



UNIVERSITY of  
RWANDA  
*College of Business and Economics*





## UR/CBE-JU/JIBS

### 4<sup>th</sup> International Conference of Eastern Africa Business and Economic Watch (4<sup>th</sup> EABEW-2019)

#### **Theme: “Inclusive Growth and Sustainable Socio-Economic Transformation”**

**June 12-14, 2019, College of Business and Economics, University of Rwanda, Kigali**

#### **Introduction**

Rwanda has been making strides in development front during the last two decades. It has been emerging as a fast-growing economy second only to Ethiopia in the continent. Both Rwanda and Ethiopia are the part of Eastern Africa, which has experienced rapid economic growth. The socio-economic scenario of this region has been changed since the beginning of 21<sup>st</sup> century with the fast growth of agriculture, industry and tertiary sectors. Inclusive growth has been the main stay of development strategy of

Rwanda since the dawn of new era of socio-economic transformation began. Inclusiveness of women in top decision-making bodies of the country and decentralized local government and enhanced participation of citizens in discovering home grown solutions to several economic problems like poverty have contributed to sustained results of improvement.

According to World Economic Forum’s 2017 report on Inclusive Growth and Development, there is a global consensus on the socially-inclusive approach to generate economic growth, but it laments that it remains an aspiration.

Many developing countries in Africa, Rwanda inclusive, have embarked upon the inclusive

approach to transform their economies. The emphasis on ‘developing agriculture’ continues while the manufacturing and services are focused more to gain and sustain the momentum of growth. A great emphasis has been laid in Rwanda on the service sector development by mainly investing in infrastructure. Rwanda has identified, recently, its future drivers of growth aiming at sustainable socio-economic transformation paving the way for realizing the defined vision of 2050. On the similar note the East African Community has established vision 2050 in conformity to the Africa Agenda 2063. All these long-term agenda at country level, regional and continent level address the inclusive growth issues to attain sustainable socio-economic transformation.



Therefore, this conference is addressed to enquire in to the relationship between inclusive growth and the changing dynamics of agriculture, manufacturing and services sectors in Rwanda and the region. The title of the conference is “Inclusive Growth and Sustainable Socio-Economic Transformation”. The conference is aimed at bringing together researchers, policy makers, industry practitioners and other stakeholders to discuss and try to understand the inclusive growth and the sustainable socio-economic transformation. The prime focus of the conference will be on Rwanda, but the Eastern Africa shall also particularly highlighted and targeted as this region has been transforming much faster than the other regions in the Africa content as a whole. However, the continent level focus shall not be missed out in the conference.

### **The EABEW Conference**

This is a 4<sup>th</sup> EABEW 2019 is an international conference in series organized by the College of Business and Economics, University of Rwanda in collaboration with the Jonkoping International Business School of Jonkoping University, Sweden under the UR-Sweden, Economics and Management Sub-programme. The 1<sup>st</sup> EABEW-2015 was organized during 4<sup>th</sup> to 6<sup>th</sup> May with a theme of “Recent Trends in Economic Development, Finance and Management Research in Eastern Africa”. Received 72 papers and presented 68 papers in the conference, among which are 50 peer-reviewed articles in three books published by Springer with titles Entrepreneurship and SMEs Management Across Africa; Poverty and Well-Being in East Africa; Economic Integration, Currency Union, and Sustainable and Inclusive Growth in East Africa. The 2<sup>nd</sup> EABEW-2016 was also organized on the same theme but with a focus on “Entrepreneurship

and Innovation”. 93 papers were presented in this conference, which were published in international peer reviewed journals and three edited books. The 3<sup>rd</sup> EABEW -2017 was organized on Business, Economic Development and Policy on the theme of “Perspectives on Rwanda from Vision 2020 to Vision 2050” in which 117 papers were presented. Majority of these papers were published in the edited books by Springer, Edgar, and Routledge

### **4<sup>th</sup> EABEW 2019 International Steering Committee**

- Prof. Phillip Cotton, Vice-Chancellor, UR, Patron
- Dr. Gasheja Faustin, Acting Principal, CBE-UR, Chair
- Prof. Jerker Moodysson, Dean and MD, JIBS, JU, Co-Chair
- Prof. Almas Heshmati, Department of Economics, JIBS, Member
- Lars Hartvigson, Team Leader, E&M Sub-Programme JIBS, Member
- Prof. Bideri Ishuheri Nyamulinda, Acting Director Research & Innovation, CBE- UR Member
- Prof. Rama B. Rao, Team Leader, E&M Sub-Programme, CBE-UR, Secretary

### **4<sup>th</sup> EABEW 2019 Scientific Committee**

- Prof. Almas Heshmati, Deaprtment of Economics, JIBS, Chair
- Prof. Herman Musahara, Department of Economics, CBE-UR, Co-Chair
- Prof. Scott Hacker, Deaprtment of Economics, JIBS, Member,
- Prof. Olof Brunninge, Deaprtment of Business Administration, JIBS, Member
- Prof. Ethel Brundin, Associate Dean of Research, JIBS, Member
- Prof. Yitbarek Takele, Business Administration, Addis Ababa University, Addis, Ethiopia Member



- Dr. Liberata Mukamana, Department of Economics, CBE-UR, Secretary

#### **4<sup>th</sup> EABEW 2019 Organizing Committee**

- Prof. Rama B. Rao, Team Leader, E&M Sub-Programme, CBE-UR Chair
- Prof. Bideri Ishuheri Nyamulinda, Acting Director Research & Innovation, CBE- UR Member
- Dr. Francois Niragire, Acting Director of Teaching and Learning Enhancement, CBE-UR, Member
- Dr. Jonas Barayandema, Acting Dean, School of Business, CBE-UR, Member
- Dr. Muhoza N. Dieudonne, Acting Dean, School of Economics, CBE-UR, Member
- Mr. Mupenzi Gashugi Celestin, Budget Officer, UR, Member
- Dr. Johnson Bosco Rukundo, Deputy Team Leader, E&M Sub-Programme, CBE-UR, Secretary

#### **Sub-Committees**

##### **Welfare committee**

Ndahimana Michel  
Mukulira Olive

##### **Logistics**

Ndibwirende Jean claude  
Nyiringango Pascal  
Havugimana Dieudonne

##### **Security**

Sibomana Emmanuel  
Kayisire Pascal

##### **Protocol**

Mbabazi Dorothy  
Mutoni Diana  
Kantengwa Nousla  
Rusagara Jean Bosco  
Mugwaneza Olivier  
Uwanyiligira Angelique

##### **Sponsorship**

Prof. Rama  
Rukundo Bosco Johnson  
Mupenzi Celestin

##### **Key Note Speakers**

**Professor Almas Heshmati**



## **EFFECTS OF MONETARY AND FISCAL POLICIES ON FOREIGN DIRECT INVESTMENT IN MOZAMBIQUE DURING THE PERIOD 2005-2015**

The study aims to analyse the effects of monetary and fiscal policies on foreign direct investment in Mozambique. This is accomplished emphasizing the effect of money supply, lending rate, treasury bills rate, inflation rate, taxes, and government expenditure on foreign direct investment. Implicitly the critical question raised in this study is: what are effects of monetary and fiscal policies on foreign direct investment inflows in Mozambique? The study utilises quarterly macroeconomic data from 2005 to 2015. The methodology draws upon unit roots and Johansen testing for cointegration using a vector error correction model to explore the dynamic relationship of short and long run effects of the independent variables on the dependent variable. All variables are nonstationary at level but when converted into first differences they become stationary. The findings of this study suggest that all the independent variables except money supply have effects on foreign direct investment inflow in Mozambique. Whereas the lending rate, Treasury bill rate, and government expenditure have a negative and significant effect on foreign direct investment, while the inflation rate and tax revenue have a positive and significant relationship with the foreign direct investment. This means that the decisions of monetary and fiscal policies can affect the foreign direct investment either negative or positively. Thus, if the target is to attract foreign direct investment the Bank of Mozambique should be overly concerned with the interest rate (lending rate, Treasury bill rate), and on other sight governmental authorities should take into consideration how available funds are spent on development issues such as education, health, water, electricity, infrastructures, transport and telecommunications.

*By :Énia Nkalinga Pondo, Eduardo  
Mondlane University*



## **AN ANALYSIS OF SAVINGS AMONG RURAL POOR HOUSEHOLDS IN RWANDA**

The household's savings are considered the primary source of the investment, which is in turn the driver of economic growth and development. This study attempted to identify the determinants of private savings among the rural poor households in Rwanda. We use survey data from 12 054 households selected randomly collected in 2016 and 2017. A simultaneous-equations model was specified and estimated using the 2SLS method. The results from the t test show that savings among rural poor households is significantly positive. The econometric estimates indicate that, in line with the existing literature, the income is one of the factors influencing the savings of rural poor households. We recommend that socioeconomic development programs, projects and/or policy that aim at improving the level of income and thus affecting the savings among rural poor households should be enhanced.

*By:Aristide Maniraho, Edouard Musabanganji and Philippe Lebailly , School of Economics, University of Rwanda, and University de Liège*

## **MOBILE MONEY FOR FINANCIAL INCLUSION IN RWANDA: WHAT DRIVES THE USER'S BEHAVIOUR?**

Like in many developing countries, mobile money was justified as a significant tool of financial inclusion in Sub-Saharan Africa. This study attempts to identify the factors motivating Rwandans to use the mobile money using the FinScope 2016 survey data collected from a random sample of 12 480 individuals. The maximum likelihood method was used to estimate a binary logit regression model.

*By:Aristide Maniraho, Edouard Musabanganji and Philippe Lebailly , School of Economics, University of Rwanda, and University de Liège*