

# Evaluating how and why the Government of Rwanda failed to achieve middle-income status (MICS) in 2020: Lessons for other African countries

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Abstract: In the 1960s, many East Asian Tiger countries, such as Taiwan, Malaysia, China, etc., faced unfavourable socio-economic conditions like those facing many African countries such as Rwanda. For example, in the 1960s, Singapore was classified as an undeveloped country, with its GDP per capita standing at less than \$320. However, all these countries managed to reach a development level like that of Western and North American countries (such as the U.S. and Canada), within a space of less than 15 years. Today, Singapore's GDP per capita has risen to an incredible \$84,501, making it the sixth highest GDP per capita in the world. With Vision 2020, President Kagame promised that Rwanda, which he referred to as "the African lion", would cruise faster to the middle-income country status faster than Singapore and other middle income status countries, most of which are in East-Asia in less than 20 years. Thirteen years after the introduction of Rwanda's Vision 2020, President Kagame dashed off the Wall Street Journal and other western media which often referred to Rwanda's economic development as "the economic tiger of Africa" in his 2013 famous statement as follows: "There is a view that development is a marathon, not a sprint. We do not agree. Development is a marathon that must be run at a sprint. In our pursuit of progress, we have, of course, looked to East Asia's so-called "tiger" economies for inspiration. But Africa's experience is unique, and we must now define our own destiny. So, while being described as an "African tiger" is a welcome recognition of how far Rwanda has come, perhaps it isn't quite right. After all, our continent has its own big cat. Step forward, the new lions of Africa.". To achieve this objective between 2000 and 2020, Rwanda's GDP per capita needed to increase from 254.94 USD (2000) to \$1240 (in 2020), and the GDP growth rate was to grow consistently between 7% and 10% for a period of 20 years (2000-2020). The objective of this article is to critically analyse how the Government of Rwanda failed to achieve its promise of achieving a middle-income status (MICS) between 2000 and 2020. In 2000 the Rwandan president Paul Kagame launched Rwanda's Vision 2020. This was a longterm framework for Rwanda's development in 20 (i.e., 2000-2020). The idea behind Rwanda's leadership was to imitate whatever Singapore did to become a developed country in just 15 years after its independence in 1965. Blatantly stated, President Paul Kagame wanted to turn his country into the Singapore of Africa. The IMF states that "Vision 2020 was the longer-term socio-economic development framework that sought to transform Rwanda into a middle-income country by 2020". There is no doubt that Rwanda has made some developmental strides through the implementation of Vision 2020 as an instrument for operationalisation for the Singaporean-modelled developmental state over the past 20 years and has succeeded in some areas. However, the Government of Rwanda has failed in many areas and has failed to achieve the prestigious MICS in 2020. Therefore, among the many gaps in the current literature that this research seeks close is to find out what were some of the accomplishments that Rwanda's Vision 2020 was unable to achieve? Why did the Government of Rwanda fail to achieve middle-income status within 20 years? What insights can other developing countries gain from Rwanda's Vision 2020 experience? This study is a

significant contribution to the current theoretical knowledge as it sheds light on the reasons behind the Government of Rwanda's failure to achieve middle-income country status in 2020, a topic that has been largely ignored by the Government's documents and the media. Despite Rwanda's Vision 2020, there has been no scientific study to date that has attempted to deal with this topic. Therefore, this study, titled "Why the Government of Rwanda failed to achieve middle-income status (MICS) in 2020" is likely the first of its kind. By addressing this crucial issue, this study aims to provide valuable insights into the factors that hindered Rwanda's progress towards becoming a middle-income country, which could be beneficial for other African countries as well. This research is exploratory because the topic, specifically why Rwanda didn't reach middle-income country (MIC) status in 2020, hasn't been widely explored or discussed in academic or scientific communities. Addressing the question of why the Rwandan government failed in this goal is important not only for understanding Rwanda's development challenges but also for drawing lessons that could benefit other African and developing countries around the world. The research used qualitative methodology, relying on thematic content analysis of the literature and a desktop review. The main finding of this research is that Singapore and other countries that achieved high levels of development in the East-Asian Tiger countries have fundamental political, economic, cultural, social, and administrative and leadership conditions that facilitated its transition from a very poor country to a developed country in under 15 years after its independence. The absence of some of socio-economic, geopolitical and technological conditions like those in Singapore and other countries that have achieved impressive development levels over the past 50 years, explain why Rwanda failed to become a middleincome country in 2020 and the reason why its dream to become the African Singapore remains a piped dream.

Keywords: Rwanda; middle income country; Singapore; Vision 2020

#### 1. Introduction and background of Rwanda's Vision 2020

Located in Central Africa, Rwanda has a population of about 14 million and shares borders with Uganda, Tanzania, Burundi, and the Democratic Republic of the Congo. The country's population is predominantly young, with 70% being under the age of 30 and 52% being female (Game and Kang, 2023, p. 11). Rwanda's population is generally rural, with only 18.4% living in urban areas (Game and Kang, 2023, p. 11). About 90% of the Rwandan population lives on subsistence farming in Rwanda.

It has become common practice in many African countries to have a long strategic plan spanning a decade or more years. Examples of African countries' visions include but are not limited to South Africa, which introduced a 20-year National Development Plan (NDP) called Vision for 2030 in 2011, "Vision Burundi 2025" introduced in 2003, and "Nigeria Vision 2020" introduced in 2010. In July 2000, Rwanda also introduced Vision 2020, which promised to transform the country from "a low-income to a middle-income country". Such a country was to be driven by a knowledge-based economy by 2020 (Government of Rwanda, 2010). Middle-income countries' average GDP per capita was estimated at \$1240 in 2020 (Uwizeyimana, 2019, p. 13).

Rwanda's Vision 2020 had six pillars (Good governance and a capable state, human resource development and a knowledge-based economy, a private sector-led economy, infrastructure development, productive and market-oriented agriculture, and regional and international economic integration). It also has three cross-cutting areas (Gender equality, protection of the environment and sustainable natural resource management, Science and technology, including ICT) and several associated targets (Uwizeyimana, 2019).

### **1.1.** The belief that Rwanda was to achieve the MICS in 2020 as many of the East Asian Tiger countries did in the last few decades

Rwanda's Vision 2020 was supposed to achieve (in a faster way) the economic development that the East Asian Tiger countries achieved a few decades after their independence.

The Rwandan Patriotic Front (RPF), the ruling party in Rwanda, summarised Vision 2020 and its overall objective to achieve the MICs in 2020 using the allegory of an airline taking off in 2010 and cruising to the MICs status in 2020 as follows.



**Figure 1.** Development airline with pilot Paul Kagame. Source: Himbara (2019, p. 1).

The depiction in **Figure 1** shows that the ruling party, the RPF (Flight No. 001 RPF), was the vehicle through which the country would achieve its MIC status in the year 2020 when Vision 2020 was expected to achieve its objectives. President Kagame (the Chairperson of the ruling party RPF and the president of Rwanda) is the Pilot for Flight No. 001 RPF. The year 1994, depicted as the "local time at origin of Flight No. 001-RPF", depicts the year the RPF took power in Rwanda and suggests that while there was another president named Pasteur Bizimungu (1994–2000), it was Paul Kagame who piloted Flight No.001-RPF) and therefore was the de facto ruler of the ruling party and the country since 1994.

However, while it is suggested that Flight No. 001-RPF took off in 1994 when the RPF took over the country, and the local time at present position is depicted as 2010, the year Vision 2020 was officially announced as 2000. The estimated arrival time is 2020 (i.e., 20 years), when the country is expected to achieve the MIC status. The picture ends with the statement, "Be proud of Rwanda travel with pilot Paul Kagame".

#### 1.2. Did the Government of Rwanda achieve the MIC status in 2020?

There is no doubt that Rwanda's GDP grew because of Vision 2020 between 2000 and 2020. Rwanda's authority and political supporters exaggerated their

achievements to the point that by 2018, Rwanda's authorities had started to claim that they had started applying to join the Organisation for Economic Co-operation and Development (OECD). For example, on 31 August 2018, Kigali Today (KT) (a pro-government newspaper) published an editorial article titled "U Rwanda ruritegura kwinjira mu ruhando rw'ibihugu bikize [ku isi]", loosely translated "Rwanda is preparing to join the ranks of rich countries" in the world (KT Editorial, 2018, p. 1). According to KT Editorial (2018, p. 1) by 2018, "Rwanda has reached far in its preparation to join the list of developed countries in the world (OECD), because it has collected enough evidence to support its application for membership". KT Editorial was further confirmed by senior Rwanda's officials such as Rwanda's Former Foreign Affairs, Ms. Louise Mushikiwabo who stated in KT newspaper that, "Now that the verification and data collection and various other preparations have been completed, the submission of the application will follow. We will keep you updated with more information" (Mushikiwabo cited in KT Editorial (2018, p. 1)). In fact, the KT Editorial alleged that the Rwandan Government had already "hired two Israeli brothers to lead the campaign for getting Rwanda listed among the OECD countries". As KT Editorial (2018, p. 1) states:

"Those [Israeli] men at the forefront of helping Rwanda join the OECD are General Yehuda Weinstein, former Attorney General of Israel and Ron Prosor, former Israeli Ambassador to the United Nations".

However, the Government still needs to achieve the middle-income status in 2020. There are ample examples to demonstrate that the Rwandan Government did not achieve the MIC status in 2020. For example, the International Monetary Fund (IMF) (2018) data shows that Rwanda's GDP per capita was \$791 in 2018, was \$806.88 (2019) and fell to \$774.69 (2020). Therefore, Rwanda failed to achieve MIC status in 2020. In fact, the deadline to achieve this goal has been pushed to 2035 (Umuhoza, 2022, p. 2).

In addition, despite 20 years of implementing Vision 2020, Rwanda was "the third poorest country in the East African Community (EAC)" before COVID-19 (Umuhoza, 2022b, p. 2), and only better than its southern neighbour Burundi which is impoverished because of many decades of civil wars dating back to its independence in the 1960s (Himbara, 2021c, p. 10) and its western neighbour Democratic Republic of the Congo (DRC) which remain impoverished because of poor leadership, corruption, and regular conflicts especially in its eastern part since 1996 when Rwanda invaded it. It is alleged that the Rwandan Army (RPA) still supports armed groups such as the movement of 23 (M23).

Rwanda was also among the top 25 poorest and among the Heavily Indebted Poor Countries (HIPC) globally before the effects of COVID-19 hit the country's production and export (Himbara, 2021d, p. 1). That is why it was one of the first poor countries that had to be "rescued from further catastrophe" by the World Bank and IMF as soon as the World Health Organisation (WHO) declared the COVID-19 pandemic in 2020 (Himbara, 2021e, p. 1).

### **1.3.** Was the Government of Rwanda aware that it will not achieve the MICs way before 2019?

Yes. The Government of Rwanda knew it would not achieve the MIC status as early as 2016 (i.e., three years before COVID-19). At the close of 2020, Rwanda's economy was "outperformed by Haiti, a country generally considered a failed state" (Padgett, 2011, p. 1).

Himbara (2019, p. 1) argues that, "As the 2020 deadline got closer, President Kagame began to manipulate his way out of his biggest lie. Rather than explaining why Rwanda is still stuck among the 20 poorest countries in the world, Kagame launched Vision 2035/2050, which he vaguely outlined: "We started in 2000 with a plan for 2020. Now, we have drawn up a new plan from 2020 to 2050, divided into two 15-year phases. Our vision is to build a stable, secure, and sustainable country where citizens can live a good life in an unspoiled environment".

According to Gatete (2016), "Rwanda will become an upper middle-income country by 2035 with a per capita income of \$4035. After that, Rwanda is expected to become a high-income country with a per capita income of \$12,476 by 2050".

In addition, the IMF, which is the biggest supporter of Rwanda's Vision 2020, stated as early as 2018 that Rwanda would not make it into the middle-income countries in 2020 and stated that if Rwanda were to get out of poor countries in the world, it would possibly become a middle-income country in 2035.

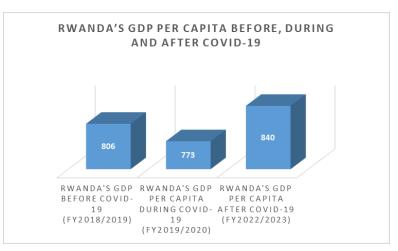
In fact, even the Government of Rwanda's claim "to reach upper middle income by 2035 and then a high-income status by 2050" is also highly improbable. It would require an average annual growth of above 10%" or "doubling current growth of about 5% annually (Gatete, 2016, p. 1). This is almost impossible given the fact that Rwanda's economic growth has not grown beyond 8% and has never doubled in any of the financial years between 2000 and 2020 as indicated in the discussion above. The World Bank (2023, p. 2) states that Rwanda's "Growth averaged 7.2% a year over the decade to 2019, while its annual GDP per capita only grew at 5%". Finally, analysis of the "Prospective Income levels for Rwanda by 2050" shows that it is almost impossible to realise the income GDP per capita in USD 12,476 for high income in 2050.

### **1.4. Was COVID-19 responsible for Rwanda's failure to achieve the MIC status in 2020?**

The global COVID-19 pandemic has significantly affected countries worldwide, including Rwanda. According to Rigby and Satija (2023), the World Health Organization (WHO) declared it a Public Health Emergency of International Concern towards the end of January 2020, a status that remained in place until May 2023. Rwanda felt the pandemic's impact deeply, with the WHO reporting around 133,000 confirmed cases and nearly 1500 deaths due to the virus by 2023 (WHO, 2023, p. 1). The Rwandan government implemented lockdown measures to mitigate the virus's spread and protect its citizens. These measures, while necessary, had a profound adverse effect on the country's economy, severely hitting sectors like exports and tourism (IFPRI, 2021, p. 1). The International Food Policy Research Institute (IFPRI, 2021) reported a significant economic downturn, with a 39.1% drop

in Rwanda's GDP during the initial six weeks of lockdown compared to projections without the pandemic. The IFPRI (2021, p. 1) also estimated that the country's GDP in 2020 was 12% to 16% lower than it could have been, leading to a loss of approximately RWF 1.0 to 1.5 trillion (about USD 1.1 to 1.6 billion). The pandemic's economic impact varied across different sectors. According to the IFPRI (2021), the industrial and services sectors saw a 57% and 48% decline during the lockdown. In contrast, the agricultural sector, which received certain exemptions from COVID-19 restrictions, experienced a smaller GDP decline of 7% (IFPRI, 2021, p. 1). These statistics highlight the significant economic challenges Rwanda faced during a critical period of global health crisis.

However, the signs that Rwanda was not going to achieve the MICs status in 2020 were already evident before COVID-19. These signs were visible way before the first case of COVID-19 patient was discovered on 14 March 2020 and way before the country was put under COVID-19-related lockdown on 21 March 2020. The World Bank statistics show that 56.5% of Rwanda's population lived under the international poverty line of \$1.19 a day versus 37.1% in Kenya, 41.5% in Uganda, 44.7% in South Sudan, 49.1% in Tanzania and 72.8% in Burundi' before COVID-19 (Himbara, 2021b, p. 1).



**Figure 2.** Rwanda's GDP per capita before, during and after COVID-19. Source: Author's creation.

**Figure 2** shows that Rwanda's GDP per capita stood at \$806.1 in the financial year (FY) 2018/2029 (i.e., before COVID-19) and fell slightly to \$773.8 in 2019/2020 (i.e., during COVID-19) to rise again to \$822 in 2023 (i.e., one year after COVID-19) but was nowhere near the required R1240.

Finally, since 2001, the Government of Rwanda has consistently been one of the countries known as the heavily indebted, poorest and vulnerable countries in the world (Himbara, 2021a, p. 1). According to Himbara (2021a, p. 1), "The IMF introduced the term "the poorest and most vulnerable member countries" for the first time in 2020. By 2021, the list of "poorest and most vulnerable member countries" in the world comprised 25 countries and Rwanda was among them. Currently, 36 are eligible or receiving debt relief under the IMF's HIPC Initiative assistance in January 2023 and Rwanda is still among them (IMF, 2023, p. 1).

While the above discussion shows clearly that Rwanda failed to achieve

middle-income status in 2020, it does not tell us why the Government of Rwanda failed to achieve the MICs status between 2000 and 2020 despite President Paul Kagame's statement that, "Development is not a marathon, but a sprint, and that it was a mistake to describe Rwanda as an African Tiger, because in Kagame's view, Rwanda was a new lion of Africa" (Kagame, 2013, p. 2). In other words, it does not tell us why Flight No. 001 RPF, with Pilot President Kagame never arrived at the destination (MICs status) in 2020.

# 2. Why did the government of Rwanda fail to achieve the mics status in 2020?

The literature review shows a cocktail of structural socio-economic, political, geopolitical, and demographic issues that contributed to the Government of Rwanda's failure to achieve the MICs status in 2020.

### 2.1. Poor planning: The targets of GDP growth rate from \$254.94 (2000) to \$1240 in 20 years over ambitious

In addition to the poor planning and lack of budget for implementing Rwanda's Vision 2020 discussed above, the speed at which the country's GDP per capita growth rate was expected to cruise to the MIC status from 2000 to 2020 was exaggerated. This would have required a GDP per capita increase of \$254.94 (2000) to \$1240 in 2020. The problem seems to be poor forecasting. People involved in making Vision 2020 and setting its different targets may have made a mistake in their failure to appraise the effects of the different socio-economic, political, geographical and geopolitical variables (internal and external) that harmed the success of Rwanda's Vision 2020. This problem tends to happen through trend development and assessment, foresight, forecasting and scenario development strategies.

Financial year	GDP increase per capita	Average GDP increase from year to year
2010/2011	\$577 to \$636	\$59
2011/2012	\$636 to \$696	\$60
2012/2013	\$696 to \$709	\$13
2013/2014	\$709 to \$727	\$18
2014/2015	\$727 to \$736	\$10
2015/2016	\$736 to \$734	Min \$2
2016/2017	\$734 to \$773	\$18
2017/2018	\$773 to \$791	\$18
2018/2019	\$791 to \$806.1	\$15
2019/2020	\$806.1 to \$773.8	Min 32
2020/2021	\$773.8 to \$821.2	\$47
2021/2022	\$821.2 to \$966.3	\$145
Annual 12 years average increase (2011–2022)		\$30.75

Table 1. The GDP per capita increase between 2010 and 2022 financial years.

Source: Constructed based on IMF (2018 Rwanda's GDP per capita); Word Bank (2022).

It is clear how the target of GDP per capita increase from \$254.94 (2000) to \$1240 (2020) was to be achieved. **Table 1** shows that Rwanda's GDP per capita was only able to increase to \$791 in 2018, which translates into an increase of \$214 in 8 years (Himbara, 2019, p. 1). In terms of the data released by the World Bank in 2021, which are summarized in **Table 1** "Rwanda's GDP per capita stands at \$797.9, which is far too low considering that the GDP per capita of middle-income countries stood at \$1240 in 2020.

In addition, it also appears that the speed at which Rwanda's economic growth rate was expected to grow fell short of expectations. Rwanda's GDP was expected to grow consistently at 7% for 20 years (between 2000 and 2020) for the country's economy to reach a GDP per Capita of R1240 in 2020. The World Bank Development Indicators (2023) summarized in **Table 2** show that Rwanda's annual GDP per Capita growth rate was less than 7% from 2013 to 2020 (except in 2000 when it was 7.0%, and only reaching 8.3% in 2021) (a year after the 2020 deadline).

Table 2. World Bank development indicators of Rwanda's GDP per capita growth (%).

Year	2000	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Rwanda annual GDP growth per capita (%)	7.0	2.3	3.7	6.3	3.4	1.4	5.9	6.9	-5.7	8.3	5.7
Source	e Table a	eated by a	uthor usir	ng World	Bank D	avalonma	nt Indiaa	tors (20)	23)		

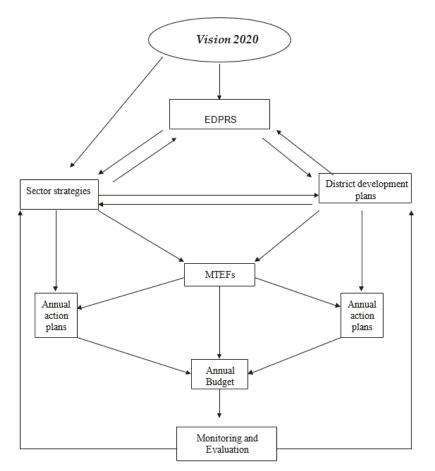
Source: Table created by author using World Bank Development Indicators (2023).

Closely related to over ambitious targets in terms of GDP growth rate and GDP per capita increase, Rwanda's Vision 2020 was also plagued with poor planning, poor budgeting and poor implementation.

### **2.2.** Poor implementation and coordination of Vision 2020 and Rwanda's implementation strategies

Poor implementation is a significant contributor to public policy implementation failure in Africa (Uwizeyimana, 2024). Figure 3 shows that Rwanda implemented many strategic plans with the hope of achieving the objectives of Vision 2020. The plans implemented to achieve the objectives of Vision 2020 include two strategies, namely the Economic Development and Poverty Reduction Strategies (EDPRS-I (2008–2013) and EDPRS-II (2013–2018) at the national level. These two sets of EDPRSs were, in turn, divided into different Sector Strategic Plans (SSP) covering several national ministries/departments responsible for various socioeconomic sectors such as health, agriculture, education and other sectors. In addition, Sector Strategic Plans (SSP) were divided into 30 District Development Plans (DDPs) at district levels. Rwanda is divided into four provinces (Western, Eastern, Southern, and Northern) and the city of Kigali. The country is further divided into 30 districts, each with its own annual action plan (AAPs) (thus 16 SSPS at the national level and 30 DDSs, plus the city development plan for Kigali city) (MINECOFIN, 2013, p. 14). The 30 DDSs are then aligned with the 30 District Mayor's Performance Contracts (known as Imihigo in Kinyarwanda, the Rwandan language). While Figure 3 below suggests that Vision 2020 was somehow connected directly to the two EDPRSs, this was not the case. What is clear is that the SSPs, DDPs, Annual Action Plans (AAPs) and Mayors' Performance Contracts were drawn from the EDPRSs, instead of Vision 2020. However, the EDPRDSs were introduced in

Rwanda and other developing countries in early 2000 after realizing that the Structural Adjustment Programmes (SAPS) introduced in the 1980s had failed. Many countries became heavily indebted, and many people became impoverished as the SAPs. Hence the IMF and World Bank introduced EDPR-I in Rwanda as early as 2008 to be implemented between (2008-2012), almost eight years after the introduction of Vision 2020 in 2000. It is also important to note that the EDPRS-II was introduced in 2013 and ended in 2018 (i.e., two years before the end of Vision 2020). Thus, while the EDPRS-I and EDPRS-II might have overlaps over some years during which the EDPRSs and Vision 2020 were concurrently implemented, these two IMF and World Banks measures to rescue countries in poor economic states, such as Rwanda, have nothing to do with Rwanda's Vision 2020. The fact that EDPRSs there was no direct link between Rwanda's Vision 2020 and the two EDPRSs makes it impossible to understand how other strategies used to implement EDPRS-I & II, such as sector, district, and mayors' imihigo contracts, could have been directly linked to Vision 2020. In any case, both EDPRSs failed to achieve their objectives. For example, suppose one accepts that EDPRS-II was introduced because EDPRS-1 had failed. In that case, it is logical to conclude that the Economic Transformation thematic areas for EDPRS 2 did not achieve the targeted average GDP growth rate of 11.5% between 2013 and 2018 (Rwanda, 2013, p. 19). In fact, Rwanda's GDP growth was around 7% in 2018.



**Figure 3.** Supposed links between Rwanda's Vision 2020, EDPRS, Sector Strategies, DDPs and MTEF.

Source: (Republic of Rwanda, 2012, p. 25).

### **2.3.** Failure to link the country's budget to the implementation of Vision 2020

The supposed links between Rwanda's Vision 2020, EDPRS, Sector Strategies, DDPs, MTEF and annual budget are summarised in **Figure 3**. **Figure 3** also suggests that Vision 2020 would be achieved through the funding of EDPR-1 (2008–2012) and EDPRS-II (2013–2018). However, each EDPRS had a five-year lifetime (i.e., 10 years duration) while Vision 2020 has a 20-year duration. Also, the first EDPRS was introduced eight years after the introduction of Vision 2020, and the second EDPRS ended in 2018 (i.e., two years before the deadline for Vision 2020). Because all other implementation strategies at the sector and district levels are aligned with EDPRSs, and there is no direct linkage between the EDPRSs and Vision 2020, it follows that there was no direct linkage between these implementation strategies and Vision 2020.

The Government of Rwanda failed to establish the total costs for implementing any of the two EDPRSs and ultimately could not establish the cost of implementing Vision 2020 over 20 years. However, a closer analysis of **Figure 3** shows that there was no clearer understanding of what it would cost the country to implement and achieve the objectives of Vision 2020 in the space of 20 years (2000–2020). **Figure 3** suggests that the implementation of Vision 2020 was done through the budget and implementation of the two EDPRS. In addition, the link between the funding of EDPRSs during their five-year lifetimes (i.e., duration) and the three-year MTEF budgeting system is also problematic. It simply means that the Government of Rwanda did not know how much it would cost the government to implement the EDPRSs for five years and did not have the budget to do so. The problem of linking the budgeting systems with the duration for Vision 2020 and EDPRSs is complicated because the budget disbursement for service delivery was based on an annual revenue projection.

This disjointed planning, budgeting, and implementation arrangements (Uwizeyimana, 2024) for Vision 2020 make it impossible to understand the link between the MTEF and annual disbursement budgets for service delivery and how implementing these different strategies contributed to the achievement of Vision 2020 systematically. In addition, achieving the specific targets in these piecemeal plans does not guarantee the achievement of the objectives of Vision 2020.

#### 3. What Rwanda and other developing countries can learn from other countries that successfully transitioned from low to upper middle income in the past 50 years?

The following **Table 3** summarises what countries such as Rwanda can learn from high-income countries.

Country	Start year	Time taken to upper middle income	GDP growth average	Main drivers	Rwanda's situation
Belize	1960	44	5.9%	Tourism in tiny population	Large population density in Africa, tiny tourism. About 14 million people on 26,338 square kilometers land. Population density in Rwanda is 571 per km <sup>2</sup>
Botswana	1972	19	11.4%	Diamond: 62% exports	No diamond, no minerals
China	1993	16	10.1%	Largest internal market in world, surrounded by high-growth countries	Tiny internal market surrounded by poor countries such as Burundi (poorest country in Africa), DRC, Uganda, and Tanzania.
Dominican Republic	1960	50	5.4%	Balance of manufacturing, services & tourism	Underdeveloped manufacturing, services and tourism
Equatorial Guinea	1995	3	80.1%	Large oil reserves in 1996, about 98% of exports are oil.	No oil reserve, landlocked net importer of oil.
Indonesia	1977	37	5.6%	Large internal market, balance of manufacturing & services.	Small internal market, underdeveloped manufacturing and service sectors.
Malaysia	1960	34	7.1%	Largest producer and exporters of rubber & tin in the world—60% of export, surrounded by high growth countries	Small producer and exporter of raw material compared to its neighbours such as DRC and Tanzania which are endowed with large deposits of precious mineral and natural resources.
Sri Lanka	1979	36	5.1%	High education rates, tourism, surrounded by high growth countries	Very poor-quality education. Rwanda's primary students score too low in numeracy and literacy exams. Rwandan teachers struggle with teaching in English, the official language of instruction (Havugimana, 2021, p. 1)
Thailand	1970	32	6.3%	Raw material, gold, tourism and balance with services	Underdeveloped tourism, no huge reserves of minerals such as gold and diamond, etc.
South Korea				In 2013, R&D accounted for 4.1% of GDP, making it the 19th-ranked country globally in innovation. The country has high levels of savings and investment, continuously upgrades its technology to remain competitive, has political and social consensus on reforms, attracts FDI, and experiences growing exports.	Poorly educated graduates, inability to create skilled employees to attract FDI, and drive services and manufacturing industries.
Singapore				Economic Development Board (EDB) takes a proactive approach to attracting investors like Nestle, Phillips, and HP. They emphasize value addition, research, talent attraction, and foreign direct investment (FDI). Additionally, the government has introduced a productivity tax credit to incentivize businesses that enhance productivity. The Constitution mandates the budget does not exceed revenue to maintain a long-term savings policy. This policy framework ensures sustainable economic growth and stability in the country.	Poorly educated society, no skills to promote R& and innovation. Heavily indebted poor and vulnerable country (HIPC).

Table 3. A comparison between Rwanda what did countries that successfully transitioned from low to upper middle income in the past 50 years.
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Source: Author's creation, adapted from Rwanda's Vision 2050.

### **3.1.** Identify the country's competitive advantages and make their development a high priority

For example, to achieve development, countries rich in natural resources such as Botswana (with Diamond: 62% exports), Equatorial Guinea (Large oil reserves in 1996, about 98% of exports are oil), and Malaysia (The largest producer and exporter of rubber) made sure to develop export and manufacturing industries around their natural resources.

In addition, coastal and Island countries such as Belize, China, Singapore, and Indonesia used their favourable geographical locations to attract substantial foreign direct investments to develop tourism and service industries and marine transport industries with heavy investment in international ports sectors. China, the most populous country in the world with about 1,425,671,352 and Indonesia (with a population of 277,534,122) used their large population to create the largest internal markets in the world. Rwanda does not have the abundant natural and mineral resources some of the countries possess, and it is landlocked.

However, like China, Rwanda also has a large but very hard-working population (most of which is younger than 65 years old (38.89% of Rwanda's population is between 0–14 years old, 57.97% is between 15–64 years old, and only 3.14 is over 65 years old (est. 2021). However, unlike the countries discussed here, Rwanda's young population has no access to quality education and, therefore, cannot provide skilled people to drive the tourism and service industries other countries have been able to develop. Poor education is also a limiting factor in driving technological innovations and attracting FDI in manufacturing sectors. This explains why Rwanda still has critically underdeveloped tourism and service sectors and a large economically poor and unemployed population.

#### 3.2. Diversify industries

In addition to heavy investments in developing their natural resources, most countries seem to have used a strategy that balances "manufacturing, services and tourism". Countries such as the Dominican Republic focused on balancing manufacturing, services, and tourism; Indonesia focused on educating and employing its citizens to create a large internal market and balanced manufacturing and services industries; Sri Lanka focused on achieving a high education rate to create the skilled labour needed in its tourism and service industries, Thailand focused on using its abundant "Raw material such as gold" to develop export-related manufacturing industries, and tourism and services sectors, South Korea focused on "Continuous investment in education in order to stimulate innovation, and advance R&D, which was necessary to attract huge Foreign Direct Investments (FDIs), big technology companies and biomedical companies such as NESTLE, PHILLIPS, HP, and others; as well as develop a strong tourism and service industries.

### **3.3.** Provide quality education to attract FDI and stimulate innovation and research and development (RD)

The key common denominator among countries that transitioned from low to

upper-middle income in the past 50 years is their strong focus on providing quality education to their citizens. Singapore, Thailand and China are among the many countries that invested heavily in providing quality education to their citizens. Thus, a well-educated population was a prerequisite for "innovation" and research and development (R&D), industrialisation and manufacturing, and services. These industries contributed to the export of goods and services, high levels of employment, improved quality of life and tax revenue for the government. A country such as South Korea, with a per capita GNI of (27,440) invested 4.1% of GDP in 2013 and ranked 6 in innovation globally", and Singapore is ranked number 7 in the 2022 report of "The world's most innovative countries" (Buchholz, 2022, p. 1). Rwanda's education needs heavy investment to produce properly educated skilled labour needed to drive the country's economic development. Rwanda ranks 105th out of 132 economies featured in the GII 2022" report (Global Innovation Index (GIL), 2022). The United Nations (2022, p. 58) states that "spending on education at all levels should be prioritised to produce a skilled workforce capable of supporting the economic transformation of the country". Rwanda's education is not adequately designed to produce the highly skilled labour needed to attract foreign investment and manufacturing companies, especially high-tech and biomedical companies behind the economic development in East Asian Tiger countries such as Singapore, Malaysia, South Korea, and China. According to UNICEF (2022. p. 1), "The quality of Rwanda's education requires serious attention, which cannot be achieved without the government's heavy investment in the education sector and without solving the problems of high poverty in general. Primary students score too low in many academic subjects such as numeracy and literacy exams compared to other East-African Community countries (EAC) and sub-Saharan African countries because of low investment in education. Even university graduates in Rwanda's universities complete without acquiring the critical thinking abilities expected from graduates in another context. An empirical study conducted at three of Rwanda's most prestigious public institutions by Schendel (2015, p. 42) found that a university education does not encourage critical thinking and the use of evidence in decision-making. Additionally, the quality of education has been decreasing, resulting in students lacking the necessary skills for decision-making.

The problem starts from lower levels of education in the country. Many educators in Rwanda face difficulties with instructing in English, the official language of education. This results in a reliance on conventional teacher-directed approaches (Havugimana, 2021, p. 1).

### **3.4.** Improve the socio-economic conditions of the citizens to improve saving and investment in the country

Rwanda ranks the fourth saddest country in the world, the first being Afghanistan (2.4), followed by Lebanon (2.96) and the third is Zimbabwe (3) followed at the fourth place by Rwanda (3.27) (Fresherslive, 2023, p. 1). Most Rwandans can barely afford the basic needs. The World Bank statistics estimate that 56.5% of Rwanda's population lived under the international poverty line of \$1.19 a day (Himbara, 2021b, p. 10), and Rwanda's poverty headcount ratio at \$5.50 a day

stood at 92.20 in 2023. Insufficient income prevents citizens from developing a saving culture when they cannot meet their basic needs.

In addition, Rwanda's debt levels are unsustainable. According to Umuhoza (2022, p. 3), the country's debt has reached 71% of GDP. Most of this debt has been incurred for large-scale projects that do not address the immediate needs of the population. The debt of public companies (which the government relies on) stood at 71.3% of the gross domestic product in 2021. This debt included 55.6% of the foreign debt and 15.7% of the country's domestic debt" (Akayezu, 2021, p. 1). The high poverty at the country, household and individual level makes it difficult to save for investment.

It is difficult for a landlocked country with no abundant natural resources (such as Rwanda) to develop with this indebtedness. Singapore developed by creating the conditions for high and sustained economic growth, creating employment for every citizen and continuous improvement of individual and household incomes. As a result, Singapore is one of the "top ten countries" with the highest savings rate in the world.

### **3.5.** Create conducive environment for the private sector business and investment to thrive

Most developed countries created a conducive environment for private business investment to drive economic growth. Cristal ventures, a \$500 million worth of RPF private company, heavily dominates Rwanda's economy. Christal Ventures is the RPF military-politico business empire, whose Chairman, President Paul Kagame, is also the chairman of the RPF and the president of Rwanda. The ruling party's dominance of all socio-economic and political sectors has made real private sectorled economic growth impossible. As per AFP's report in 2017, Rwanda's political sphere has been under the control of RPF, the ruling party, for more than thirty years. However, there have been allegations that their investment arm, Crystal Ventures, has monopolized the economy. Crystal Ventures is the largest private employer in Rwanda, with assets worth \$500 million and operations in various sectors, such as food processing, private security, building materials, and real estate (AFP, 2017, p. 1; News24, 2017, p. 1).

The dominance of Rwanda's socio-economic environment by the ruling political party, the RPF, under the chairmanship of President Paul Kagame suggests that one needs to be closely associated with the ruling party or be in partnership with the ruling party to break through the business environment in the country. According to Umuhoza's (2022, p. 3) argument, Rwanda's high growth rates are mainly influenced by foreign aid rather than a thriving private sector or trade, as evidenced in 2012. When financial assistance was suspended by donor countries in the same year due to Rwanda's alleged involvement in the conflict in the eastern Democratic Republic of Congo, the country's economic growth rate slowed down.

The other problem making it difficult for businesses to thrive is the lack of basic infrastructure such as water, roads, and electricity. Rwanda has made substantial governance reforms for doing business; however, significant challenges remain in mobility in Rwanda. These include a lack of roads, electricity, water infrastructure, etc., especially in the country's rural areas. As per the report by Rwanda Energy Group (2023, p. 1), the 5th Population and Housing Census conducted in August 2022 revealed that 61.0% of Rwandan households have access to electricity. Out of this, 47% are connected to the national grid, while the remaining 14% access electricity through off-grid systems, primarily solar. There are, however, differences between rural and urban areas where according to the World Bank (2023, p. 1), Access to electricity in Rwanda's rural population was 38.2% (est. 2021). In the past decade, the quality of the road network has improved thanks to substantial investments and regular maintenance. Nonetheless, there are still some outstanding issues that require attention to further enhance the infrastructure's quality. The Ministry of Infrastructure (MININFRA) has identified several transportation challenges in rural areas, including a lack of all-season roads, inadequate traffic management, and insufficient integrated public transport (MININFRA, 2021).

### **3.6.** Promote political stability inside the country and with neighbouring countries

Rwanda has generally enjoyed a satisfactory level of national stability due to the heavy-handed approach of the Rwandan government over the last 29 years. However, this has generally been achieved at the expense of ordinary citizens human rights. The Government of Rwanda is well known for using excessive force to deal with political opponents and ordinary citizens whose ideas are suspected of contradicting the ruling party's propaganda. As per the observations made by the esteemed International NGO Human Rights Watch (HRW), the Rwandan Patriotic Front is notorious for their disregard for human rights. Instances of arbitrary detention, mistreatment, and torture are rampant in both official and unofficial detention centres. Moreover, many sensitive political cases are handled in a biased manner, with fair trial standards being routinely flouted. Security-related charges are often used to silence prominent government critics. Even street children, sex workers, and petty vendors are not spared from arbitrary detention and mistreatment (HRW cited in the Independent Newspaper (2022, p. 1)).

There is also a need to improve political stability outside the country to attract foreign investment. Peace and security within and between countries are critical to socio-economic development. For example, Singapore is said to have reduced racial tension and created stability for the Singaporean people and everybody (including foreign citizens) in the first decade of its independence. Not only did Singapore's president almost eliminate racial tension, but he also built an independent national defence system strong enough to protect the country's citizens from foreign aggressions and to thwart an internal disruption of his development agenda.

Rwanda also has a strong security apparatus (army, police, secret services, known as the only country using the Israeli-made Pegasus Spyware to track everyone worldwide) in the East African region. The government's ability to silence anyone it deems to be a threat to the ruling elite anywhere in the world is well established. Hence, Rwanda is a landlocked country. It cannot undertake any project that links it to the Indian Ocean without the explicit support of its neighbouring countries. The fact that the Rwandan government can only address its socio-economic problems

with foreign financial aid is exemplified by the fact that foreign aid contribution to capital formation is nearly 58% (Himbara, 2021b, p. 1). In addition, Rwanda is a landlocked country; it cannot undertake any project that links it to the Indian Ocean without the explicit support of its neighbouring countries. In this precarious geopolitical situation, a country cannot afford to engage in conflict or sabotage its neighbours' security.

According to Umuhoza (2022), Rwanda's development will depend on trade and regional integration. However, instead of strengthening relationships with neighboring countries, Kigali has been accused of contributing to regional insecurity and increasing political tensions. For instance, in 2013, relations between Tanzanian President Jakaya Kikwete and Rwandan leaders Paul Kagame deteriorated when Kagame publicly threatened Kikwete. This incident is seen as one of the most significant signs of worsening relations between the two countries and their leaders. Rwandan leaders have also called the Tanzanian President "a genocide and terrorist sympathizer," "ignorant," "arrogant," and a "mediocre leader" on multiple occasions (Afroamerica Network, 2013, p. 1).

During a summit called "Youth Connect" in Rwanda on 30 June 2013, General Paul Kagame, the country's dictator, addressed the Rwandan youth (Afroamerica Network, 2013, p. 1). The summit was sponsored by Janet Kagame, his wife. During his speech, General Kagame made a threatening remark, stating that he would seek revenge against Tanzanian President Jakaya Kikwete. In Kagame's (2023) own words:

"Those people [Tanzanian President Jakaya Kikwete] you just heard siding with Interahamwe and FDLR and urging negotiations... negotiations? I do not even discuss this topic because I will just wait for you [Tanzanian President Jakaya Kikwete] at the right place, and I will hit you! He [Tanzanian President Jakaya Kikwete] did not deserve my answer. I did not waste my time answering him. It is well known. There is a line you cannot cross; there is a line, a line that you should never cross. It is impossible..." (Afroamerica Network, 2013, p. 1; Kagame, 2023).

Rwanda and Burundi have also been at loggerheads, with Burundi accusing Rwanda of being behind the failed coups to overthrow former President Pierre Nkurunziza in 2015. According to the Immigration and Refugee Board of Canada (2015, p. 1) According to a BBC article on 7 October 2015, the relationship between Burundi and Rwanda worsened when Burundi accused Rwanda of harbouring Major General Godefroid Niyombare, the gang leader of a failed coup plot, along with several other opposition leaders suspected of involvement in the coup attempt to overthrow President Pierre Nkurunziza in 2015 (BBC, 2015). Allegations and counter allegations between two countries from 2015 escalated in 2018 when President Nkurunziza declared that he "no longer considers Rwanda a partner but an enemy" (Diaby and Hajayandi, 2018, p. 1) after multiple attacks of armed groups believed to have been directly or indirectly supported by the Government of Rwanda to create instability in Burundi. Rwanda also alleged that Burundi was supporting armed groups to topple President Kagame. The eruption of an "open conflict between any of the four Rwanda's neighbouring countries would lead to devastating consequences for the entire Great Lakes region" (Diaby and Hajayandi, 2018, p. 1).

Rwanda's insecurity problems are not limited to Burundi. In 2019, Rwanda closed the Gatuna Border that connects Uganda and Rwanda. The reason for the closure was that Rwanda accused Uganda of mistreating Rwandan citizens and supporting dissidents who aimed to overthrow Rwanda's government in Kigali (Reuters, 2022, p. 1). On the other hand, Uganda's President, Yoweri Museveni, accused Rwanda of illegal spying in Uganda (Reuters, 2022, p. 1). The closure of the border had severe consequences for people outside Rwanda and Uganda. The border is an essential transportation route for goods from the Mombasa seaport to Burundi, Rwanda, Uganda, and the Democratic Republic of Congo (The Conversation 2022, p. 1). Finally, after three years of deadlock, Rwanda reopened the Gatuna border with Uganda in 2022, ending the impasse (The Conversation, 2022, p. 1).

The Government of Rwanda has also been accused of sabotaging neighbouring countries with which it also wants to work on major economic projects such as the multi-country Railway project from Isaka (Tanzania) to Kigali, Rwanda, to Bukavu (DRC) and Bujumbura (Burundi) (The Independent Uganda, 2018). Rwanda has also been involved in conflicts with its western neighbour, the Democratic Republic of the Congo (DRC). As of 2023, Rwanda has invaded DR Congo twice, claiming that it was fighting rebel groups based there. However, the Rwandan army (Rwandan Defence Forces (RDF)) has been accused of looting minerals during the conflict, which caused an estimated five million deaths. Human Rights Watch (2023, p. 1) has reported that "Rwanda-backed M23 rebels in the eastern Democratic Republic of Congo are committing unlawful killings, rape, and other apparent war crimes." The insecurity created by Rwanda in its neighbouring countries contributes to its underdevelopment. Rwanda's understanding of the need to develop with its neighbours is contrary to Singapore, which is said to have developed because it is surrounded by developed countries.

#### **3.7.** Promote inclusive development model that genuinely address Tutsi, Hutu and Twa ethnic inequalities to advance unity, stability and solidarity

According to recent findings by the World Bank (2023, p. 3), the task of reducing poverty has become increasingly difficult due to a slowdown in progress. Ensuring inclusive growth continues to pose a significant challenge. While Rwanda's capital, Kigali, is often called the cleanest capital city in Africa, most Rwandans, especially in rural areas, are poor as they lack food and essential services (World Bank, 2023, p. 2). While Rwandans of all ethnic background are facing poverty, the fact that most senior politicians, priests, military officers, government employees at all spheres of government are predominantly from the Tutsi minority comprising about 14% of the 13 million population is cause for serious concerns. According to Mahmood Mamdani (2001), the regime believed that Tutsi power was necessary for Tutsi survival. According to Reyntjens (2021, p. 1), most of the high-level positions in Rwanda are held by Tutsi people despite them making up only 10%–15% of the population. Although the government has banned references to ethnicity, this information is widely known among Rwandans. According to a study conducted by Reyntjens in 2021, titled "From ethnic amnesia to ethnocracy: 80% of

Rwanda's top officials are Tutsi," concerning trends were revealed. The study analysed the backgrounds of 205 senior officials and found that 166 were Tutsi and 38 were Hutu, resulting in an overall ratio of 81:19. However, the distribution varies across different areas, with 66% of the 29 national government members analysed being Tutsi. At less visible levels, such as in the army and security services, 86% of the 15 major office holders were Tutsi. Similarly, 96% of the top 27 positions in major parastatals and public agencies were held by the Tutsi ethnic group. At the local level, 70% of the 29 identified district mayors were also Tutsi (Reyntjens, 2021).

Reyntjens (2021, p. 1) was not the only one to find evidence of deliberate exclusion or discrimination against Hutu officials in Rwanda. In 2008, the US Embassy in Kigali reported that two-thirds of the 118 senior positions were filled by Tutsi individuals. The report warned that ethnic violence is likely to come from the exclusion of the Hutu ethnic majority from almost all-important socio-economic sectors of the country. It warned about possible ethnic tensions if this problem is not addressed urgently (Reyntjens, 2021, p. 1).

#### 3.8. Avoid heavy dependency on foreign borrowing

The 2019/2020 budget analysis clearly shows how the Rwanda government is heavily dependent on foreign financial sources. For example, according to the Minister of Finance's Budget Speech for the financial year 2019–2020 to Rwanda's National Assembly in 2019, "The total budget for 2019/20 was estimated at "RWF 2.87 trillion or \$3.2 billion". According to the World Bank (2023, p. 2), public investments account for 13% of the country's GDP, leading to significant fiscal deficits that are financed through external borrowing. The debt-to-GDP ratio increased to 56.7% in 2019 (from 19.4% in 2010) and is estimated to have reached 71% of GDP in 2020 due to increased borrowing needs caused by the pandemic.

#### **3.9.** Invest in the most productive sectors of the economy

The problem in Rwanda is that mostly foreign-originated funding has been invested in highly risky with little return, such as Airports, hotels and accommodations, expensive conference venues, sports arenas, and others. Rwanda's debt of \$1.4 billion owed to the IMF and World Bank was written off under these financial institutions' Heavily Indebted Poor Countries (HIPC) initiative. The country quickly accumulated more debt after the write-off (The New Humanitarian 2015, p. 1). After the IMF and World Bank write-off a large chunk of Rwanda's debt in 2008, the remaining debt stood at only \$688.9 Million (Himbara, 2018, p. 1). Rwanda's debt as a percentage of GDP, fell from 119.5% (1995) to 19.5% (2000) to rise again to the to the historically high level of public debt 73% of GDP in 2021 and 71.3% in 2022 (IMF, 2023, p. 1).

During the early 2010s, the Rwandan government incurred a debt exceeding \$400 million to enhance the national airline and fund substantial infrastructure projects aimed at fostering the Meetings, Incentives, Conferences, and Exhibitions (MICE) industry. Among the notable projects were the Kigali Convention Centre and Bugesera International Airport (Umuhoza, 2022, p. 2).

While the country has heavily invested in building hotels and recreation venues such as Kigali Arena, COVID-19 has haltered the full utilisation of these infrastructures, and many went bankrupt. According to Umuhoza (2022, p. 2), the intended returns were not generated by the initiatives, and they fell even further behind during the COVID-19 pandemic. Most of these infrastructures would need a large influx of foreign visitors to survive. They would also need a high-income population with extra money for leisure activities. The problem is that most hotels are too expensive and unaffordable to the average Rwandan people, and foreign tourists have been limited due to COVID-19.

## 4. Conclusions, recommendations, limitations and suggestions for further studies

This paper evaluates how and why the Government of Rwanda's Vision 2020 failed to achieve middle-income status in 2020. It also aimed to draw lessons from other developing countries that seek to imitate the development pathways of the East Asian Tiger Countries' development model to achieve the MIC status and develop in the future. The discussion in this paper leaves no doubt that the Government of Rwanda failed to achieve the MIC status in 2020. The Rwandan government and its development partners, such as the IMF and the World Bank, knew that Rwanda would not be able to achieve the MICs status as early as 2017 (i.e., approximately two years before the first case of COVID-19 and three years before the deadline for Rwanda's Vision 2020 was due to expire. Therefore, there is no way COVID-19 could be blamed for Rwanda's failure to achieve the MIC status in 2020.

Among the many reasons why the Government of Rwanda failed to achieve the MICs status after implementing Vision 2020 was the poor planning and implementation of this vision. For example, it appears that the idea that the so-called "African Lion" would be able to achieve the MICs status in less than 20 years, while countries such as Singapore took no less than 15 years, while others took longer, was extremely over-ambitious. No rational reason was given to explain how a country that is landlocked with little to no natural resources and heavily dependent on foreign aid to meet its citizens' basic needs was expected to achieve a GDP growth rate of 7% in 20 years. It was unclear how it would grow its GDP per capita from \$254.94 (2000) to \$1240 in 20 years.

Most importantly, it is difficult to see the link between the two EDPRSs, their multiple implementation strategies, and the achievement of Rwanda's Vision 2020. Therefore, because the different plans for Vision 2020 were done and implemented in a piecemeal fashion, and these plans had no direct link to the overall objectives of Vision 2020, it was difficult to know how they contributed to whatever achievements of Vision 2020 in the country.

It is impossible to understand that the links between MTEFs and the annual budget for service delivery disbursement were logically and systematically linked to achieving Vision 2020's objectives between 2000 and 2020 (i.e., for 20 years). The best way to determine the annual budget would have been to figure out the budget for successfully implementing Vision 2020 over 20 years.

Based on the analysis in this paper, the irrational GDP growth targets for Rwanda's Vision 2020 suffered from poor coordination between its implementation strategies, plans, and the country's budgeting systems. For example, the country's MTEF was linked to EDPRS, SSPs and MTEF funding. However, there was no indication between MTEF, and the necessary budget Rwanda's government needed to achieve the objectives of Vision 2020. Without a direct link between Vision 2020, EDPRS (I & II), and the MTEF (3 years) and Annual budgets, there was no way Rwanda could have expected Vision 2020 to succeed. The analysis in this paper shows that proper planning and budgeting are critical to successful implementation. Therefore, countries seeking to do what Rwanda's Vision 2020 failed to do must plan and budget carefully and systematically to avoid failure.

A comparison between Rwanda and countries that transitioned from low to upper-middle income in the past 50 years allows us to note that there was no way the Government of Rwanda could replicate the experience of Singapore which was used as a benchmark to demonstrate how the country failed to achieve Middle income status in 2020. However, even though the author of this article agrees with one anonymous reviewer of this article's observation that "This is impossible, looking at the differences in economic structure between Singapore and Rwanda"; Rwanda's experience contained in this article provides several critical lessons other developing countries can learn. For example, the analysis of the countries that transitioned from poverty to developed countries focused on what they were good at and good for. Developing countries such as Rwanda must identify and focus on their competitive advantages and prioritise them. That is what countries rich in natural resources and coastal and Island countries such as Belize, China, Singapore, and Indonesia did. They used their favourable geographical locations to attract substantial foreign direct investments to develop the tourism, service, and marine transport industries, with heavy investment in the international port sectors. Rwanda (and other developing countries) needs to imitate China and Indonesia. Both countries are the most populous in the world and have used their large populations to create the largest internal markets. To do so, they provided quality education to attract FDI, stimulate innovation and research and development (RD) and diversify industries. Doing so helped these countries improve the citizens' socio-economic conditions and save and invest in the country.

In addition to providing good quality education and diversification of their industries, these countries created a conducive environment for the private sector business and investment to thrive and to supplement government investments. The fact that the ruling party companies in Rwanda dominate most infrastructure and development initiatives is unsustainable.

Rwanda also must promote political stability inside the country and with neighbouring countries. A landlocked country cannot afford to engage in permanent conflicts with the neighbouring countries that it needs to access the oceans. In addition, Rwanda needs to promote an inclusive development model that genuinely addresses Tutsi, Hutu and Twa ethnic inequalities to advance unity, stability and solidarity. With internal and external peace, building sustainable development and attacking vital foreign investments will be easier.

Finally, Rwanda must avoid heavy dependency on foreign borrowing and create

conditions for internal investment and saving. The fact that the RPF ruling party business empire dominates all socio-economic sectors suggests the Rwandan government have stifled the opportunity for Rwandans to invest in their country and to support the government in providing critical infrastructures and service delivery. It must also invest in the most productive sectors of the economy to uplift the citizens out of poverty and reduce the country's debt and dependency on foreign financial institutions.

#### Limitation and suggestions for further research

The primary limitation of this study stems from the inability to gather primary data through scientific methods such as interviews and questionnaires. This gap means that the perspectives and voices of the individuals directly affected are not represented in the research.

Future research could enhance the findings of this study by conducting fieldwork in Rwanda, allowing researchers to directly engage with the local population. Such an approach would provide invaluable insights into the ordinary Rwandan citizens' views on whether the Government of Rwanda has met the objectives outlined in Vision 2020. The inclusion of the people's critical voices and perceptions, currently absent in this discussion and the existing literature, would significantly enrich our understanding.

Furthermore, while this paper (especially section 4) focuses more on what Rwanda and any other country should do, the main goal of this research was to explore potential solutions rather than providing a detailed guide on implementation. It recognizes that each recommendation needs to be carefully considered within its specific context, as no universal solution applies to every situation. There is no oneshoe-fits-all solution to any of the suggested "what to do" or recommendations this research provides. Therefore, while it is true that the how to do is essential and is missing or blank," the paper suggests that these issues would need further studies to take into the prevailing socio-economic context of the different developing countries, including Rwanda.

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