and entrepreneurial spirit, often referencing Dambisa Moyo’s book *Dead Aid* (2009) as a source of inspiration. This portrayal is made explicit in the *Agaciro* Development Fund, a GoR-initiated fund that encourages Rwandans at home and abroad to donate money towards the country’s development. This is the official line on aid dependence, and one that international businessmen use as an example. Yet simultaneously the regime asserts that the West’s condemnation of violence has entrenched the problems of insecurity in Congo and weakened its ability to deal with the situation in a decisive (i.e., violent) way. Therefore, while the GoR publically asserts that reducing aid dependency is about dignity, it is also part of its power accumulation strategy linked to the use of force.

This relationship between development and coercive force is also present in domestic power relations. Purdeková (2011, 2012) has shown how development has become the “overarching goal” with “[e]verything in Rwanda…subjugated” to it (2012: 197). Since development is tied to international investment, “the image of unity and reconciliation is more important than actual unity or reconciliation” (205). And because the RPF considers itself the only capable actor, criticisms directed towards it are often reformulated as threats to development. Further, the regime’s position that poverty is a cause of conflict and that people must “forgive in the name of development” (197) means that development becomes a justification for the policing and curtailing of dissent, and thus a further means for maintaining a monopoly of power at home.

This section has therefore proposed that a desire to stabilise the country’s political landscape motivates development. While Purdeková has rightly shown how “development” has become a legitimizing discourse for greater political control, the next section describes how this
discourse translates into infrastructural power on the ground. In the long run, the GoR recognizes it cannot rely on violent forms of coercion. Through the institutionalisation of capitalist processes, the state seeks to embed power into the fabric of everyday life. It pursues this re-organization of society through both top-down and bottom-up efforts. At the helm, the GoR has prioritized developing a class of capable and ideologically committed elites with the skills and networks needed to jumpstart the economy and consolidate political legitimacy. In the hull, the GoR pursues massive social engineering with the aim of creating a “modern” population with an entrepreneurial spirit, which operates within the rules laid out at the top.

3. Power Through Markets

Today the strength and seriousness of the Rwandan state is reflected in the institutions and agencies spearheading its economic development. The GoR has launched policies such as Vision 2020 and its Economic Development and Poverty Reduction Strategy (EDPRS). It has created the Rwandan Development Board (RDB), a “pilot agency” modeled on Singapore’s EDB, and the Private Sector Federation, a “peak association” that develops the capacity of the private sector. Mandatory imihigo performance contracts aim to produce “results oriented performances.” A plethora of other institutions have been established to promote investment, regulate utilities and promote infrastructural development and capacity (Mann and Nzayisenga, 2015). Yet in contrast with the experiences of many East Asian countries, Rwanda’s private sector is very weak. As such, the GoR cannot ‘pick winners’; instead, it must build winners from scratch.

3. 1 At the Helm of Development: The Role of the Political-Military Elite
Accordingly, the GoR has identified sectors for development and allowed party-statals to accrue rents and jump-start growth (Booth and Golooba-Mutebi, 2012). This strategy is visible in the growing consolidation of the economy into a few large investment-holding groups. Gathani and Stoelinga (2013) have shown that large domestic and foreign groups account for 80% of the output of Rwanda’s 47 largest manufacturing and agribusiness firms. Only 20% are owned by individual Rwandan investors. They further illustrate that larger groups systematically outperform smaller firms owned by individual investors. This evidence stands in sharp contrast with GoR public discourse, which stresses entrepreneurship and SME development (East African Business Week, 2014).  

Three government firms dominate the domestic share of these groups: Crystal Ventures, a company owned and operated by the RPF; Horizon, a group operated by the Rwandan Defense Forces; and the Rwandan Investment Group, a public-private investment consortium. These groups spearhead much-needed economic development in a country with a weak private sector but also contribute to a rapid accumulation of wealth among a politically connected elite. For instance, a group Kagame’s closest confidants were majority shareholders in TriStar Company (the predecessor to Crystal Ventures), which was awarded all road building contracts financed by the UNDP and the European Union after the genocide (Prunier, 2009: 195). The growing power of these party-statals is the result of a privatisation process that has been marked by allegations of non-competitive tendering and inadequate competition policies (Gökgür, 2012a).  

As Booth and Golooba-Mutebi show, there is a developmental logic to this form of patrimonialism, since these companies fulfill industrial policy-making and venture capital roles on behalf of the state. At the same time, as Pritish Behuria (2013) has shown, there is a political logic here, as it allows the GoR to disperse military power through the allocation of lucrative
professional opportunities. Awarding positions in the private sector eases transitions out of the armed services and ensures loyalty to the RPF.

It is difficult to assess the true developmental impact of these groups, as there is little public data available on their structures, assets, profits and financial records. But there are certainly cases where the GoR has intervened to the detriment of unaffiliated competitors (Gökgür, 2012b). For example, Gökgür describes how Inyange Industries (a subsidiary of Crystal Ventures) has been designated the exclusive provider of all bottled water and soft drinks in government institutions and publicly-funded primary school feeding programs, (2012b: 29) while Intersec (also operated by Crystal Ventures) is the only private security outfit authorised to carry arms (Wallis, 2012). Gökgür also provides examples of foreign firms that have been disadvantaged by unfair competition, thus weakening the wider environment for growth. To scholars like Gökgür, then, characterizing Rwanda as an example of “governed interdependence” is problematic, as it is unclear whether or not the GoR’s partners really offer sufficient reciprocal benefits to the economy as a whole.

What is clear is that economic strategy encompasses a much broader political transformation than just a prioritisation of growth. At the helm of most party-statals and other profitable businesses are highly committed RPF members, most of whom grew up in countries like Uganda or Tanzania. This group is empowered to build the country’s economic potential and stabilize the regime’s political legitimacy. These individuals were raised speaking English or Kiswahili, granting them language skills and personal networks that are useful when pursuing overseas business. One senior RDB policy-maker commented that the “entire country” thinks strategically about using connections. Another policy-maker commented that one can “try any country in the world” and “you’ll find a Rwandan there.” He added this presence allows Rwanda
to “tap into one global network of… businesses and go straight to CEOs and talk to them.” Kagame has also been reported to make personal calls and visits to prominent businesspeople to secure valuable deals (Chu, 2009; Crisafulli and Redmond, 2012). While use of the diaspora is a laudable developmental strategy that other post-conflict countries would do well to emulate, the reorientation of the country towards East African and American investment has political implications. Crucially, it may deepen inequalities between Anglophone Tutsi from the diaspora with close ties to the RPF, and Francophone Rwandans, both Hutu and Tutsi survivors of the genocide who lack these same connections.

Similarly, while there are many features of the political system that have been cited as conducive to growth, such as power-sharing agreements, anti-corruption measures and performance contracts (Booth and Golooba-Mutebi, 2012/4), critics argue that these policies also serve to police dissidence and reinforce positive assessments of the country in the eyes of donors. For example, while the political system is ostensibly multiparty, in practice, no true opposition is allowed. Beyond the issue of political assassinations, the constitution contains provisions that help obscure single-party dominance. For example, 30% of parliamentary seats are reserved for women who are not required to state their political affiliation; however, the vast majority of these parliamentarians identify with the RPF. Furthermore, while the Annual National Dialogue is designed to publicly shame officials who fail to meet performance targets, the same forum can be used for politically-motivated dismissals. Intensive monitoring of performance also creates incentives for officials to overstate successes and obscure shortcomings. This pressure limits what kind of policy learning is possible. Finally, there is some evidence that anti-corruption and nationalistic policing of the private sector has been used for political purposes.
For example, the GoR recently repossessed the Union Trade Center, a large shopping mall in the center of Kigali, and the Nshili Kivu Tea Company, alleging that the owner, Tribert Rujugiro Ayabatwa, had abandoned his businesses by residing abroad. Rumors abound that Ayabatwa was meeting with groups opposed to the RPF (East African, 2014b). Parliament is currently drafting a law to legitimise the GoR’s actions. If this law applied to all investors, and not just those who pose political risks, it is likely that foreign investors would be less willing to invest. Our interviews with businesspeople strongly suggest that it is not possible for entrepreneurs to publicize political views that are out of step with the RPF.

To be clear, this policing of insiders and outsiders is not strictly ethnicized but rather corresponds to the willingness of individuals to align themselves with the ideology of the ruling elite. These various forms of political control are all perceived as necessary for stability, but also serve to internalize RPF political ideology. The result is a palpable enthusiasm for development among both policy-makers and businesspeople. This does not detract from the fact that markets are being created, and that developmental efforts are taking root; we simply aim to illustrate the wider political transformation under way. We now examine how GoR strategy affects Rwandans in the ‘hull’ of development.

3.2 In the Hull: The Role of Ordinary Rwandans in Development

As the GoR seeks to attract investment and grow the economy, it must make the country more appealing to international actors and more understandable to government. It aims to improve its citizens’ quality of life, attract investment and embed government control. Through the construction of a coordinative framework for capitalist exchange, the GoR is trying to create an infrastructure of power that is embedded into the lives of every Rwandan. Enlisting the entire
population in its efforts, it has embarked on a comprehensive effort to reconstruct Rwanda’s image from one of death and horror to one of stability and profitability, often exerting heavy-handed control to do so. The GoR pursues this transformation through three overarching strategies: first, it provides massive social spending, aiming to increase living standards and reduce potential unrest. Second, it seeks to re-engineer the physical and institutional environment, making sure it is amenable to business and political control. Third, it works on peoples’ minds to “sensitise” them to the values of nationalism and progress. The long-term sustainability of this model depends on the population having something to lose from instability, and on the willingness of the population to accept the authoritarianism and rising inequality that have accompanied growth to date.

First, the GoR has invested heavily in social services. Spending falls into two categories: cash transfers to the poorest and most vulnerable (e.g., genocide survivors, demobilised soldiers and widows), and services for the whole population (e.g., education, health care, water) (Republic of Rwanda, 2011a). Service delivery builds the state’s capacity and reach, but also helps to increase the population’s long-term economic potential. For example, the 2011 National Social Protection Strategy launched an employment “booster” giving wage employment to members of selected households for 100 days, with the hope that it would allow them to invest in productive activities and raise themselves out of poverty (Republic of Rwanda, 2011a). These “side payments” are intended to make everyone feel like they have a stake in the developmental vision. Their cost places further fiscal pressure on the GoR to prioritise development. Whether or not these programs will succeed is debatable, as high rates of population growth mean more people live in poverty than ever before, and as we will describe below, such services are accompanied by coercive intrusions into their lives.
Second, the GoR seeks to transform Rwanda’s visual and physical layout and accommodate the masses within a ‘high modernist society’ (Scott, 1999). Drawing inspiration from East Asian developmental states like Singapore, it uses ‘benevolent’ authoritarian measures and technology to reorder the landscape (Rwanda Development Board, 2014). This involves hiding the true extent of poverty and making the country “legible” through the cleaning of urban areas, the prohibition of plastic bags and unlicensed vending, the paving of roads, the installation of street signs and the building of an advanced communication infrastructure. Fines are levied for a lengthy list of offenses, including failing to wear shoes in public, looking dirty, or not having a compost bin or clothesline at one’s house (Ingelaere, 2011: 74). These fines also extend to home construction; houses must have roofs built with tile or mabati (expensive sheet metal) rather than the traditional (and much cheaper) banana leaves (Sommers, 2012). Improperly built houses risk destruction. These regulations are designed to encourage a superficial upgrade of rural life, attracting investment and encouraging Rwandans to look the part of a modern people.

The government has invested considerable resources into the country’s information and communication infrastructure. Booth and Golooba-Mutebi have documented the strong role of Tri-Star Investment in increasing mobile telephony (Booth and Golooba-Mutebi, 2012; Kelsall, 2013). The GoR has also financed the roll-out of a national fibre optic backbone and a Kigali Metropolitan Network and has bought bulk internet bandwidth from international suppliers through the company, Broadband Systems Corporation (BSC). The government has also helped Visa establish its African headquarters in the country and has worked with it to launch electronic payment systems, financial literacy programs and electronic tax collection. By enabling this digital transformation, the Rwandan government hopes to boost local entrepreneurship among the educated youth and to attract international investment. However, this infrastructure has also
been used to extend state power through developmental schemes in health and education, public service announcements and through the monitoring of government officials. Currently, large multinationals such as MTN, Tigo and Korea Telecom and smaller international development firms like Voxiva (US), Jembi (South Africa) and the American owned but Rwanda-based, Nyruka have been dominant in rolling out such services. The party-statal, Digitech (formerly Ngali Holdings) and smaller Rwandan companies such as Pivot Access, Axis and SMS Media have also secured government contracts. Of course, an over-reliance on engagement through ICTs may privilege the voices of more digitally enabled groups. It also makes the Rwandan population more ‘traceable’ to government and big business. In South Africa, politicians have used such capacities for politically-motivated surveillance, cracking down on protestors and critical journalists who have tried to uncover corruption scandals (Duncan, 2014; Wa Afrika, 2014). In Rwanda, this surveillance infrastructure could help stabilize the political environment for growth but could have longer-term impacts on the country’s political development, in the absence of media scrutiny and public oversight. Rwanda, like other African countries, has made it mandatory for citizens to register their communication devices with government.

Perhaps the most dramatic policy to “upgrade” Rwandan society is the villagisation (or imidugidu) policy; a “master plan” for resettling the scattered rural population into 14,837 government-selected sites (Newbury, 2011). This scheme began with the intention of resettling Tutsi survivors of genocide for their comfort and security (Van Leeuwen, 2001). It later expanded to accommodate hundreds of thousands of returnee “old caseload” refugees (those who left Rwanda between 1959 and 1990). Mimicking earlier failed socialist villagisation experiments in Tanzania, Mozambique, and Ethiopia, by 1999, the Rwandan Ministry of Land announced it would re-organise the entire population into administrative districts known as
“cellules” or “umudugudu” to better promote security, open up arable agricultural land and regroup the population in modern villages with electricity and clean water. While the policy has been implemented unevenly across the country, its designers hope that such widespread rural transformation will help diversify the economy, integrate rural producers into formal value chains and stimulate non-agricultural income-generating activities (Van Leeuwen, 2001; Ansoms, 2009; Newbury, 2011). At the same time, the policy serves a dual purpose of supplying the state with detailed information on the every household (Purdeková, 2011).

Changing the country’s environment also involves making sure that the genocide is never far from a visitor’s mind. Memorials featuring unburied bodies and bones are common, serving as a gruesome reminder of the recent past. These memorials are offered as proof of the horror of 1994, in effect exoticizing the violence and emphasizing the extreme history. As such, they are tools to attract investors who are particularly drawn to the juxtaposition between the country’s genocide and its remarkable recovery. These memorials also serve to legitimise RPF rule, as they encourage a remembering of the past that justifies the authoritarian policies of the present (Meierhenrich, 2011).

The third overarching strategy involves working on people’s “mentalities” and “sensitizing” them to modernity and progress (Ansoms, 2009; Purdeková, 2012). Through an explicitly nationalistic drive, the GoR has erased ethnicity from public discourse and promotes “one Rwanda for all Rwandans.” As Pempel (2009) and found in East Asia, the GoR’s promotion of Rwandan national identity is part of a “hegemonic project” seeking to suppress animosities among the population. This project is ostensibly aimed at preventing future violence, but also allows the GoR to position itself as the representative of the entire population. This is particularly important for the RPF due its origins as a Tutsi rebel movement in a country where
class has historically been associated with ethnicity. The GoR must develop a political language in which wealth and poverty are not associated with ethnicity; instead, those who experience success are said to do so because of hard work. This discourse aims to reduce resentment against inequality and the concentration of wealth in a small urban elite, but of course ignores the profound structural barriers that the rural poor face in achieving social mobility and wealth (Ansoms, 2009: 243).

To cultivate this national work ethic, the GoR deploys *ingando*, “solidarity” camps (and more recently, *itorero* camps) designed to make Rwandans more receptive to development, modernisation, and reconciliation. These camps are mandatory for many groups of Rwandans (especially youth) and usually run for several months. Participants are housed in army-like compounds and forced to take part in carefully designed history lessons, team-building exercises, sessions on how to confess genocide crimes, and lessons on how to be a good citizen (Thompson: 2013: 333). *Ingando* is also designed to groom Rwandans for participation in markets; as “*ingando* graduates lear[n] new skills to help them find new ways to become more financially stable and organise themselves into cooperatives.”¹⁶

The cooperative model has become the de facto model for regulating low-level commercial activity in Rwanda. Local authorities and NGOs bring together groups of low-skilled producers such as basket weavers or tea growers into recognised cooperatives. Units must register with local authorities and members are required to file paperwork documenting their activities and incomes. Members pay fees and provide collateral in order to join; in exchange, they receive benefits such as access to credit and subsidies. However, research conducted by Rollason (2012) in the motorcycle taxi sector has demonstrated that the cooperative model is not as effective as informal financial arrangements such as “the boss system” in helping achieve
social mobility and poverty reduction. Nevertheless, regulation now prohibits individuals from participating in certain professions (such as market vending and taxi driving) unless they join a cooperative. As such, while the cooperative model connects disparate individuals into wider commercial networks, it also serves as a way to coordinate and regulate the country’s low-level commercial activity and thus deepen the state’s infrastructural power.

The GoR’s desire to create an environment conducive to investment also extends to its promotion of entrepreneurship, individual accountability and self-sufficiency. Campaigns extolling the virtues of innovation and hard work are reflected in billboards across the country and within forums targeting the youth.\textsuperscript{17} International organisations like Educat, Bridge2Rwanda, Isoko Foundation, Global Relief and Development Partners, Karisimbi Partners, and Digital Opportunity Trust also partner with government agencies to promote entrepreneurship as a solution to poverty and youth unemployment. In some ways, the state’s partnership with international pro-entrepreneurship groups provides testament to Polanyi’s (1944) idea that there can be no market without strong government. But while the GoR wants Rwandans to participate in markets, it has a specific vision of what types of markets are acceptable.

Rwandans who start businesses selling vegetables or fruit on the roadside risk getting their inventory destroyed and thrown in jail, as such forms of work are considered “dirty” and at odds with the GoR’s vision of a clean and secure country (Berry, forthcoming). Even participants in sanctioned forms of low-skill labour, like driving a motorcycle taxi, fear police harassment or the confiscation of their property if they appear to undermine public order (Rollason, 2012). In contrast, multinational companies like telecommunication companies MTN, Tigo and Airtel, are allowed to employ low-skill workers on an informal basis with little protection (Mann and
Nzayisenga, 2015). Of course, Rwanda is not alone in this “informalisation” of working conditions in multinational companies, most visible in the celebration of “Bottom of the Pyramid” social enterprise schemes. However other countries like Kenya also celebrate street vendors and other informal workers as “a vibrant example of indigenous small enterprise activities” (Hope, 2009). The contradiction between acceptable and unacceptable forms of entrepreneurship in Rwanda is therefore striking. Those who undermine the GoR’s plans have no space within the emerging “free” market economy and subject themselves to abuse from the GoR’s security apparatus.

The policing of informal economies is particularly detrimental to women, who constitute the majority of the informal workforce. In urban areas, low-skill industries dominated by women (e.g., sex work, vegetable vending, domestic work) are disproportionately illegal compared to low-skill industries dominated by men (e.g., construction, driving motorcycle taxis, selling airtime) (Berry, forthcoming). Skilled service occupations employ 7% of men versus only 4% of women, and the GoR’s push towards developing skilled industry jobs led to 612,000 new non-farm wage jobs for men and only 227,000 for women between 2006-2011 (Republic of Rwanda, 2011b). So while international business scholars and journalists often celebrate Rwanda for having the world’s highest rate of female parliamentarians, the GoR’s vision of illegitimate labour may be deepening the gender divide in the country, entrenching poor women’s poverty and potentially complicating the wider strategy of female empowerment.

As the GoR has attempted to promote markets, the true extent of poverty and inequality has been obscured. While the country has undergone strong and stable GDP growth, there is a recognition that inequality is still a problem (Republic of Rwanda, 2011b; Ansoms and Rostagno, 2012). Similarly, while the percentage of the population living in poverty decreased
from 57% in 2005/6 to 45% in 2010/2011, population growth means that there are actually more people living in poverty today than ever before (Ansoms, 2008; World Bank, 2011). The restricted political environment makes it difficult for those without power to voice criticism of government policies, even when such policies threaten their food security and survival. While elite interviewees recounted feeling comfortable reporting minor criticism of government policy, other interviewees such as landless urban residents said they were too frightened to voice their experiences to those in power.

At both the helm and the hull of the Rwandan development engine, we see how expanding capitalist frameworks have reinforced state power and political control. In some ways, the depiction of Rwanda as an ‘enterprise-led model’ among business scholars is a shared concealment; the GoR shields its international partners from its political calculations in order to present the country as stable and “open for business,” while international partners use the country as a place to build a neoliberal success story, de-politicizing development and placing private (multinational) companies at the center of economic decision-making.

Conclusion

The case of Rwanda demonstrates how changing geo-political conditions can pressure elites to embark upon political transformations that involve a re-prioritisation of growth. At the same time, we should not be naïve about the content of those ambitions. Economic development is a political process in which powerful groups make decisions to change the rules of the game. They will only do so when they believe it is in their interests and when they feel they can control the process of accumulation. In this paper, we have outlined the pressures shaping Rwanda’s developmental orientation: historical party discipline, sectarian unrest, political rivalry, regional
conflict and aid dependence. Economic independence would allow the RPF to stabilize and legitimize political control while pursuing a longer-term political transformation that would diminish its reliance on more violent forms of coercion.

This paper is not the first to draw attention to issues of political motivation in economic development. Johnson’s (1982) seminal work emphasized the importance of understanding the worldview of power-holders, while Elizabeth Thurbon (2014) has recently argued that understanding the ideational foundations of developmentalism can help illuminate whether contemporary Asian states can sustain political support for developmental strategies. Such a perspective can also help understand whether emergent African development states like Rwanda and Ethiopia can sustain political will for their policies in the face of international criticism and domestic repression.

Rwanda’s experience has received polarized interpretations. More qualitative researchers often working outside of Kigali have criticised the more authoritarian aspects of government policy while seeing how success stories have been used for political gain. Meanwhile, those investigating the political environment for industrial policymaking have tended to be more positive and less interested in authoritarianism unless it has a bearing on growth. Finally, business journalists have tended to avoid political discussions entirely, presenting the country as a successful and stable example of enterprise-led growth. What has been obscured are the connections between these various sides of the debate. There would be no SME promotion nor industrial policy-making if the GoR had no ambition to deepen power; similarly, the state would not be so powerful and intrusive if its policies weren’t so effective at building infrastructure, extending social services and boosting economic output.
We have argued that the development of Rwandan capitalism is bound up in the process of state (re)formation. Transformation extends beyond industrial policies to encompass a re-ordering of the physical, ideological and social infrastructure of the country. This re-ordering is driven by a real desire to grow the economy but also by a parallel desire to maintain control. However, what emerged from our fieldwork is that the regime’s reluctance to tolerate criticism may undermine the longevity of its model – particularly as the spectre of instability is always on the horizon.

Policies like *ingando* and *imidugudu* are presented as necessary for the population’s “security,” thus making it difficult for Rwandans to question them openly (Newbury, 2011: 230). Our interviews have similarly revealed how pressure on government officials to demonstrate success limits the possibilities for error correction and policy-learning. Such trepidation was evident in discussions over policies such as the rapid conversion of the education system from French to English, or the replacement of informal credit arrangements with more top-down cooperative models. Poorer Rwandans are often too afraid of the state’s coercive power to voice their concerns and experiences. In the long-term, the missing voice of the poor may result in the GoR losing touch of popular expectations and realities. While the GoR presents economic development as a first step towards security, peace and individual liberty, broader definitions of development have suggested that individual liberties may be a prerequisite for long-term stability and prosperity (Sen, 1999).

Historically, deepening state power precipitated European capitalism and eventually, more open economies; through war mobilisations, taxation and regulation, states increased not only their own power, but that of other groups in society by facilitating a territorially consolidated system of organization and by enriching their populations. Eventually, this process
led to a negotiation of power and the emergence of social contracts between states and citizens. In the case of Rwanda, the coercive manner in which developmental state policies have been implemented may stunt this deeper transformation and may impede the economic empowerment of the poor. While late-developers like Singapore, Taiwan, and South Korea were initially undemocratic, they were nonetheless developmental, delivering poverty reduction and improvements in living standards (Wade, 1990; Vu, 2007). Development, not civic engagement, was the bearer of state legitimacy. Yet, the most successful of these states eventually developed more open political systems, with citizens re-negotiating and constitutionalizing the power of the states.

Only time will tell if the GoR is willing to make similar concessions. Future research should therefore extend beyond comparisons of industrial policy-making between East Asian and African states, and consider how Asian development states also managed their populations’ expectations and dissatisfactions and adapted their policies accordingly. Such an approach would mean paying more attention to how poorer groups with less political representation are affected by top-down development efforts. For example, recent work by both Booth and Golooba-Mutebi (2014) and Leiden University’s Tracking Development program (van Donge, Henley and Lewis, 2012) have focused attention on how developmental states might work with agricultural producers to increase their livelihoods. The Tracking Development program has stressed the importance of the facilitation of more open economic framework for the participation of peasant farmers and smaller businesses. Taking such work further in Rwanda would involve combining insights from both sides of the currently polarized debate on contemporary Rwandan politics.
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Notes

1 Notable social scientists include: Filip Reyntjens, Timothy Longman, Scott Straus, Johan Pottier and Susan Thomson, among others.

2 Author 1’s interviews included economic policy makers, managers in IT, service, tea, and tourism sectors and informal airtime sellers. Author 2’s interviews were exclusively with women from a range of backgrounds, from the rural poor to the national political elite.


4 Throughout the paper we use the acronym RPF to refer to both the civilian and military wing of the movement.

5 Author 2, confidential informants, 6/2012.

6 The proportion of aid is declining as the tax base increases. Yet at the same time, the privatisation process is increasing the proportion of aid, as the state budget shrinks.


8 Author 1 fieldwork notes from pro-entrepreneurship forums for youth.

9 There is an ongoing debate between the APPP and scholars like Gökgür about the extent of RPF ownership in these party-statals.

10 Interviews conducted by author 1 with businesspeople in the IT and service sector also revealed such allegations.

11 Author interviews

12 Korea Telecom provided the skills and equipment.

13 BSC is a private company in which the government is a majority shareholder.

14 Author fieldnotes.
Informal conversations with employees of international organisations and government institutions also suggest a certain amount of “information control” surrounding official statistics, so both positive and negative assessments should be taken with a grain of salt.

In a climate of authoritarianism, it has been hard for policy-makers to voice concern about policies they perceive as harming the country’s long-term economic potential (such as the very rapid conversion from French to English within education and the replacement of informal credit arrangements with the top-down cooperative models).