

# THE RWANDA WE WANT: TOWARDS 'VISION 2050'

**Claver GATETE**

Minister of Finance and Economic Planning, Rwanda  
National Dialogue Presentation

*16 December 2016*

- Moving from Vision 2020 to Vision 2050 including Lessons
- Vision 2050: High Standards of Living
- Requirements for High Standards of Living
  - Potential Income Targets
- Lessons from Successful High Income Countries for Rwanda
- Key Requirements for Transformation
- Process for Elaboration and Discussion Questions

# From Vision 2020 to Vision 2050



- Much progress has been made on Vision 2020
- New global commitments have been made :
  - Addis Ababa Action Agenda (Financing for Development) - 2030
  - Sustainable Development Goals (SDGs) - 2030
  - Paris Declaration on Climate Change (2030)
  - EAC Vision 2050
  - African Union Agenda 2063
- **All the above will inform Vision 2050 elaboration**

# Vision 2050:

## High Standards of Living for Rwandans



- Vision 2050 is **about ensuring high standards of living for all Rwandans.**
- Elaboration of the Vision 2050: **society we live in** and the **society we want**
  - Five main areas :
    1. Quality of Life
    2. Modern Infrastructure and livelihoods
    3. Transformation for prosperity
    4. Values for Vision 2050
    5. International cooperation and positioning

# I. Quality of Life

- Expected standards for all Rwandans:
  - Sustained food security and nutrition for all households and age groups
  - Universal, sustainable and reliable access to water (in houses) and sanitation
  - Affordable, sustainable, reliable and modern energy
  - Universal access to:
    - ✓ quality health care and services
    - ✓ quality education
    - ✓ financial services
    - ✓ dignified and SMART housing (with high speed internet)
    - ✓ pension, medical insurance and savings
  - Environmentally friendly and climate resilient surroundings
  - Sustained national security

## II. Modern Infrastructure and livelihoods



- Modern and SMART cities (optimal space utilization, connected cities, broadband, internet of things)
- Green/Eco-friendly cities and neighborhoods;
  - ✓ e.g. powered by renewable energy, recycling, etc.)
- SMART towns and rural settlements
- Modern transport facilities and services (efficient public transport, reliable infrastructure)
- Efficient public and private services

# III. Transformation for prosperity



- **Increased productivity and competitiveness while providing jobs for Rwandans.**
  - ✓ Diversified tourism
  - ✓ High value IT and tech services/industry: e.g. electronics
  - ✓ Business and financial services
  - ✓ Logistics and aviation: airline, airport, drones, ports, etc.
  - ✓ Agro-processing: advanced food industry, technology intensive agriculture with a commercial focus
  - ✓ Scientific and technological innovations: e.g. nanotechnology and biotechnology
  - ✓ Construction industry; e.g. housing, local materials development and expansion)
  - ✓ Extractive industries (mining, oil and gas): with focus on value addition

# IV. Core Values

- **What will define Rwandans in 2050? What are the aspirations and shared values as a society?**
  - Self-determination, including self-sufficiency as a Nation (Kwigira), Solidarity and Dignity (Agaciro)
  - Unity and Rwandan Identity/culture
  - Integrity
  - Equity (including gender)
  - Transparency and openness
  - Accountability
  - Community participation and contributing to local innovation
  - National stability

# V. International cooperation and positioning

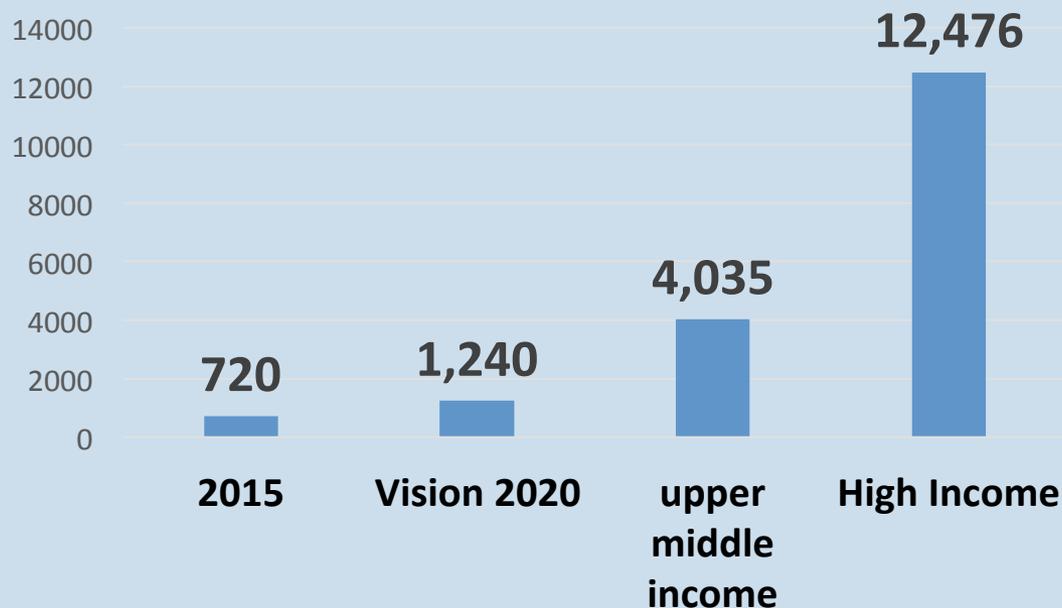


- Regional integration
- Multi-lateral and bilateral cooperation
- Positioning abroad (Public and Private)
- Freeing ourselves from aid dependency sooner

- These high standards of living will require:
  - High and sustained growth of the economy
  - Building on Positive Rwandan Values
  - Building on successful foundations e.g. use of ICT, ease of doing business, etc.

# Prospective Income levels for Rwanda by 2050

## Income Classification - GDP per Capita in USD



Rwanda's Population will double the current number by 2050 to around 22 million

### Target

- To reach Upper Middle Income by 2035 and High Income by 2050
- This will require average annual growth of above 10% (**doubling current growth**)

# Transitioning from Low to Upper Middle Income

Country	Start year	Time taken to Upper middle Income	GDP growth average	Main drivers
<b>Belize</b>	1960	44	5.9%	Tourism in tiny population
<b>Botswana</b>	1972	19	11.4%	Diamonds: 62% exports
<b>China</b>	1993	16	10.1%	Largest internal market in world, surrounded by high-growth countries
<b>Dominican Republic</b>	1960	50	5.4%	Balance of manufacturing, services& tourism.
<b>Equatorial Guinea</b>	1995	3	80.1%	Large oil reserves in 1996; about 98% of exports are oil

## Transitioning from Low to Upper Middle Income (2)

Country	Start year	Time taken to upper middle income	GDP growth average	Main drivers
<b>Indonesia</b>	1977	37	5.6%	Large internal market, balance of manufacturing & services
<b>Malaysia</b>	1960	34	7.1%	Largest producer of rubber & tin in the world – 60% of exports, surrounded by high growth countries
<b>Sri Lanka</b>	1979	36	5.1%	High education rates, tourism, surrounded by high-growth countries
<b>Thailand</b>	1970	32	6.3%	Raw materials & gold, tourism and balance with services

# Lessons from successful HighIncome Countries: Korea

Country	2015 (GNI per capita)	Innovations undertaken
Korea	27,440	<ul style="list-style-type: none"><li>➤ Continuous <b>investment in education and innovation</b><ul style="list-style-type: none"><li>➤ R&amp;D of 4.1% of GDP in 2013 and ranking 19<sup>th</sup> in innovation globally</li></ul></li><li>➤ High levels of <b>savings and investment</b></li><li>➤ Continuous “<b>technological upgrade</b>” towards competitiveness</li><li>➤ <b>Political and social consensus on reforms</b></li><li>➤ <b>Attracting FDI and growing exports</b></li></ul>

# Lessons from successful High Income Countries: Finland & Estonia

Country	2015 (GNI per capita)	Innovations undertaken
Finland	46,360	<ul style="list-style-type: none"><li>• Attracting big FDI e.g. NOKIA</li><li>• Replaced wood and paper industry with electronics</li></ul>
Estonia	18,480	<ul style="list-style-type: none"><li>• Technology</li><li>• SKYPE HQs</li><li>• Internet access as a human right</li><li>• Developed E-Estonia for service delivery</li></ul>

# Lessons from successful High Income Countries: Singapore & Israel



Country	2015 (GNI per capita)	Innovations undertaken
Singapore	52,090	<ul style="list-style-type: none"> <li>• Attracting talent and FDI</li> <li>• Focus on value addition &amp; Research</li> <li>• Economic Development Board operates swiftly to attract investors e.g. NESTLE, PHILLIPS, HP, etc.</li> <li>• Introduced a productivity tax credit</li> <li>• Policies for long term savings; Constitution forbids budget deficits</li> </ul>
Israel	35,440	<ul style="list-style-type: none"> <li>• High tech firms</li> <li>• R&amp;D center for big firms like MICROSOFT, APPLE linked to local SMEs</li> <li>• Science based industry: Office of Government Chief Scientist established in 1978</li> <li>• Venture capital markets linked to the US (highest investment per capita in venture capital)</li> <li>• Innovation in defense motivated by adversity following embargo on arms dealing imposed by France following 1967 'Six Days War'</li> </ul>

# Common Success Factors across successful High Income Countries



- Well-governed and fast growing countries with **Visionary Leadership**
- **High investment in human capital** (with focus on Research and Development)
- **Labor intensive industries** that later moved into **technology intensive industries and services**
- Attracting and **expanding FDI with swiftness**
- High focus on **productivity** (productivity of labour, competitiveness of firms led to increased productivity of the economy)
- A shared **national mindset for development**
- Development of **long term savings**

# Rwanda: Key Success Factors in Development Progress



- **Visionary Leadership**
- **Good Governance and accountability**
- **Inclusive development model** – gender equality, pro-poor, unity and solidarity
- **Home grown initiatives (e.g. Umuganda, Gacaca, Agaciro, Kwigira, Ubudashyikirwa,) etc.**
- **Determination to succeed** after a tragic past following the Genocide against the Tutsi
- **Investment in human capital** – mainly capacity building from a low base
- **Results oriented institutional framework** – performance contracts

# Key Requirements for Transformation



1. **High Level of Commitment and Sacrifice**
2. **Transformation of Rwandan society (Attitudes and Behaviour) :**
  - Culture of excellence, integrity + sense of urgency in delivery
  - Thinking BIG, Implementing BIGGER + FASTER + SMARTER
  - Focus on key priorities and ensuring long term consistency
  - Adopting a **national development mindset**
  - Developing a **culture of saving and sacrifice** for a better future
  - **Strong accountability** ensuring value for money
3. **Prolonged National Stability** (Good Governance, Inclusive development, Security)

# Process for elaboration of Vision 2050



- Through a consultative process engaging all stakeholders:
  - ✓ General public (at all levels from grassroots)
  - ✓ Diaspora
  - ✓ Private sector
  - ✓ Civil society organizations and faith based organizations
  - ✓ Development partners
  - ✓ Academia and research institutions,
  - ✓ Political parties
- The aim is to complete the Vision 2050 by the end of 2017 (including targets for 2035)

# Questions for Discussion

- What **TRANSFORMATIONAL** things can be included in the Vision 2050 to accelerate our development?
- Which **VALUES** are critical to accelerate long term development building on our core values?
- How do we prepare and engage the **YOUTH** to take the Vision 2050 forward? – To Bridge the inter-generational gap and ensure sustainability

# Thank you