THE RWANDA WE WANT: TOWARDS ‘VISION 2050’

Claver GATETE
Minister of Finance and Economic Planning, Rwanda
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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

- **2015**: 720 USD
- **Vision 2020**: 1,240 USD
- **Upper middle income**: 4,035 USD
- **High Income**: 12,476 USD

**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)

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

_Dufatanyije, twubake u Rwanda twifuza | #Umushyikirano2016_
## Transitioning from Low to Upper Middle Income

<table>
<thead>
<tr>
<th>Country</th>
<th>Start year</th>
<th>Time taken to Upper middle Income</th>
<th>GDP growth average</th>
<th>Main drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belize</td>
<td>1960</td>
<td>44</td>
<td>5.9%</td>
<td>Tourism in tiny population</td>
</tr>
<tr>
<td>Botswana</td>
<td>1972</td>
<td>19</td>
<td>11.4%</td>
<td>Diamonds: 62% exports</td>
</tr>
<tr>
<td>China</td>
<td>1993</td>
<td>16</td>
<td>10.1%</td>
<td>Largest internal market in world, surrounded by high-growth countries</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>1960</td>
<td>50</td>
<td>5.4%</td>
<td>Balance of manufacturing, services &amp; tourism.</td>
</tr>
<tr>
<td>Equatorial Guinea</td>
<td>1995</td>
<td>3</td>
<td>80.1%</td>
<td>Large oil reserves in 1996; about 98% of exports are oil</td>
</tr>
</tbody>
</table>
## Transitioning from Low to Upper Middle Income (2)

<table>
<thead>
<tr>
<th>Country</th>
<th>Start Year</th>
<th>Time Taken to Upper Middle Income</th>
<th>GDP Growth Average</th>
<th>Main Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>1977</td>
<td>37</td>
<td>5.6%</td>
<td>Large internal market, balance of manufacturing &amp; services</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1960</td>
<td>34</td>
<td>7.1%</td>
<td>Largest producer of rubber &amp; tin in the world – 60% of exports, surrounded by high growth countries</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>1979</td>
<td>36</td>
<td>5.1%</td>
<td>High education rates, tourism, surrounded by high-growth countries</td>
</tr>
<tr>
<td>Thailand</td>
<td>1970</td>
<td>32</td>
<td>6.3%</td>
<td>Raw materials &amp; gold, tourism and balance with services</td>
</tr>
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# Lessons from successful High Income Countries: Korea

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<tr>
<th>Country</th>
<th>2015 (GNI per capita)</th>
<th>Innovations undertaken</th>
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| Korea   | 27,440                | ✓ Continuous *investment in education and innovation*  
|         |                       | ✓ R&D of 4.1% of GDP in 2013 and ranking 19<sup>th</sup> in innovation globally  
|         |                       | ✓ High levels of *savings and investment*  
|         |                       | ✓ Continuous “*technological upgrade*” towards competitiveness  
|         |                       | ✓ Political and social consensus on reforms  
|         |                       | ✓ Attracting FDI and growing exports  |
## Lessons from successful High Income Countries: Finland & Estonia

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<th>Country</th>
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| Finland | 46,360                | - Attracting big FDI e.g. NOKIA  
- Replaced wood and paper industry with electronics |
| Estonia | 18,480                | - Technology  
- SKYPE HQs  
- Internet access as a human right  
- Developed E-Estonia for service delivery |
## Lessons from successful High Income Countries: Singapore & Israel

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<th>Country</th>
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| Singapore | 52,090                | • Attracting talent and FDI  
• Focus on value addition & Research  
• Economic Development Board operates swiftly to attract investors e.g. NESTLE, PHILLIPS, HP, etc.  
• Introduced a productivity tax credit  
• Policies for long term savings; Constitution forbids budget deficits |
| Israel   | 35,440                | • High tech firms  
• R&D center for big firms like MICROSOFT, APPLE linked to local SMEs  
• Science based industry: Office of Government Chief Scientist established in 1978  
• Venture capital markets linked to the US (highest investment per capita in venture capital)  
• Innovation in defense motivated by adversity following embargo on arms dealing imposed by France following 1967 ‘Six Days War’ |
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