

KIGALI INDEPENDENT UNIVERSITY ULK



P.O BOX: 2280 KIGALI
Tel: 0788304081/0788304084
Website: <http://www.ulk.ac.rw>
E-mail: info@ulk.ac.rw

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Editorial

On behalf of the scientific editorial board, I extend my deepest gratitude to the contribution made by lecturers and researchers that has made the compilation of this publication possible. The completion of this volume resulted from their will, dedication and performance as lecturers and researchers. KIGALI INDEPENDENT UNIVERSITY ULK strives to always promote education and impact the complete development of Rwanda by coupling teaching and research. In the same context, the 40th volume of ULK Scientific Journal is now out with five papers which tackle issues of national and regional concern. The authors of articles in this issue suggest scores of recommendations worthy of consideration to both policy makers and practitioners.

The first article by **Dr. TWAGIRIMANA Emmanuel** is entitled **“IFMIS AS ACCOUNTABILITY TOOL IN PUBLIC FINANCE MANAGEMENT: THE CASE OF RWANDA. The article aimed at assessing how this SMARTFMS works, its appreciation vis-à-vis the users and its contribution to fostering accountability in PFM.** The Findings from IFMIS analysis showed that it works effectively or as theoretically required. This was confirmed by more than 80% of the respondents who appreciated it based on the effectiveness indicators like use of modern IT equipment, well conceptualized and structured system, friendly usable IFMIS with accurate reports; system enhancing control in budgeting and payment; system securitizing data, minimizing frauds and embezzlement; rapidity of IFMIS Team responds to any claims, etc.

The second article also authored by Dr. TWAGIRIMANA Emmanuel is entitled, **“RWANDA IN AFRICA**

CONTINENTAL FREE TRADE AREA: A CHALLENGES- OPPORTUNITIES ANALYSIS.” The article was written with a view to find out the needed policy actions to allow Rwanda competing advantageously in AfCFTA. After employing various research techniques, the author came up with the findings that Rwanda has opportunities like of having strong institutions and leadership, stable macroeconomic situation, favourable investment environment, strong health care system, etc and challenges such as high transport cost for both imported finished goods and raw materials as landlocked country (1,416 kilometres from the Indian Ocean and 1,250Km from the Atlantic Ocean), industries with insufficient and low quality raw materials; not yet sufficient and adequate energy; high production cost, low human development index (0.524, 158th out of 189 countries: UNDP, 2018), lack of needed specializations and skills for industrial development, etc.

The third article by Mr. UWIMANA NDIYAYE Innocent is dubbed, “UNITED NATIONS SECURITY COUNCIL REFORM: MYTH OR REALITY? CONTEXTUALISATION OF THE AFRICAN POSITION.” The researcher intended to assess the picture of the current UN architecture and political behaviour vis-à-vis the reform agenda. To this, after having amply analysed the data, the researcher came up with the conclusion that the contemporary international relations system is characterised by increased interdependency among states. This evolving scenario, therefore, demands an emphasis on multilateralism and concomitantly, a restructuring of the UNSC so that it reflects the new international relations discourse.

Dr. Sekibibi Ezechiel
Vice Chancellor of ULK

IFMIS AS ACCOUNTABILITY TOOL IN PUBLIC FINANCE MANAGEMENT CASE OF RWANDA

Dr. TWAGIRIMANA Emmanuel¹

Kigali, July 2019

*1 Lecturer at Kigali Independent University (ULK); Contact email:
twagama30@yahoo.fr*

Abstract

By observation as one of working in government system, majority of government institutions have not yet known that there is in MINECOFIN a capable ICT system, SMARTFMS, able of developing any automated system. In many cases, either by inattention or ignorance, these institutions recruit external consultants for needs in automated systems. This leads to double key cost issues for Rwanda: local expertise not empowered and waste of forex. At the same time, majority of people know less how the SMARTFMS, fosters for Accountability in PFM.

It is in this regard, this research aimed at assessing how this SMARTFMS works, how it is appreciated by users and how it helps in fostering for accountability in PFM.

To achieve this objective, from 1,586 IFMIS users, the researcher determined sample of 94 respondents from them only 84 responded to the questionnaires.

The findings showed that IFMIS works effectively and fosters for Accountability in PFM. This was supported by more than 80% of the respondents. The same findings show that IFMIS and Accountability in PFM are significantly correlated. This as P-value is 0.007 which is less than alpha value of 0.05 and R squared value is 0.798 or 79.8% on Accountability in PFM. This means that an effective IFMIS fosters significantly for Accountability in PFM.

From this research, it can be observed that Rwandans are able and can do more. All local needs in automation would be done by this Team.

Key words: Integrated Financial Management Information System (IFMIS), Accountability.

1. Introduction and Problem statement

It has been observed that majority of government institutions recruit external consultants to develop any need in automated system while Smart Financial Management System (SMARTFMS), in Ministry of Finance and Economic Planning (MINECOFIN) can do the same work for two main benefits for Rwanda: empowering more local experts and reducing pressure on balance of payment deficits.

Is outsourcing due to ignorance or lack of information about the capability of SMARTFMS? Whatever the answer, this study aimed at assessing the effectiveness of SMARTFMS and how it fosters for accountability to inform the public, particularly, government institutions for changing the attitude.

The development of SMARTFMS was a consequent of lack of reliable and timely revenue and expenditure data for budget planning, monitoring, control and reporting which impacted negatively the budget management. As highlighted by Eric (2014) the lack of information has obstructed transparency and enforcement of accountability in governments and also contributed to the perceived governance problems in many of developing countries.

The system was initially conceptualized to be used in Public Finance Management (PFM) and was originated from accountability in public expenditure usage purpose. The system is mandatory all over the world, not only for the benefit of the public but also to develop the confidence in development partners.

The SMARTFMS is a web-based application designed by MINECOFIN for Budget Preparation, Budget Execution,

Cash Management, Commitment Control, Revenue Management and Reporting for all budget agencies with a main objective of strengthening the PFM systems. This by improving recording and processing the government financial transactions that allow easy and timely access to reliable and consolidated financial data. Strengthening commitments and expenditure control on continuous basis, the system is able to trace all the stages of the transaction processing from budget releases, commitment, procurement payment request, bank reconciliation, and accounting of expenditure with a target to provide a comprehensive reporting framework, easy access to financial and management information, ensure improved efficiency and effectiveness in government financial management, increase availability of comprehensive financial information on current and past performance, assist budgetary control and improve economic forecasting, planning, and budgeting (MINECOFIN,2012).

According to Sanja (2017), IFMIS in governance refers to the computerization of public financial management processes ranging from preparation of budget execution to accounting and reporting, with the help of an integrated system for the purpose of financial management.

Many other researchers, like Burgess (2014) conducted research on IFMIS and found that IFMIS has a considerable role in the management of public resources. In their study, Okoh and Ohwoyibo (2010) stated that government itself and its agencies should be accountable in accordance with the laws of the land and this objective cannot be achieved without using an automated system like IFMIS. Dener (2013) stated that IFMIS have become critical in improving budget transparency. Disclosing public financial

information to citizens, improves fiscal transparency, as long as the published information is accurate, relevant, and accessible. However, as stated by the same author, major challenges still exist in the design of IFMIS. There is so need of strengthening its capacity to capture the entire sphere of financial activities, as well as disseminate data transparently.

Anastacia (2016) in Kenya, only 37% of the IFMIS users appreciated the system while 73% said that there was sabotage of IFMIS.

Based on the above studies, none of them searched on effectiveness of Rwanda SMARTFMS; its contribution in fostering for accountability in PFM and how it may be expanded for other kind of automation systems. This study has been conducted to fill this gap and inform the public, particularly government institutions, about SMARTFMS effectiveness and its contribution in fostering for accountability in PFM System. The following are specific objectives:

To assess how IFMIS is appreciated by the users

To analyze how IFMIS fosters for accountability in PFM

To determine the relationship between SMARTFMS and accountability in PFM

2. Literature Review

This section reviews some literature on IFMIS, Accountability, PFM and topic related researches.

2.1 Review on IFMIS

IFMIS is an automated system that integrates key financial functions such as budgeting, payments and accounting for the purpose of promoting efficiency and security of data and comprehensiveness in financial reporting. The successful implementation of an IFMIS produce timely, relevant, and reliable financial data to promote fiscal discipline, assist with resource allocation, and improve operational efficiency and fiscal transparency. IFMIS, therefore, constitute a powerful tool to enhance the PFM of countries, although they tend to be very complex and demand significant human and financial resources (Hendricks, 2012).

IFMIS can vary, from simple General Ledger System to a comprehensive system addressing Budget, Revenue, Expenditure Control, Debt, Resource Management, Human Resources, Payroll, Accounting, Financial Reporting, and Auditing processes across central government or even including local government and other public sectors and quasi-governmental agencies and operations (Eric, 2014), To conceptualize IFMIS, the Meta Theory and Resource Based View Theory are the main required theories to apply. According to Muigai (2012), Meta theory is the integration and synthesis technical orientations, cognitive as well as the overarching model related to integrated information systems and explain how they operate. According to Wainaina (2014), Meta theory has helped in the understanding of limitations involved in IT "Information Technologies" such as failure to recognize the task to which the IT is being applied and the adaptive measures.

The Meta theory contributed a lot in conceptualizing SMARTFMS to be able of coordinating well the contingency factors, organizational factors and technological factors in order to foster accountability in management of public projects.

According to this theory, resources can be broadly defined to include assets, organizational processes, firm attributes, information, or knowledge controlled by the firm which can be used to conceive of and implement their strategies. Examples of resources are brand names, technological abilities, efficient procedures, among others (Birger W., 1995).

Resource Based Theory argues that a firm has the ability to achieve and sustain competitive advantage if it possesses resources that are valuable, rare, imperfectly imitable and non-substitutable (Berchicci, 2013).

According to Nazareen, A (2017), the competitive advantages of organization has source on how it exploits its internal resources and competences by setting strategic objectives based on its objectives. The researcher showed that not all organizational resources are a potential source of competitive advantage as one of the key insights of the resource-based view.

In conceptualizing SMARTFMS, the above theories were used to highlight the role of each factor in order to achieve the desired results; that are ensuring effective public finance and accountability in public project management. As got from IFMIS Coordinator during interview with him, before SMARTFMS, national budget was manually recorded on the cards or fiches. Every institution had its card showing the approved budget and different

transactions. Every institution needing to spend should come to MINECOFIN for requesting for budget and this transaction was recorded to its card kept at MINECOFIN. With such system may errors occurs. It was very hard to produce financial report. Balancing inflows and outflows was a big issue. Having timely produced financial reports was a big problem. With this manual system, frauds, errors, embezzlement, etc couldn't be easily found. The performance and Accountability for every government official couldn't be easily seen.

In September 2007, GoR established SMARTFMS under supervision of Jean de Dieu RURANGWA up to 2018, year by which he became Hon. Minister of ICT replaced by Placide MUKWENDE. SMARTFMS includes the eight financial management modules: Budget Preparation (BP), Accounts Payable (AP), Accounts Receivable (AR), Revenue Management (RM), General ledger (GL), Fixed Assets (FA), Inventory and Procurement Management (IPM) plus interfaces with the National Bank of Rwanda, the Rwanda Revenue Authority, the Integrated Payroll and Personnel Information System (IPPIS) and the debt management system.

By 2017, SMARTFMS supported 320 government entities allocated as follows: The Central Treasury or OT, 92 Central Government budget agencies, five provinces and 30 Districts, 15 Courts, 14 Prosecution Authority Offices, 15 Correctional Services, 60 District Pharmacies and Health Insurance reporting entities, 35 Embassies and High Commissions, 62 Pilot Projects and SPIUs (Single Project Implementation Units). Over 1500 public servants have been trained as IFMIS users.

In conclusion, the above literature on IFMIS showed that an effective IFMIS contributes to the accountability. Eric N (2014) serves as example where he shows that effective IFMIS allow governments to be more transparent in the public funds management and increase accountability.

2.2 Review on Accountability

Accountability is defined as an obligation to demonstrate that a work has been conducted in accordance with agreed rules, standards and the officer reports fairly and accurately on performance results vis-à-vis mandated roles and or/plans. It means doing things transparently in line with due process and the provision of feedback. It is the process whereby public sector entities and the individuals within them, are responsible for their decisions and actions, including their stewardship of public funds and all aspects of performance, and submit themselves to appropriate external scrutiny. Accountability is all about being answerable to those who have invested their trust, faith and resources to you (Coker, 2010).

According to the same author, the accountability can be grouped into six following categories:

1. Process based accountability which measures compliance with present standards and formally defined outcomes;
2. Performance based accountability which measures performance against broad objectives;
3. Financial accountability where the report on the intended and actual use of the resources or of designated office is required;

4. Administrative accountability where ethical codes, criminal penalties and administrative reviews have to be checked;

5. Political accountability which fundamentally begins with free, fair and transparent elections;

6. Social accountability that relies on civic engagement where the greater accountability to public actions and outcomes is required.

Hawo (2015) stated in his study on effect of IFMIS on the financial management of public sector in Kenya that financial reporting systems had the greatest effects on the financial management in the public sector as follows:

Firstly, Effect of IFMIS on accountability in PFM is demonstrated by its ability to well record data, to perform fast and reliable payment service and timely generate financial statements for quick and accuracy account reconciliation.

Secondarily, IFMIS assists management in ensuring accountability for allocating and use of public resources and in improving the effectiveness and efficiency of public expenditure programs.

Wainaina, (2014) found that by tracking financial events through an automated financial system, management is able to exercise improved control over expenditure and to improve transparency and accountability in the budget cycle as a whole.

By conclusion, the above researches are in line with objectives of this topic as they all talk about effects of IFMIS on PFM and how IFMIS helps in improved control over public expenditure.

2.3 Review on Public Finance Management

According to Chartered Institute of Public Finance and Accountancy (CIPFA), the PFM is about ensuring if the public money is used well and if it is made to stretch as far as possible. It provides leaders and managers with information to make decisions and to know if they are using resources both effectively and efficiently. Managing finances in the public sector is about much more than accountancy – it is an integral part of bringing services to people. The institute states that financial management is only one of the factors that make for success in public sector expenditure program. It sits alongside other contextual aspects, such as leadership, transparency and accountability, levels of resources and staff capacity, and is influenced by many aspects of the social, political and economic environment.

PFM refers to the set of laws, rules, systems and processes used by sovereign nations (and sub-national governments), to mobilize revenue, allocate public funds, undertake public spending, account for funds and audit results. The quality of PFM depends on how well the individual institution work, the quality of inputs provided to the system, the feedback and control mechanisms that ensure a focus on objectives, and on how well the system functions as a whole. It is influenced by factors such as culture, people skills, the political economy, leadership, environmental and systems related issues. (Matthew A., 2010).

The public finance management theory assumes that all aspects of financial resources -mobilization and expenditure - should be well managed in government

for the benefits of the citizenry. It comprises resource mobilization, prioritization of programs, budgetary procedures, efficient management of resources and applying control to guide against threats and the Treasury Single Account (TSA) must primarily avoid misapplication of public funds. A TSA is defined as an account or set of linked accounts through which the government receives all revenues and transacts all payments and all government agencies are subject to a system of zero balance drawing bank accounts (Sunday, 2017).

Confronting the above literature on PFM with the topic objectives, the conclusion is that they match as the well managed public funds contribute to the performance and accountability and this cannot be done without an effective IFMIS.

2.4 Empirical Review

Various studies having been conducted both internationally and locally on IFMIS as below developed.

Kimwele, (2011) conducted a study on the factors that have hampered effective implementation of the Integrated Financial Management Information System in Kenya public sector and he found that although awareness on the usage of IFMIS has been done for all employees of the Government institutions, only 70% of the government departments used IFMIS. He also found that only 37% of the IFMIS users appreciated it as it helps them in proper planning of their work while 73% said that there was sabotage of IFMIS.

Elizabeth (2018) conducted a similar study in Kenya public institutions on the effects of the implementation of IFMIS on the procurement performance of the Kenyan government institutions and he found out that there had been a moderate extent of IFMIS implementation among the government institutions in Kenya.

According to Mwangi (2012) who has investigated the effect of IFMIS on the financial management of public sector in Kenya, the researcher found that 30 out of 42 accountants from different ministries demonstrated that IFMIS has greatly contributed to the improvement in financial management in Kenya.

Oduyo Fredrick and Selfanet (2014) investigated the IFMIS and its effect on Cash Management in Eldoret West District Treasury, Kenya. The purpose of this study was to investigate the effect of IFMIS on the cash management practices in the public service. Research population was 70 staff and top management at the Eldoret West District treasury. Study findings showed that reliability of IFMIS and its flexibility positively affected the cash management. The findings showed also that a reliable system is basically one that is accurate, timely, complete and consistent in collection of information.

It is in this regard, the IFMIS infrastructure should be secured from destruction, corruption, unauthorized access and breach of confidentiality so that there is efficient cash management.

Chebet (2013) also investigated the critical success factors in the implementation of the re-engineered IFMIS in Kenya government ministries. The researcher used survey research design. Stratified sampling technique was used to

divide the population into three following strata: Finance Officers, ICT officers and Key System Users. He obtained sample size of 54 respondents. The study established the following groups of factors as being critical in the implementation of the re-engineered IFMIS: (1) User involvement in the process and clear procedures for recruitment and risk management; (2) Proper management of resources; (3) Top level cash management and budgeting systems; (4) Good strategies of communication among stakeholders, (5) Team spirit, (6) Good support teams, (7) Skilled team; (9) Clear and properly set goals and objectives; (10) Appropriate infrastructure; (11) Set timelines for capacity building and achievement of goals and objectives and (12) Involvement of competent firms in the project.

3. Research Methodology

An effective research methodology is characterized by a clear research design, data collection techniques and methods, selection of relevant total research population and sampling procedures, respondents profile, administration of questionnaire, etc (Kothari, C.R, 2004).

To achieve the research objectives, the researcher collected needed information using scientifically recognized data collection techniques (documentary techniques to enrich the literature review, total research population, sampling, questionnaire and interview techniques) and treated them using research methods such as statistical method, historical, analytical, synthetic method, etc

3.1 Research Design

According to Simson (2011), a research design is explained as the “detailed blueprint” used to guide a research study toward its objectives. Research design provides “the glue” that holds the research project together. As argued by Hendricks (2012), a descriptive research design is suitable to measure associations or relationships between things and ensure data could be used to provide a causal explanation to phenomena. Descriptive methods are usually the best techniques for collecting information that demonstrate relationships and describe the world as it exists.

Descriptive research design was used to provide a clear understanding on how IFMIS works, how it supports the users, how these appreciate it and how IFMIS fosters for accountability in PFM.

Documentary, Interview and Questionnaire techniques were applied. Documentary technique was used to enrich the literature review of this work while questionnaires were used to collect the different views from IFMIS users on how they appreciate it in terms of effectiveness and fostering for accountability in PFM. In order to know historical background of IFMIS, how it was conceptualized and how it contributes in both effective and efficient management of public finance, the researcher had an unstructured interview with the IFMIS Coordinator.

3.2 Research total population determination and sampling procedures

The total research population was composed of 1,586 IFMIS Users as below detailed and sampled:

Table 1: Sampled Population

IFMIS Users	Total Pop.	Sample
Accountants	507	30
Budget Officers	262	15
Directors of Finance	374	22
Chief Budget Managers	187	9
Auditors	248	10
Division Manager, Projects and Programs Management, MINECOFIN	1	1
Division Manager Fiscal Decentralization, National Budget, MINECOFIN	1	1
Government Chief Internal Auditor, MINECOFIN	1	1
Accountant General or DG Public Accounts	1	1
Manager from Office of Audit General in charge of public institutions	1	1
GACU Coordinator, PMO “Prime Minister Office”	1	1
Coordinator, SPU “Strategic Policy Unit”, OTP “Office of The President”	1	1
SG, Parliament	1	1
Total population & Sample	1,586	94

Source: Prepared by the Researcher (2019)

According to Bryman (2015), sample size refers to the number of units or people that are chosen from which the researcher wishes to gather information or data. It is in this regard the above sample was determined using Taro Yamane formula which is expressed and applied as

follows: $n = \frac{N}{1+N(e)^2}$

Where: n = the desired sample size e= probability of error (i.e. the desired precision, e.g., 0.1 for 90% confidence level) N=the estimate of the population size.

$$n = \frac{N}{1+N(e)^2} = \frac{15786}{1+1586(0.1)^2} = \frac{1586}{16.86} = 94 \text{ respondents}$$

3.3 Respondents Profile

As below observed, the respondents are presented only by experience to see if the respondents know the system than by sex, educational level, age group, judged less important.

Table 2: Respondents by experience

Sampled Respondents	Total Respondent	Experience of Respondents							
		1-5 Years		5-10 Years		10-20 Years		Over 20 Years	
		Numb	%	Number	%	Number	%	Number	%
Accountants	28	5	18	19	68	4	14		0
Budget Officers	12	3	25	7	58	2	17		0
Directors of Finance	17	1	6	7	41	8	47	1	6
Chief Budget Managers	9		0	3	33	5	56	1	11
Auditors	10	2	20	8	80		-		0
Division Manager, Projects and Programs Management, MINECOFIN	1		0		-	1	100		0
DM Fiscal Decentralization, MINECOFIN	1			1	100		-		0
Government Chief Internal Auditor, MINECOFIN	1		0		-	1	100		0
Accountant General or DG Public Accounts	1		0		-	1	100		0
Manager from Office of Audit General in charge of public institutions	1		0	1	100		-		0
GACU Coordinator, PMO "Prime Minister Office"	1		0	1	100		-		0
Coordinator, SPU , OTP "Office of The President"	1		0	1	100		-		0
SG, Parliament	1		0	1	100		-		0
Total	84	11	13	49	59	22	26	2	2

Source: Prepared by the Researcher (2019)

As observed in the above table, 87% of the respondents have experience of more than 5 years. This is one of the signs that the information collected from this sample is

accurate as people talk about what they know. In addition, the day to day users who are Accountants, Budget Officers and Directors of Finance have a big representation in this sample of 68% (67/84). As people dealing with the IFMIS in their daily work, they have truthiness in their answers.

3.4 Administration of the questionnaire

As IFMIS users are scattered across the country and abroad, to find them, the questionnaires were sent to them through emails and only 84 responded. The questionnaires were with both open-end and close-end questions on how respondents appreciate IFMIS and how it serves as accountability tool in Public Finance Management (PFM). While collecting primary research data, the researcher involved questionnaires that were designed in accordance with study objectives. The following Likert Point Scale was used:

Table 3: Likert Point Scale

Weight scale	Interpretation	Description
5	Strongly agree	Agreeing without doubt
4	Agree	Agreeing with some doubt
3	Neutral	Not Sure
2	Disagree	Disagreeing with some doubt
1	Strongly disagree	Disagreeing without doubt

Source: Prepared by the Researcher (2019)

This questionnaire technique was completed by interview technique with IFMIS Coordinator to know more about IFMIS and how it helps in fostering accountability in PFM.

4. Research Findings

Is SMARTFMS effective or appreciated by its users? Does it foster for Accountability in Public Finance Management? Is there relationship between the variables? The answers to these questions are in the below paragraphs.

4.1. SMARTFMS effectiveness analysis

As observed in the below table no 4, in average, more than 80% of the respondents strongly appreciated IFMIS in terms of used IT equipment which is modern, applied modern technology, availability of connectivity, how IFMIS is easily accessible, friendly usable, how quick IFMIS Team responds to the users 'claims, how IFMIS supports quickly, providing quality financial reports with reliable data, how it supports internal auditors, how it helps in budgeting and payment process, minimizing frauds and embezzlement, ensuring transparency and accountability in budget execution, in producing reliable financial reports, etc.

In addition to these views from IFMIS users and as captured from IFMIS Coordinator during the interview period, World Bank Team appreciated also SMARTFMS comparing its achievements with other countries. The WB Team said that the Bank supported more African countries in developing such automated systems, but none of them has such achievements.

Based on all these findings, the SMARTFMS in MINECOFIN complies with required standards and so works effectively.

Table 4: Consolidated Views of Respondents on effectiveness of IFMIS

Effectiveness Indicators	Total Respondents	Likert Point Scale							
		SA		A		N		D	
		Number	%	Number	%	Number	%	Number	%
Availability and accessibility of connectivity, applied technology, Modern IT equipment, friendly usable IFMIS which produces accurate Financial reports	84	70	83	14	17	-	-	-	-
IFMIS has enhanced control in budgeting and payment process	84	68	81	16	19	-	-	-	-
IFMIS supports in data security, minimization of frauds and embezzlement	84	76	90	6	7	2	2	-	-
IFMIS Team responds quickly to the claims	84	79	94	5	6	-	-	-	-

Source: Compiled by Researcher (2019)

4.2. SMARTFMS as Accountability Tool in Public Finance Management Analysis

Using the same above sample composed by day to day IFMIS users and IFMIS reports users, the researcher needed to know how the IFMIS fosters for accountability in Public Finance Management. The respondents expressed how IFMIS shows clearly the decisions and actions taken by government officials during a financial reporting period, how the public funds were managed during this period, the stewardship and transparency levels of the government officials, etc. and all these lead to the both effective and efficient public finance management.

Table 5: Consolidated Views of Respondents on how IFMIS fosters Accountability in PFM

Indicators for IFMIS fostering Accountability	Total Respondents	IFMIS fostering Accountability							
		SA		A		N		D	
		Number	%	Number	%	Number	%	Number	%
Internal control in IFMIS has granted transparency and accountability in budget execution	84	77	92	7	8	-	-	-	-
SmartIFMIS facilitates effective reporting and preparation of consolidated financial statements.	84	82	98	2	2	-	-	-	-
SmartIFMIS assists GoR in ensuring accountability for allocating and use of public resources and in improving the effectiveness and efficiency of public expenditure programs.	84	74	88	7	8	3	4	-	-
Tracking financial events through IFMIS improves control over expenditure, transparency and accountability in the budget cycle as a whole.	84	81	96	3	4	-	-	-	-
SmartIFMIS supports in timely reporting, providing accurate information, allows effective internal controls, etc	84	79	94	3	4	2	2	-	-

Source: Compiled by Researcher (2019)

As above observed in the above table no 5, SMARTFMS fosters for accountability as affirmed by more than 80% of the respondents in average. As an automated system producing regularly and timely needed financial reports with accurate data, internal control in IFMIS has granted transparency and accountability in budget execution; IFMIS supports in showing all actions and decisions of government officials which is source of transparency and stewardship in public finance management.

The above views of respondents can also be supported by what is seen on the ground where Office of the Auditor General reports can serve in evaluating the performance of government officials and everyone's accountability. This is because financial reports are regularly produced and show all decisions and actions taken by these officials. Any funds mismanagement is found by Office of the Auditor General.

4.3. Relationship between SMARTFMS and Accountability Analysis

With the help of SPSS, this section analyses the relationship between the research variables which are effective SMARTFMS and Accountability in Public Finance Management.

4.3.1 Correlation analysis

The correlations analysis helps in seeing if there is relationship between two variables, independent and dependent found using Pearson Chi-square test. The primary role of the chi-square test is to examine whether two variables are correlated or not.

Table 6: Pearson Chi-square test

Model	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.325 ^a	2	.007
Likelihood Ratio	.883	2	.049
Linear-by-Linear Association	.610	1	.044
N of Valid Cases	84		
a. 2 cells (17.7%) have expected count less than 5.			

Source: Prepared by Researcher (2019)

In this study a way to take decision was based on the P-value and the alpha. After the analysis, it was found out that the P-value was less than alpha (significance level). As it is revealed in the above table, P-Value was found to be 0.007 which is less than alpha value of 0.05 and this explains that the study's independent variable which is effective IFMIS and dependent variable which is accountability if PFM are associated.

Based on this, the SMARTFMS is significantly related or correlated to the Accountability in Pubic Finance Management. This means that the effectiveness of SMARTFMS contributed to the significant Accountability in Public Finance Management.

4.3.2 Regression Analysis

This regression analysis helps in understanding the relationship between independent and dependent variables which are effective SMARTFMS and Accountability in PFM, respectively.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.816 ^a	.798	.6809	.13154

Source: Prepared Researcher (2019)

a. Predictors: (Constant), Friendly usable IFMIS with accurate reports; IFMIS enhances control in budgeting and payment; IFMIS supports in security of data, minimization of frauds and embezzlement ; IFMIS Team responds quickly to the claims.

R squared is coefficient of determination which tells us the variation in the dependent variable due to the changes in the independent variable. From the findings in the above table, the value of R squared is 0.798 which indicates that there is variation of 79.8% on Accountability in Public Finance Management due to the changes in Friendly usable IFMIS with accurate reports; IFMIS enhances control in budgeting and payment; IFMIS supports in security of data, minimization of frauds and embezzlement; IFMIS Team responds quickly to the claims.

This means that 79.8% changes in Accountability in Public Finance Management could be accounted on by the following effective IFMIS indicators: Friendly usable IFMIS with accurate reports; IFMIS enhances control in budgeting and payment; IFMIS supports in security of data, minimization of frauds and embezzlement; IFMIS Team responds quickly to the claims. Hence, a strong positive relationship between the study variables marked the following model summary table.

Table 8: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	.991	5	.248	7.132	.002 ^a
	Residual	.369	18	.023		
	Total	1.360	23			

a. Dependent Variable: Accountability in Public Finance Management

b. Predictors: (Constant), Friendly usable IFMIS with accurate reports; IFMIS enhances control in budgeting and payment; IFMIS supports in security of data, minimization of frauds and embezzlement; IFMIS Team responds quickly to the claims

From table number 8, ANOVA test shows a p-value of 0.002 less than alpha (5%), the significance level. This means the given data fit well with the multiple regression models which is an indication of the following effective IFMIS indicators: Friendly usable IFMIS with accurate reports; IFMIS enhances control in budgeting and payment; IFMIS supports in security of data, minimization of frauds and embezzlement; IFMIS Team responds quickly to the claims have a contribution to the Accountability in Public Finance Management. Hence, the significance value which was also less than 0.05 is an indication that the model was statistically significant.

Table 9: Coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.		
	B	Std. Error	Beta			
1(Constant)		.252	.863		.292	.774
Friendly usable IFMIS with accurate reports		.756	.132	.451	2.768	.014
IFMIS enhances control in budgeting and payment		.812	.288	.461	2.821	.012
IFMIS supports in security of data, minimization of frauds and embezzlement		.789	.255	.212	1.527	.146
IFMIS Team responds quickly to the claims		.763	.231	.321	1.234	.123

a. Dependent Variable: Accountability in Public Finance Management

From the data in the above Table 9, the established regression equation was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Y = 0.252 + 0.756 (Friendly usable IFMIS with accurate reports) + 0.812 (IFMIS enhances control in budgeting and payment) + 0.789 (IFMIS supports in security of data, minimization of frauds and embezzlement) + 0.763 (IFMIS Team responds quickly to the claims).

From the regression equation in Table 9, it was revealed that holding the indicators like Friendly usable IFMIS with accurate reports; IFMIS enhances control in budgeting and payment; IFMIS supports in security of data, minimization of frauds and embezzlement; IFMIS Team responds quickly to the claims to a constant zero, Accountability in Public Finance Management would be 0.252.

Indeed, this constant called y-intercept is not realistic but it is a needed parameter in the model.

Also, a unit increase in Friendly usable IFMIS with accurate reports would lead to increase in Accountability in PFM by a factor of 0.756; a unit increase in IFMIS enhances control in budgeting and payment would lead to increase in Accountability in PFM by a factor of 0.812; a unit increase in IFMIS supports in security of data, minimization of frauds and embezzlement would lead to increase in Accountability in PFM by a factor of 0.789; a unit increase in IFMIS Team responds quickly to the claims would lead to increase in Accountability in PFM by a factor of 0.763. From these positive results from each IFMIS effectiveness indicator would foster Accountability in PFM by a big range, this evidences that all the variables were statistically significant in contributing to Accountability in PFM.

Therefore, the researcher concludes that there was a strong positive relationship between both independent and dependent variable as shown by both correlation and regression analysis since they both indicated positive influence between IFMIS effectiveness indicators and Accountability in Public Finance Management.

5. Conclusion and Proposed Policy Actions

5.1. Conclusion

The aim of this research were to know if SMARTFMS is appreciated by the users; if it fosters for accountability in public finance management and if there is a significant relationship between effective SMARTFMS and Accountability in Public Finance Management. Based on these findings, public, government institutions in particular, are going to be aware of SMARTFMS, its effectiveness and contribution to foster accountability and then use it for needs in automated systems than outsourcing.

To achieve above topic objectives, from 1,586 IFMIS users and users of IFMIS reports, the researcher determined sample of 94 respondents, from them only 84 responded to the questionnaires through emails as they are disseminated across the country and abroad.

Findings from IFMIS analysis showed that it works effectively or as theoretically required. This was confirmed by more than 80% of the respondents who appreciated it based on the effectiveness indicators like use of modern IT equipment, well conceptualized and structured system, friendly usable IFMIS with accurate reports; system enhancing control in budgeting and payment; system securitizing data, minimizing frauds and embezzlement; rapidity of IFMIS Team responds to any claims, etc.

Analysis on how IFMIS fosters for accountability in PFM showed that IFMIS contributes a lot in fostering Accountability in PFM. More than 80% of respondents confirmed this statement based on how IFMIS reports

helps in availing timely consolidated financial reports with reliable information used by different users, especially MINECOFIN, Office of Auditor General (OAG), PAC/Parliament, etc.

As these reports show all actions and decisions taken by government officials, they help in establishing the responsibility of everyone in any public funds mismanagement as regularly shown by the OAG and PAC in Parliament. This enforces performance and accountability in the use of the public funds.

Concerning the relationship between the two variables (effective IFMIS and Accountability in PFM), using SPSS “Software Package for Social Science”, the researcher found that P-value which is 0.007 is less than alpha value of 0.05. This explains that the two variables correlate or relate. To assess the significance of this relationship, using regression analysis, the researcher found that the value of R squared is 0.798 which indicates that there is variation of 79.8% on Accountability in Public Finance Management due to the changes in the following IFMIS effectiveness indicators : usage of modern IT equipment, well conceptualized and structured system, friendly usable IFMIS with accurate reports; IFMIS enhancing control in budgeting and payment; IFMIS supporting security of data, minimizing frauds and embezzlement; IFMIS Team responding quickly to the claims.

Based on the above findings, the researcher concludes that there was a strong positive relationship between both independent and dependent variable as shown by both correlation and regression analysis. This means that an effective IFMIS fosters significantly for Accountability in PFM.

5.2. Proposed Policy Actions

The SMARTFMS was developed from 2007 by Rwandan team in MINECOFIN to ensure good management of public funds. The manual system that was used previously was criticized mainly because it produced a number of considerable errors, for instance: the system was unable to detect easily the frauds and embezzlement, and it was inefficient in producing the needed financial reports, etc. Based on the IFMIS achievements in terms of being a very good automated system, appreciated also by World Bank and the users as seen through their views, the researcher is proposing to strengthening this team and assign it to develop all local needed automated systems like automating Umurenge SACCO than recruiting external consultants and waste the little available foreign currency. Considering its effectiveness, IFMIS can have a separate unit for commercial purpose both at national and international level.

To continue doing its work more effectively and accommodating the above proposed additional assignments, the Team should be more strengthened through on both desk technical assistance and external for both existing and new staff. The working environment should also be more improved to quarter for the above proposed changes.

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RWANDA IN AFRICA CONTINENTAL FREE TRADE AREA: A CHALLENGES- OPPORTUNITIES ANALYSIS

Dr TWAGIRIMANA Emmanuel²

Kigali, July 2019

*2 Lecturer at Kigali Independent University of Kigali ULK;
Email: twagema30@yahoo.fr*

Abstract

The launch for operationalization of Africa Continental Free Trade Area (AfCFTA) is planned to be in July 2019 after getting the minimum required 22 ratifications. Intra-Africa trade being concerned, participating profitably in AfCFTA, Rwanda should have competitive industrialization, labor productive and competitiveness.

So, this study aimed at assessing the challenges-opportunities from Rwanda industrialization, labor productivity and competitiveness and finding out required policy actions for competing gainfully.

The findings revealed that Rwanda has opportunities like having strong institutions and leadership, stable macroeconomic situation, favourable investment environment, strong health care system and challenges such as high transport cost for both imported finished goods and raw materials; landlocked country; insufficient and low quality raw materials for industries; not yet sufficient and adequate energy; high production cost; low HDI; lack of needed industrial specialization. The following are key proposed policy actions:

The mitigation of risks from being landlocked country, initiating, promoting and maintaining the regional economic communities spirit.

The reduction of 20%, the current recurrent budget rate averaged 51% (2009-2018), taking 5% each year for 4 years in favor of required basic infrastructure, subsidy for raw materials, transport costs, among others.

The progressive application of the Big Push theories of prioritizing the more impactful sector

The reinforcement in promoting both universal and specialized education, reinforcing social programs to improve the HDI, source of high productive capacity and productivity.

Key words: Industrialization, Labour Productivity, Competitiveness, AfCFTA

1. Introduction and Problem statement

On March 21st 2018, in Kigali, 44 out of 55 African Union member states signed the consolidated agreement of creating a single continental market for goods and services, with free movement of business people and investments named in short AfCFTA or Africa Continental Free Trade Area. Five additional signatures (South Africa, Sierra Leone, Lesotho, Burundi, and Namibia) were added at the 31st AU Summit on 1 July 2018 in Nouakchott, Mauritania. This agreement required at least 22 ratifications to enter into force. It is on 30th May, 2019 that the 22nd African country (Saharawi Republic) ratified the agreement and deposited the instruments of ratification with the African Union Commission (TRALAC, 2018)

The agreement which was adopted in Ethiopia on January 2012 is of big importance for African countries as huge market of about 1.2 billion people with a combined GDP of US\$3.4 trillion (18th Ordinary Session of the AU, 2012). However, these intentions of having a common market will be achieved only if African continent promotes concurrently industrialization, labour productivity and competitiveness which are currently at lower level compare to the rest of the world. This is based on that majority of these countries, including Rwanda, export almost all their raw materials unprocessed at low prices and import the finished goods at high process as these prices are determined out of their control (Lawrence Mbae, 2014).

Ivory Coast and Ghana can serve as examples. Although they produce 53% of the world's cocoa, they are still importing more chocolate. The same for Nigeria which cannot refine enough fuel for domestic markets while it is the 6th largest producer of the crude oil from it more than 80% is exported unprocessed (Lawrence Mbae, 2014). Rwanda cannot be exempted from these cases; especially on exported café and imported Nescafé although data cannot be easily found.

These scenarios would be behind the critical level of industrialization in African countries estimated between 1% and 3% of global manufacturing (Laurence, 2014 and Marimba Tafirenyika, 2016). According to the Competitive Industrial Performance Index report of 2016, industrialization level of Rwanda is low compare to other African countries. According to the same report, Rwanda is ranked the 136th with score of 0.003 versus world's average score of 0.079 in 2014 and 141st with score of 0.002 versus world's average score of 0.072 in 2016.

The same situation of critical industrialization level in Africa and Rwanda in particular is replicated to the both labour productivity and competitiveness where they are also low. As extracted by ILO (May 2018) from World Labour Productivity report, Rwanda Labour Productivity in comparison with the other African Lower and Upper Income Countries is not competitive. Although Rwanda Labour Productivity is growing during the period of 2000 to 2020, it is still not competitive. As example, Labour productivity was US \$1,626/worker in 2000 against US \$ 12,678/worker and US \$42,863/worker for respectively Lower Income Countries and Upper Income Countries.

The same in 2015 where this share was US \$3,394 against US \$ 18,793 and US \$44,939 for respectively lower and Upper Income Countries.

For competitiveness, Rwanda is better than majority of African countries as it is ranked 58th worldwide, second after Mauritius in Africa, with total average marks of 57% from different sectors. Rwanda is more competitive in enabling environment, side of institution setting with 64% but weak in ICT adoption with 27%, Innovation ecosystem, side of innovation capability with 27%, market size with 34% and human capital, skills side with 41% (WEF, 2018).

Another challenge to African countries is a chronic trade deficit where majority of them import more than they export due mainly to trade arrangements with developed countries, weak industrialization, low labour productivity and competitiveness among others. Rwanda, as reported by BNR (2019, February), recorded trade deficit of US \$1,665.9 million in 2015; US \$1,522.5 million in 2016; US \$1,196.7 million in 2017 and US \$1,324.3 million in 2018. The AfCFTA has been thought to progressively resolve these issues.

As reported by Ministry of Trade and Industry, MINICOM (July, 2018), Rwanda and many other African countries, are still with large trade deficits which hinder both economic growth and development despite having been granted preferential markets such as EU, AGOA, China, India and Korea. They have also regional economic communities like COMESA, EAC, TFTA (SADC- EAC- COMESA), ECCAS and CEPGL. The AfCFTA has been thought to resolve such problems of low level of industrialization, labour productivity and competitiveness leading to the high and

chronic trade deficits.

It is in this context the AfCFTA success will depend to the success of individual country like Rwanda. To succeed, Rwanda should play a considerable role by both buying and selling in Africa. To reach this level, Rwanda should be competitive concurrently in industrialization, labour productivity and competitiveness.

So, after assessing the status of challenges-opportunities from industrialization, labour productivity and competitiveness in Rwanda, this study intends to find out the needed policy actions to allow Rwanda competing advantageously in AfCFTA.

Specifically, the research topic aims:

- 1. To conduct a challenges-opportunities analysis of industrialization in Rwanda.*
- 2. To analyze the challenges-opportunities of labor productivity in Rwanda*
- 3. To assess the challenges-opportunities of competitiveness in Rwanda*
- 4. To find out the needed policy actions to allow Rwanda competing successfully in AfCFTA*

Research questions are as follows:

- 1. What are the challenges and opportunities in Rwanda industrialization?*
- 2. What are the challenges and opportunities in Rwanda labor productivity?*

3. What are the Challenges and Opportunities in Rwanda competitiveness?

4. What are the required policy actions to allow Rwanda competing gainfully in AfCFTA?

2. Literature Review

This part provides different views from the different researchers on the different topic related concepts.

2.1. Literature Review on Industrialization

Industrialization is a process whereby individual labour is replaced by mechanized mass production and specialized labourers, which boosts productivity. It is the large-scale introduction of manufacturing into a country. It shifts an underdeveloped agricultural economy focused on human labour to an industrial economy based on machine labour (Matthew DiLallo, 2015). Industrialization can't be disassociated with industrial revolution as the former couldn't happen without the latter. Industrial revolution is a process of going from hand production system to the machines system; changing from an agrarian and handicraft economy to the economy dominated by industry and machine manufacturing (Matthew DiLallo, 1962; T.S Ashton, 1997).

This industrial revolution which started in British in 18th before being spread to other Western European societies and other parts of the World including Africa (Matthew DiLallo, 1962; T.S Ashton, 1997) didn't help Africa to significantly develop its industrialization. Rather, it affected it negatively as this industrialization approach

came through colonization and imperialism or economic power where European countries bought African raw materials at cheaper prices and sold to Africa finished goods at higher prices. This was highlighted by a number of researchers like Gideon Strauss (2016) where he says that African continent industrial development delayed since 1970s.

As quoted by Lawrence Mbae (2014) from 2013 UN Conference on Trade and Development, African countries account for only 1% of global manufacturing. For Marimba Tafirenyika (2016) from the Economist Intelligence Unit, a British business research group, Africa accounted around 3% of global manufacturing output in the 1970s and the rate is likely to remain small throughout the rest of the decades.

Despite African Leaders promise during campaigns and effort to promote industrialization, to bring prosperity, new jobs and better incomes for all, the continent is still less industrialized today than it was four decades ago. In fact, according to the UN Economic Commission for Africa (ECA), the contribution of Africa's manufacturing sector to the continent's gross domestic product actually declined from 12% in 1980 to 11% in 2013, where it has remained stagnant over the past few years.

Exporting unprocessed raw materials would be behind this weakness. As example from Lawrence Mbae (2014), capitals of Ivory Coast and Ghana are loaded with chocolates imported from Switzerland and UK, while these countries produce more than half of the world's cocoa (53%). This situation is repeated throughout the

continent in different contexts. For example, as the world's 6th largest producer of crude oil, Nigeria exports more than 80% of its oil but cannot refine enough for domestic market. It spent in 2013 about \$6 billion of subsidy on fuel importation. Without strong industries to create jobs and add value to raw materials, African countries risk remaining secured by joblessness and poverty while the continent has considerable non value-added resources.

For example, according to the UN Conference on Trade and Development (UNCTAD) 2013 report as quoted by Lawrence Mbae (2014), the continent possesses 12% of the world's oil reserves, 40% of its gold and between 80% and 90% of its chromium and platinum, 60% of the world's underutilized arable land and timber resources, etc.

As highlighted by Marimba Tafirenyika (2016), increasing recurrent budget or non-productive budget than productive budget would be another reason behind this low level of industrialization. Ghana and Zambia are given as examples here: "Instead of using the windfall to set up or stimulate manufacturing industries, African countries – with a few exceptions – wasted the money on non-productive expenditures. Ghana and Zambia, for instance, used profits from the commodity bonanza to solve short-term domestic problems, such as by increasing salaries for civil servants."

Although industry sector is quite competitive in Rwanda, it is at the same critical level as other African countries. Industrialization in Rwanda is still with challenges needing significant policy actions to overcome the situation. According to this UNIDO's report, Rwanda is ranked the 136th with score of 0.003 versus world's average score of

0.079 in 2014 and 141st with score of 0.002 versus world's average score of 0.072 in 2016. This competitive industrial performance index is the results from Manufacturing Industrial Value Added Indexes and Manufacturing Export Indexes (UNIDO, 2017). Among of challenges they face include inadequacy energy, insufficient raw materials, high transport cost, especially for imported raw materials, etc

2.2. Literature Review on Labour Productivity

According to the Bureau of Labour Statistics (ILO, 2018), labour productivity is a measure of the efficiency of the labour used in the production of goods for a nation or company. This is obtained by dividing the value of the goods produced by the number of man hours needed to produce them. The result is shown as productivity per hour. Wikipedia the productivity as the state or quality of being productive while Dictionary.com is a bit closer to the truth saying that productivity is the quality, state, or fact of being able to generate, create, enhance, or bring forth goods and services.

Productivity can also be calculated not hours as denominator but total labour force and GDP as numerator (Leonard, 2018). Based on his example presented in the findings, for the year 2014 in Rwanda, the GDP for agriculture, fishing and forest was RwF 1,572 billion with total labour force of 3,704 thousand. The calculated labour productivity was 0.4 million per labour force calculated as follows: RwF 1,572 billion /3,704 thousand.

While Li and Tian (1999) consider the labour productivity growth as result of technological progress and capital deepening, others researchers (Cheng and Chen, 2005; Wei, 2007) attribute the growth in labour productivity to the variations in physical capital, human capital and new technology. If labour productivity is growing, it can be traced back to the growth in one of these three components. The physical capital includes savings and investments while Human capital represents the increase in education and specialization.

The positive change in labour productivity is due to employees engaged in training, by installing new production and service techniques, introducing automation, and similar measures. As a workforce gains in experience, its labour productivity will generally increase. Conversely, as more experienced people are replaced by new ones, the productivity level tends to fall. Thus, employee turnover can have a pronounced negative effect on labour productivity. The worker's skill level in each sector is defined as the range of capital goods that each individual has learnt to use. Thus, when worker of a particular sector receives training and learns to use new machines, economic growth in that sector is enhanced.

Tu and Xiao (2006) further decomposed industrial labour productivity growth into three parts: pure technological progress, technological efficiency and capital deepening. In their research, they found that the contribution of capital deepening was up to 81%, but its effect was descending. To explore the effect of capital deepening on labour productivity growth, Huang and Liu (2006) decomposed capital into building capital and equipment capital. The

result showed that capital deepening played a pivotal role in labour productivity and economic growth.

Cheng and Chen (2005) and Wei (2007) analysed the effect of increasing returns to scale on manufacturing labour productivity growth. By sorting out past literatures, majority of economists fully affirm the role of capital deepening in labour productivity growth, but they don't show clearly the sources of capital deepening. According to neo-classical economic theory, wage growth will promote labour productivity growth through capital deepening. Hicks (1932) argued that wages growth will encourage enterprises to use more capital to replace labour in the production process, which will promote resources allocation and labour productivity growth.

The specific mechanism can be interpreted as follows: static sense, wage growth will change the marginal technical substitution rate of the production function; dynamic sense, wage growth will induce unbiased technological innovation, that is, enterprises will use more capital to substitute labour (Kennedy, 1964; Samuelson, 1965; Acemoglu, 2003).

2.3 Literature Review on Competitiveness

World Economic Forum (WEF) which has been measuring competitiveness among countries since 1979, defines competitiveness as the "set of institutions, policies and factors that determine the level of productivity of a country" (WEF, 2017). This is a good indicator as the prosperity rises when competitiveness increases. Countries are named competitive when they are most likely to be able to grow

more sustainably and inclusively. This means that there is likelihood that everyone in the country will benefit from the fruits of economic growth. The productivity in this is very important as the main factor driving growth and income levels because the more income levels increase the more human welfare is improved. So understanding the factors that allow for this chain of events to occur is very important.

To produce the competitiveness index which shows the level of every country in terms of competitiveness, the World Economic Forum uses 12 distinct points grouped into following 3 sub-indexes named basic requirements: institutions, infrastructure, macroeconomic environment and health and primary education. The evaluator looks also at the efficiency enhancers, specifically how market of goods and services works; that of labor and financial, how is the higher education and training, technological readiness, knowledge-based economies, etc.

The high competitive country should be productive with high level of productivity leading to the high level of income and growth, source of well-being of the people and hopefulness or confidence of having perpetual live. The evaluator of the competitiveness of countries cannot leave without analyzing the business sophistication and innovation in a country. These are more complex areas of competitiveness that require an economy to be on the world-class businesses and research establishment's level, as well as an innovative, supportive government. Countries responding positively to all above required standards, are among advanced economies with high GDP capita (WEF, 2018).

Based on the Global Competitiveness Index 2017-2018 Report, (WEF, 2018), Rwanda is ranked 58th out of 137 assessed countries with score of 4.3 after Mauritius at 45th with score of 4.5. In Africa region, Rwanda is the 2nd after Mauritius. South Africa ranked 61st comes at 3rd position. In EAC, Kenya, Tanzania, Uganda are ranked the 91st, 113th, 114th and 129th, respectively.

2.4 Historical background of AfCFTA, Objectives and requirements

As highlighted by Jennifer Okpata (Nov. 2018), the first idea of creating AfCFTA was adopted in the 18th Ordinary AU General Assembly, held in Addis Ababa, Ethiopia in January 2012. The free trade area is to include all fifty-four (54) African countries with a population of more than one billion people and a combined GDP of more than US \$3.4 trillion. June 2015, at the 25th summit of the AU held in South Africa, negotiations towards the establishment of AfCFTA were launched.

The idea was based on the fact that the lack of intra-African Trade is one the facts that many African countries are poor and can hardly produce anything their neighbouring countries might want to trade. Additionally, the historical effect of Africa's geography, with specific reference to River Niger, makes it difficult for countries within the River Niger area to flow their goods within the continent. These factors put intra-African trade at about 18% which is relatively below average in comparison with intra-Asian trade which is about 59% and 69% of intra-Europe trade while about 82% of exports by African countries are exported to other continents of the World than Africa.

The major aim of AfCFTA is to create a single continental market for goods and services, which will ensure free movement of business persons and investments, as well as create an avenue for the establishment of the continental and the African Custom Union. It is a market access mechanism which is expected to deliver many benefits to the African Countries.

AfCFTA will enhance intra-African trade through trade liberalization. The Action plan on Boosting Intra-African Trade (BIAT) has identified seven priority action clusters namely: trade policy, trade facilitation, and procedure capacity, trade related infrastructure, trade finance, trade information and factor market integration. It will lead to a much larger market which will improve competitiveness and encourage manufacturing within the African Borders and also improve the standard of manufactured goods. The emergence of AfCFTA will bring about a boost in trade, welfare gains, foster a vibrant and resilient African economic space, and promote economic diversification, structural transformation, technological development and enhancement of human capital. Furthermore, it will also go a long way in fostering peace, security and also political stability in Africa.

AfCFTA will also serve as a measure to resolve challenges arising from multiple and overlapping memberships and accelerate a regional and continental integration process. The promotion of AfCFTA will be fundamental for sustainable industrial development, diversification, employment creation and poverty eradication.

2.5 Lessons learnt from RECs “Regional Economic Communities”

As highlighted in the MINICOM presentation given by the Permanent Secretary, Michel Sebera (Kigali, July 2018), the RECs are actually composed by COMESA, EAC, SADEC and ECCAS as detailed in the below table:

Table 1: Components of the REC (Regional Economic Communities)

SN	REC	Join in	GDP (in billion USD)	Population (in million)
1	COMESA	2004	550	390
2	EAC	2007	110	143
3	SADEC		540	67
4	ECCAS	Re-Joined 2015	170	121
	Total		1,370	721

Source: Compiled by the Researcher based on MINICOM presentation

Though the aim of these alliance was at reducing barriers to trade and investment, majority of African countries or even all didn't significantly gain from these RCEs. Rwanda can serve as example. Even though Rwanda is member of all these RECs with it total 721 million of population and US \$ 1.37 trillion of GDP, the lessons learnt is that Rwanda is still among poor countries, net importer as its trade balance is negative over the years. The main contributor to this unfavourable situation to Rwanda is due mainly to weak level of Rwanda industrialization, labour productivity and competitiveness which are at lower level compare to other African countries.

2.6 Implications of AfCFTA on Inter Africa Trade and the rest of the World

As noted by MINICOM, the AfCFTA's objective is to double the share of Intra-African Trade within the next 10 years (from 10-12% to 20-25%).

According to UNECA quoted by Jennifer Okpata (Nov. 2018), the AfCFTA can increase intra-African trade by \$35 billion (52%) per year by 2022. Imports from outside of the continent would decrease by \$10 billion per year, and agricultural and industrial exports are expected to increase by \$4 billion (7%) and \$21 billion (5%) respectively.

In details, the expected benefits from the establishment of AfCFTA are as follows:

Africans are drawn together and automatically remove the boundaries that separate them

Trading costs or transaction costs to business will be lowered, regional resources combined, gain from economies of scale in production, more efficient allocation of resources, etc.

African countries' industries will work effectively due to overcoming the constraint of small economic size as majority of 54 African countries are small both in mass size and income levels, while 15 are land-locked.

AfCFTA will help in attracting foreign investment and technology, motivated by economies of scale.

The rest of the World will be motivated of investing in AfCFTA to gain from economies of scale but also will lose the market as imports from them will be reduced. The political issues will be more raised to separate again

Africa continent. So, African Countries should be strong, seriously committed to this AfCfTA project.

3. Research methodology

To achieve the topic objectives, the researcher applied the documentary techniques by exploiting topic related documentation for enriching the literature review and knowing more about the challenges and opportunities in Rwanda industrialization, labour productivity and competitiveness in comparison with other African countries.

Consulted documentation includes documentation related to AfCFTA, World Economic Forum, ILO, Penn World Table (PWT), etc; national strategies (NST1) on industrialization, Labour Productivity, Competitiveness, electronic resources for Rwanda Trade Deficit, NISR reports, etc

For treating the above collected data to have this final report, the researcher applied also some research methods as statistical method, historical method, analytical method, synthetic method, etc.

4. Research Findings

The findings of this study are on the level of Rwanda in Industrialization, Labour Productivity and Competitiveness; factors hindering their development and proposed policy actions.

4.1. Findings on Rwanda Industrialization

The present section makes analysis of challenges-opportunities of industrialization in Rwanda associated with required policy actions to advantageously compete in AfCFTA.

4.1.1 Challenges-Opportunities Analysis of industrialization in Rwanda

Based on the below Competitive Industrial Performance Index as produced by UNIDO (Vienna, 2017), industrialization in Rwanda is still with challenges. According to this UNIDO's report, Rwanda is ranked the 136th with score of 0.003 versus world's average score of 0.079 in 2014 and 141st with score of 0.002 versus world's average score of 0.072 in 2016.

This competitive industrial performance index is the results from two following sub components: Manufacturing Industrial Value Added Indexes (Manufacturing Value Added per Capital Index, Share of Manufacturing Value Added in GDP Index, Share of Medium and High-Tech Activities in total Manufacturing Value-Added, Industrialization Intensity Index, Share of World Manufacturing Value Added Index) and Manufacturing Export Indexes (Manufacturing Export per Capita Index, share of Manufacturing Exports In Total Exports, Share of Medium and High-Tech Activities in Total and Manufacturing Export, Index Industrial Export Quality Index, Share in world Manufacturing Export Index), all ranked as below detailed (Figure 1).

Figure 1: Competitive Industrial Performance Index (Rwanda)						
Manufacturing Sector Summary (export data are in current USD, all other values- in constant 2010 US dollars)						
	2014	2016				
GDP: 7,419 million / 613 per capita		8,482 million / 712 per capita				
Manufacturing value added: 374.4 million / 30.9 per Capita		421.5 million / 35.4 per capita				
Manufacturing exports: 291.6 million / 24.1 per Capita		152.7 million / 12.8 per capita				
Performance indexes	Rank	2014		2016		World Average
		Score	Rank	Score	Rank	
Competitive Industrial Performance Index	136	0.003	141	0.002	0.072	
Manufacturing Value Added Indexes						
Manufacturing Value Added per Capital Index	139	0.001	145	0.001	0.096	
Share of Manufacturing Value Added in GDP Index	129	0.142	134	0.134	0.342	
Share of Medium and high-Tech Activities in Total Manufacturing Value Added	125	0.080	124	0.082	0.309	
Industrialization Intensity Index	135	0.111	137	0.108	0.326	
Share of World Manufacturing Value Added Index	132	0.000	136	0.000	0.027	
Manufacturing Export Indexes						
Manufacturing Export per Capita Index	131	0.001	142	0.000	0.103	
share of Manufacturing Exports In Total Exports	80	0.658	111	0.384	0.625	
Share of Medium and High-Tech Activities in Total Manufacturing Export	123	0.084	120	0.120	0.375	
Index Industrial Export Quality Index	94	0.371	128	0.252	0.500	
Share in world Manufacturing Export Index	127	0.000	134	0.000	0.039	

Source: UNIDO, Competitive Industrial Performance report 2016 & 2018, Volume II Vienna, 2017

The above highlighted challenges faced by industrial development in Rwanda can be originated from different factors.

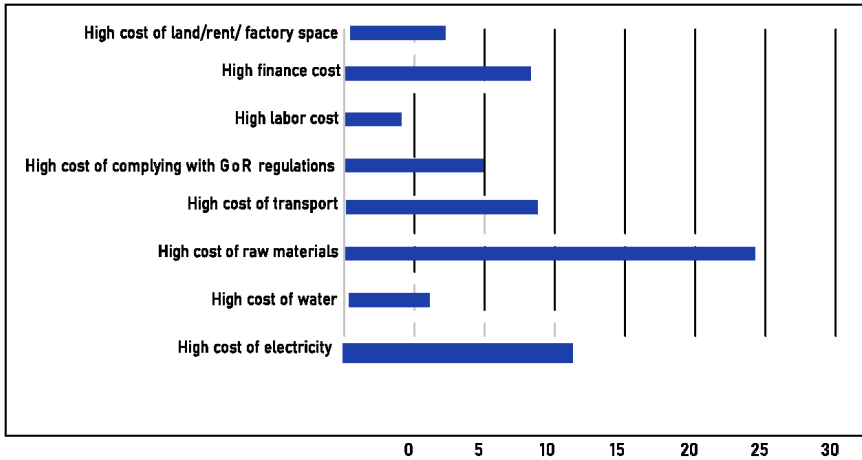
Firstly, Rwanda is landlocked country: 1,416 kilometres from the Indian Ocean and 1,250Km from the Atlantic Ocean. Source of high transport cost for both imported raw materials and finished goods, leading to the high production cost, higher selling prices to the products from regional economic communities (EAC, COMESA, etc). This makes competitiveness of local products to the imported ones.

Secondly, there is issue of insufficient and quality manufacturing raw materials for industrial development, especially for agro processing industries.

Thirdly, energy is not yet sufficient and adequate, leading to high cost of energy and cost of production.

Fourthly, there is still low human development, especially side of industrial unskilled labour, costs which are source of higher selling prices leading to the uncompetitive to imported goods which are of quality goods at lower prices. Below Fig 2 (MINICOM, 2017), confirms how cost of raw materials is the key production cost driver with 29%, followed by cost of electricity with 17%; cost of the transport with 14% and cost of finance with 13%.

Figure 2: Drivers of Cost of Production in Rwanda



35

Relative number of complaints (%)

Source: Made In Rwanda Policy, 2017, page 9

The above highlighted challenges on the industrial development in Rwanda can be resolved through available opportunities like having secured and visionary country, strong leadership and committed government, favourable investment environment, progressive economic growth averaging 7.5% from 2007 to 2017 (NISR, EICV5, 2017), committed Private sector, various natural resources, strong commitment of developing industrial parks across the country and becoming Upper Middle Income Country by 2035 with USD 4,035 per capita and Higher Income Country by 2050 with USD 12,476 per capita from today's per capita of USD 760 (NST1, NISR, EICV5, 2017).

4.2. Findings on Rwanda Labour Productivity

The present section makes analysis of challenges-opportunities of Labour Productivity in Rwanda associated with required policy actions to gainfully compete in AfCFTA.

4.2.1. Challenges -Opportunities Analysis of Rwanda Total Factor Productivity

As shown in the below figure 3 as produced by World Bank jointly with NISR, the total factor productivity is reducing from 3% in 2003-04 to 2.3% in 2005-09 and 0.9% in 2010-15. This is due mainly to the reduction of labour force from 2.4 to 1% in the period from 2000-04 to 2005-2009 and the constant of labour quality. The capital investment increased from 1.7% in 2000-04 to 3.8% in 2010-15. All these lead the reduction of contribution to GDP from 7.9 in 2005-09 to 7.5% in 2010-2015.

Figure 3: Source of Growth by Factors of Production

4.2.2. Challenges -Opportunities Analysis of Rwanda Labour Productivity by sector

Based on the below table 2 as jointly produced by World Bank and NISR (2017) for the period of 2005 to 2014, the high labour productivity in Rwanda is in financial services with RwF 9.7 million per worker in 2014, followed by utilities with RwF 7.1. From 2004 to 2015, Mining, construction and Hotels and Restaurants, recorded a decrease in productivity of 60.26%; 18.81% and 59.19% respectively. When the labour productivity increases over time, this reflects an increase in the living standards within the country.

Table 2: Labour for Productivity, 2005- 2014

Annex Table B1: Labor force and productivity, 2005-2014

	Labor Force, Thousands		GDP/value added, constant 2014 factors prices (billion Rwf)		Labor Productivity (million Rwf per worker)		Change in Productivity
	2005	2014	2005	2014	2005	2014	2014/2005
Total Value Added	4,488	5,479	2,579	5,089	0.6	0.9	61.65
Agriculture, Fishing and Forestry	3,556	3,704	1,009	1,572	0.3	0.4	49.57
Mining	18	71	93	147	5.2	2.1	(60.20)
Manufacturing	76	110	184	322	2.4	2.9	21.74
Utilities	4	11	37	78	8.3	7.1	(13.74)
Construction	72	279	124	392	1.7	1.4	(18.83)
Transport, Communication and ICT	58	115	99	287	1.7	2.5	46.87
Financial Services	13	16	70	159	5.2	9.7	85.89
Hotels and Restaurants	9	38	55	96	6.1	2.5	(59.19)
Other Services	682	1,134	908	2,036	1.3	1.8	34.75

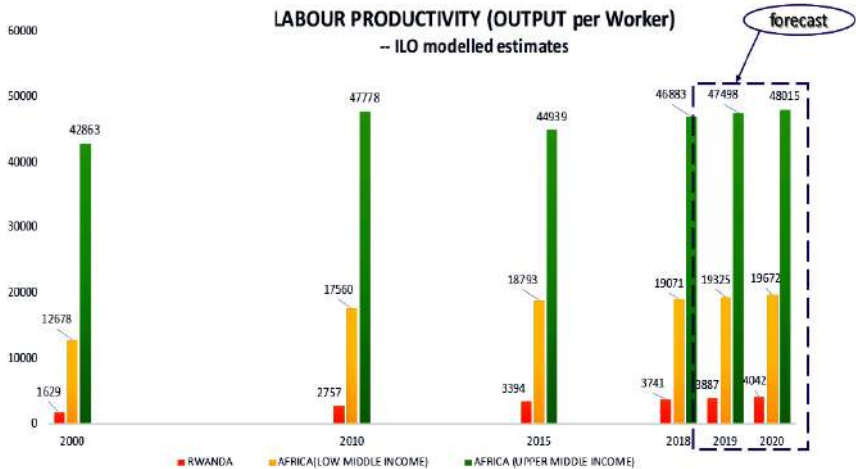
Source: NISR, World Bank staff calculation

4.2.3. Analysis of Rwanda Labour Productivity per worker versus other African countries

As observed in the below figure 4 produced based on the ILO “International Labour Organization” report (May 2018) extracted from World Labour, from 2000 to 2018, the Rwanda labour productivity was US \$1,626/worker; US \$2,757/worker; US\$3,394/worker; and US\$ 3,741/worker, respectively in 2000; 2010; 2015 and 2018. In comparison with other African countries, it was US \$1,626/worker in 2000 against US \$ 12,678/worker and US \$42,863/worker for respectively Lower Income Countries and Upper Income Countries. Ten years after (2010), it increased up to US \$2,757/worker against US \$ 17,500/worker and US \$47,778/worker for respectively lower and Upper Income Countries. In 2015, the annual share of Rwandan worker to GDP became US \$3,394/worker against US \$ 18,793/

worker and US \$44,939/worker for respectively lower and Upper Income Countries.

Figure 4: Labour Productivity (Output per Worker)



Source: Data treated by the Researcher from ILO report (2018 May)

As observed from the above findings on challenges-opportunities analysis, the Rwanda Labour Productivity is less competitive versus other African countries. The total factor productivity is reducing from 3% in 2003-04 to 2.3% in 2005-09 and 0.9% in 2010-15 (NISR, WB). For the labour productivity by sector, the mining, construction and Hotels and Restaurants sectors recorded a decrease of 60.26%; 18.81% and 59.19% respectively from 2004 to 2014 (NISR, WB). The output per worker from GDP is increasing during the period of 2000 to 2018 but lower compare to African countries (ILO, 2018). This situation is

attributed mainly to low HDI value of 0.524 (UNDP, 2018) with rank of 158 out of 189 countries and territories. The more HDI is low, the more is the productivity as they are closely linked. To redress this situation

However, the following opportunities, once effectively implemented, can positively contribute:

The GoR, through seven-year government program or NST1 (2017) has set up a committed strategy of developing Rwandans into a capable and skilled people with quality standards of living and a stable and secure society Education for all program where the pre-primary net enrolment rates should increase from 17.5% (2016) to 45% by 2024 and TVET to be increased from 31.1% in (2017) to 60% by 2024 to address the challenge of mismatch in labor market demand. (NST1: 2017, p.14-15) VUP Program of supporting poor people through Direct Support, Public Works and Financial Services.

WDA “Workforce Development Agency” and IPRS’s programs professional courses or trainings These strategies started producing tangible results as having annual worker’s share to GDP increasing from US \$1,626 in 2000 to US \$2,757 in 2010; to US \$3,394 in 2015 and US \$ 3,741 in 2018. The Rwanda’s HDI value has also been increased from 0.250 to 0.524 during the period of 1990 to 2017

4.3. Challenges-Opportunities Analysis of the Rwanda Competitiveness

To determine the country's competitiveness level, WEF assess on how country enables the environment at institutions, infrastructure, ICT adoption and Macroeconomic level, how it improves the human capital (Health and Skills), how are the Markets (product Market, Labour Market, Financial system and Market size) and how is the Innovation ecosystem (business dynamism and innovation capability).

Based on the below Global Competitiveness report (2018), in enabling the environment, Rwanda got 64% in enabling institutions, 51% in infrastructure development, 27% in ICT adoption and 72% in macroeconomic environment. In Human capital development, Rwanda has been given marks of 61% in Health improvement and 41% in Skills development. For Markets, Rwanda has been marked 57% in product Market, 62% in Labour Market, 55% in financial system and 34% on Market size. At the Innovation ecosystem, Rwanda has been given 61% in business dynamism and 27% innovation capability.










As observed from this challenges-opportunities analysis, Macroeconomic environment with 71%, Health improvement, Labour market and business dynamism with 61%; 61% and 62% respectively are more competitive sector while ICT, skills development, Market size and innovation capability are the sectors needing more attention as they are ranked less than 50%.

To redress this situation of low competitiveness of Rwanda, the government should among other strategies, improve the quality of the local produced products; tackle issues

related to the poverty, source of low human development index and low productivity.

Figure 5 : Competitiveness Index 4.0 2018 edition (Rwanda)

Performance Overview 2018

Overall Score	Enabling Environment		Human Capital		Markets				Innovation ecosystem	
	Institutions	Infrastructure	Health	Skills	Product Market	Labor Market	Financial system	Market size	Business dynamism	Innovation Capability
	64%	51%								
51%		27%	61%	41%	57%	62%	55%	34%	61%	27%

Source: World Economic Forum (Global Competitiveness Index report 2018)

4.4 Proposed Policy Actions

Based on the above identified challenges in industrialization, labour productivity and competitiveness in Rwanda, the researcher is proposing the required policy actions to resolve these challenges and so allow Rwanda competing successful in AfCFTA.

4.4.1 Proposed Policy Actions for industrial development

1. To mitigate risks from being landlocked country, initiating, promoting and maintaining the regional economic communities spirit like EAC, COMESA and AfCFTA, is a sine qua non condition for industrial and trade development in Rwanda.
2. To get needed manufacturing raw materials for industrial development, the researcher proposes the GoR to support their availability through different kinds of subsidy. To get budget for this, the today's recurrent budget rate averaged at 51% of the total budget from 2009-2018 (MINECOFIN website, Budget Management and Reporting Unit) should be reduced by 5% each year for 4 years. This as boosting industries or economic development in general, requires some sacrifices.
3. To have required electricity, there is need of evaluating all the requirements to improve the existing electrical network. Some unnecessary projects (with low return to the population from cost benefit analysis approach) should be put on hold to finance the upgrading of existing electrical network. A Paul Rodan's Big Push Model (1943), similar to the unbalanced growth

theories of prioritizing the more impactful sector should be progressively applied.

4. The minimization of the production cost requires:
 - ✓ The government to subsidize transport costs for some impactful businesses like those importing more needed raw materials,
 - ✓ Improve by upgrading the electricity network and provide reliable energy at affordable prices or the same or below as the EAC “East African Communities”.
 - ✓ Organize a mass Human Capacity Development, especially for industrial skilled labor through WDA “Workforce Development Agency”, NEP “National Employment Program”, Capacity building in RDB “Rwanda Development Board”, etc,
5. Strengthen the certification system in RSB “Rwanda Standards Board” to have quality products competitive to the market.
6. As Rwanda is coming from far and needs to reach far by boosting among other industrialization sector, there is need of reviewing the today’s applied theory “Ragnar Nurkse’s Balanced Growth Theory” and apply progressively the Paul Rodan’s Big Push Model or unbalanced growth of giving priorities to sectors which can boost the industrialization and economy in general.

4.4.2. Required Policy Actions for improving Labour Productivity

To overcome the above highlighted challenges and have a competitive labour productivity, researcher is proposing the following policy actions:

Continue promoting both universal and specialized education by:

Removing all barriers behind abandon of children from the universal education programs due for example to the poverty of the families to get food, or to the weakness in implementing the school feeding program, to the lack of school's materials, including some school fees, etc. Removing barriers pushing children going to the domestic work or tea plantations, etc

Orienting to the twelve years' programs all students not selected for schools of excellence and to TVET's programs and other technical schools all Students not selected for high learning education. These are mostly eligible for industries, hotels, etc

Preparing 6-12 months special training on different topics for universities graduates to allow them diversifying the job opportunities, etc

Reinforcing on job trainings in favor of young professionals both in government system and private sector, especially in priority sector Growth such as agriculture, mining, ICT, investments, etc

Reviewing actual BDF criteria to support all kind of graduates in creating jobs to practice the acquired knowledge.

4.4.3. Required Policy Actions for improving the Competitiveness

Two key policy actions are required to improve the competitiveness level:

Improve quality of the local produced products which could be done through reinforcing the capacity of SMEs and other startups using among other programs like matching grant of EGF “Export Growth Facility”, the HACCP or Hazard analysis and critical control points project in RSB and certification system by RSB “Rwanda Standards Board”.

Continue tackling with poverty issues, source of HDI and the low productivity.

5. Conclusion, Findings and Policy Actions

5.1. Conclusion & Findings

This study on “Rwanda in Africa Continental Free Trade Area (AfCFTA): Challenges-Opportunities Analysis” aimed at assessing the challenges-opportunities from Rwanda industrialization, labor productivity and competitiveness, then finding out the required policy actions to allow Rwanda competing successfully in AfCFTA.

Specifically, the research topic aimed:

1. To conduct a challenges-opportunities analysis of industrialization in Rwanda.
2. To analyze the challenges-opportunities of labor productivity in Rwanda

3. To assess the challenges-opportunities of competitiveness in Rwanda
4. To find out the needed policy actions to allow Rwanda competing successfully in AfCFTA

To achieve the topic objectives, the researcher applied the documentary techniques by exploiting topic related documentation for enriching the literature review and knowing more about the challenges and opportunities in Rwanda industrialization, labour productivity and competitiveness in comparison with other African countries. For treating the above collected data to have this final report, the researcher applied also some research methods as statistical method, historical method, analytical method, synthetic method, etc.

As detailed in the document, the findings revealed that Rwanda has opportunities like of having strong institutions and leadership, stable macroeconomic situation, favourable investment environment, strong health care system, etc and challenges such as high transport cost for both imported finished goods and raw materials as landlocked country (1,416 kilometres from the Indian Ocean and 1,250Km from the Atlantic Ocean), industries with insufficient and low quality raw materials; not yet sufficient and adequate energy; high production cost, low human development index (0.524, 158th out of 189 countries: UNDP, 2018), lack of needed specializations and skills for industrial development, etc. The below developed policy actions have been proposed to overcome the above highlighted challenges and so move on.

5.2. Policy Actions

From the detailed policy actions in the document, the following are the required key policy actions:

To mitigate risks from being landlocked country, initiating, promoting and maintaining the regional economic communities spirit like EAC, COMESA and AfCFTA, is a sine qua non condition for industrial and trade development in Rwanda.

To Reduce 20% from the today's recurrent budget rate averaged at 51% (2009-2018), taking 5% each year for 4 years in favor of the required basic infrastructure, in subsidizing among other raw materials, transport costs, strengthen the products certification system in RSB, etc

Apply progressively the Big Push or Unbalanced Growth theories of prioritizing the more impactful sector

To Continue promoting both universal and specialized education, reinforcing social programs to improve the Human Capital Development, source of high productive capacity and productivity.

As the presented research was for identifying challenges hindering the development of industrialization, labour productivity and competitiveness in Rwanda, opportunities and required policy actions to overcome these challenges, the researcher is calling upon other researchers to continue topic related researches guiding GoR how to compete significantly in AfCFTA.

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**UNITED NATIONS SECURITY COUNCIL
REFORM: MYTH OR REALITY?
CONTEXTUALISATION OF THE
AFRICAN POSITION**

By:

UWIMANA NDIYAYE Innocent³

³*Uwimana N. Innocent is a Lecturer of Foreign Policy at Kigali Independent University ULK, School of Social Sciences.*

Abstract

The United Nations [UN] was founded at the end of World War II [WWII] by the five victors namely, United States of America [US], United Kingdom [UK], Russia, France, and China. The founders had high hopes that it would act to prevent conflicts between nations and make future wars unthinkable, by fostering an ideal of collective security. The quest for reform of its Security Council Organ has been an integral part of the life of the UN since its earliest days. Since its establishment in 1945, the organization has experienced an array of proposals, some of which have been adopted and implemented, and others have remained to gather dust. Considering the role of veto power in the management of international politics and the preservation of the veto wielding states' interests, the main aim of this study was to examine the possibility of amending Article 108 of the UN Charter and allocating two permanent seats with veto power to Africa.

To weave the perspectives captured herein, the study depended almost exclusively on the content analysis of existing literally materials. The study posits that in order to command worldwide respect and effectively address the challenges of the 21st century, it has become necessary that the UNSC expands its membership in the permanent and non-permanent categories, with inclusion of both developing and developed countries. This study discussed different versions of the reform proposed by various states, paying particular emphasis on the contextualisation of the African proposed blueprint. The study concludes that it is going to be difficult, if not impossible, for the AU formula, which is calling for a revolutionary alteration of the UNSC, to be adopted.

The study recommends that in the event the veto becomes difficult to get or abolish, Africa must pin its hopes on trying

to mobilize pressure and persuasion to get the P-5 members to limit their veto use, especially in cases of genocide and other grave human rights abuses. The AU must approach the G-4, which is a powerful and influential group, in order to try and reach a compromise. This would entail the AU dropping its demands for veto-wielding seats. The idea would be for both the AU and the G-4 to combine their proposals and possibly push for reform of the UN whilst at the same time providing a significant diplomatic barrier to the wanton use of the veto by the P-5.

Background and Statement of the Problem

After World War II [WW II] the United Nations [UN] was set up to end all wars, enhance respect for international law and promote human rights and peoples' well-being. The UN was established as an association of nations which accepted the values of civilized life and agreed to cooperate together for the good of all. According to Steans et al [2001:35], the UN was founded, as it is enshrined in the Charter, "To save succeeding generations from the scourge of war". This is the most important function of the UN and, to a considerable extent, the criterion by which it is judged by the peoples it is at the service of.

As stipulated in its Charter, the principal function of the UN is to maintain international peace and security [Okhorat 2011:7]. Other roles include international cooperation, coordinating social, economic and cultural covenants as well as international conventions and other humanitarian problems, in areas of promoting human rights and fundamental freedoms. The UN mainly comprises of the Security Council [UNSC], General Assembly [UNGA], the Secretariat and specialized agencies [Goldstein et al (2008:221)]. As Sydney [2001:40] argues, "The United

Nations General Assembly consists of all the small and large, greedy and generous, allied and neutral, democratic and tyrannical, arrogant and diffident member states of the United Nations". When the UN was established, the core responsibility for maintaining international peace and security was entrusted to the UNSC. This organ is made up of five veto power wielding permanent member countries [United States, Russia, France, the United Kingdom (UK) and China] requiring it to act in accordance with the purposes and principles of the UN. However, as Okhorat [2011:3] argues since the establishment of the UNSC, permanent members have used their veto in accordance with their national interests.

As for Rourke [1995:363], "In the UNSC any of the permanent members can, by its single vote, veto a policy statement or action favoured by the other 14 members. The use of veto power has become distant from the initial purpose and has been turned into a tool for protecting national interests of permanent members or their strategic allies. As Okhorat [2011:11] notes this power has been responsible for the silence of the Security Council on some major international conflicts such as the 2003 Iraq war, the 2008 conflict in Georgia, the 2009 massacre of Sri Lankan Tamils and conflict in Syria. Consequently the use of veto by permanent members has led to some questioning whether or not the UNSC can still be the custodian of international peace and security.

As Young [2003:56] puts it, the UNSC "operates, by and large, according to the golden rule - those who have the gold make the rules". Since the establishment of the UN, global politics has been facing major systematic challenges. Throughout

this period, the UNSC did not fully live up to peoples' expectations as a guarantor of international peace and security. The incessant calls for reform result from the fact that the UNSC today still reflects the global power structure of 1945, though its non-veto membership was expanded from eleven to fifteen in 1965 [Okhorat 2011:37]. The five WWII victors have held on to their privileged status. They are permanent and can veto any UNSC decision that affects their respective interests. Considering the current geopolitical context, it is no longer possible to conceive of, and implement an international peace and security which is restricted to the maintenance of order *stricto sensu*. Hence, the need to adjust the UNSC to new global governance and geo-political realities led to several calls for reform and under this political foray, Africa has demanded as Wafula (2005) notes not less than two permanent seats with all prerogatives and privileges of permanent membership including the right of veto. While various studies have focused on UN reform agenda by zeroing on power within the UNSC establishment, this study is of significance importance as it closes the gap on the unexplored contextualization of the African position and its eventual adoption.

Objectives and Purpose of the Study

The quest for reform of the UNSC has been an integral part of the life of the UN since its earliest days. Since its establishment in 1945, the organization has experienced an array of proposals, some of which have been adopted and implemented, and others have remained to gather dust. Considering the role of veto power in the management of international politics and the preservation of the veto wielding states' interests, the main aim of this study is

to examine the possibility of amending Article 108 of the UN Charter and allocating two permanent seats with veto power to Africa. The study intends to contextualise current proposals and efforts towards the reform of this body. The researcher intends to assess the picture of the current UN architecture and political behaviour vis-à-vis the reform agenda.

It is important to analyse how the unilateralist approach to global challenges exercised by veto-wielding countries militates against the objectives of the UN Charter. The study intends to investigate the extent to which this unilateralist approach has polarised and paralysed the current global political landscape, as claimed by developing countries, mostly African.

Theoretical Framework

The world's political behaviour is dictated by the struggle for self-centered national interests. It has long been argued that world politics is characterized above all by egotistical states operating in an anarchical environment. As Viotti (2002) notes, to most realists, the struggle for power among states is at the core of international relations. He stresses that in the words of Hans J. Morgenthau: International politics is a struggle for power. Forsythe [1989:30] notes that, "From the celebrated works of Hans J. Morgenthau to the much-praised restatements by David Franklin and Hedley Bull, commentators have stressed the power drive of nation-states operating without higher authority". In these classical treatments emphasis has been placed, as Forsythe [1989:40] argues, "on the independence of states, on their drive to maximize power as both ends and means, and even on the morality of normally evil action when done in pursuit of national interests".

As Steans (2010) notes realists believe that states, like *men*, are by 'nature' self-interested and aggressive and will pursue their interests to the detriment of others and without regard to the constraints of law or morality. While in realism, international relations by their very nature are characterised by conflict and competition (Steans et al 2001:64) liberals, by contrast, are primarily interested in explaining the conditions under which international cooperation or collaboration becomes possible [Kauppi et al.2012:129]. In this study, which examines power dynamics, competition, and unilateral exercise of power within the UNSC, realist and idealist theories of international relations are being examined. These theories were chosen because they do help a great deal in understanding the current anarchical power struggle-ridden international system. As Russett [2001:25] observes, realist philosophy postulates that "international politics is a continuous struggle for power among nations and these nations always seek to dominate each other in the conduct of their own affairs".

This assertion finds expression in the UNSC structure and its permanent members' *résistance* to proposed reforms. Since the foundation of the UN, there have been insurmountable obstacles that have prevented amendment to Article 108 of the UN Charter, which requires the affirmative concurrence of the five permanent members of the UNSC. Practically, this means that none of the five will approve anything that removes them from the UNSC or takes away their veto power privileges. In the history of the UN, much more has been achieved by changes in practice, rather than Charter revision. Thus, one may observe that it is unlikely to reform the membership of the Security Council particularly the permanent category and

veto power in the near future.

More recently, there has been renewed attention to the subject of cooperation in world politics, whether through emphasis on regimes or on other forms of collaboration. According to Forsythe [1989:30], "Joseph Nye, Robert Keohane, Ken Oye, Robert Axelrod, and others have sought to modify Morgenthau's 'realist' school of thought by emphasizing the possibilities if not the extent of cooperation under anarchy and trying to clarify the dynamics of that cooperation." Arguing from the idealist paradigm, Russett [2001:25] contends that, "states' behaviour over each other can be modified and states act in harmony rather than always in conflict with each other". In some cases as Forsythe [1989:31] argues, "Focus on international regimes has been blended with the use of game theory to analyze the start, duration, and decline of international cooperation". In these analyses, emphasis is especially placed on development of a long-term view of interests, and restriction of the number of actors involved in the quest for agreement.

As Hightower [1999:40] argues, "A number of states have been satisfied to share power rather than constantly strive to maximize it; others have reduced unilateral power in the interests of order and friendly relations". Thus, as Forsythe [1989:31] notes, "The US entered a new treaty arrangement with Panama to provide for the security of the important waterway, even though the US appeared to be giving up prerogatives". He adds that, "Under this doctrine, it has been demonstrated that less can mean more; less assertions of unilateral advantage may mean more maximization of national interests". It is this mix of cooperation and anarchy which constitutes the environment in which the UNSC and the entire UN system exists.

It is this recognition of cooperation rather than struggling for self-centered national interests, at the beginning of the twenty-first century, that the world is witnessing a transition from the classical Westphalian world order to a world order where regions and their organizations such as the European Union [EU] and the African Union [AU], and other regional organisations in addition to states, are playing a central role in global governance. As Forsythe [1989:31 argues, "Processes of regional integration are indeed increasingly affecting and even shaping international relations". However, it is poignant to note that we are not entering the era of post-Westphalian world order in which nations are disappearing or becoming irrelevant, on the contrary nation-states remain important for identity and local governance.

Research Questions

To what extent does the African Union position on the United Nations Security Council reform arouse the interest of the five permanent members?

Is the Africa's Position on the United Nations Security Council reform likely to trigger the amendment of the Article 108 of the United Nations charter?

Research Methodology

Data that informs this study is based on secondary sources (books, journal articles, seminar and workshop reports, and the UN documents and publications) relevant to the subject under investigation. References were made to various articles on international law and international politics. Legal instruments such as International Covenants, Declarations, Charters and the International Court of

Justice's decisions were examined. The researcher analysed several resolutions and recommendations adopted by the UNSC and the UNGA respectively. Different proposals presented in line with the UNSC reform were analysed, though much attention was oriented towards the African Union's proposal. Where necessary, tables, diagrams and figures were used. It is reiterated that all media information, public and private, were used with caution to avoid politically persuaded opinions and in some instances, patriotism which clouds relevant issues. Data was presented in a discussive and narrative format.

Literature Review

Few aspects of UN reform have attracted as much political interest and academic attention as the projected reform of the UNSC. Since January 1994, UNSC reform has been tabled in the UNGA without any progress. Paragraph 30 of Resolution 55/2 which was adopted at the 2000 UN Millennium Summit leaders undertook "to intensify our efforts to achieve a comprehensive reform of the Security Council in all its aspects."

The High-Level Panel on Threats, Challenges and Changes, was appointed in 2000 by the UN Secretary General, Kofi Annan. According to the Panel's Report [2004:81], "Models A and B both involve a distribution of seats as between four major regional areas, which we identify respectively as Africa, Asia and Pacific and Europe and Americas". Nevertheless, while the expansion of the UNSC's membership pointed in the right direction, the veto power, which is critical, remained unchallenged in the report. Commentators from the Great Powers argue that the veto is crucial to the operations of the UN: "It keeps the big players in the game and there is no game

without them” [Macknara, 1986:40]. The UN reform, in the sense of changing the organization so that its capacities to fulfil the goals of its Charter are strengthened, has been a continuing matter of concern and the object of serious research. According to Trevor [2000:81], “The UN’s failure to fully understand and doctrinally adjust to the new circumstances surrounding global politics brought the world body to the point of outright strategic failure”. As Hopkinson [1998:50] has put it: “The world balance of power has changed dramatically in the years since the United Nations was established but the composition of the Security Council has not”. The major criticism of the UN from the South has been that a few powerful members have dominated its policy-making process and frequently used the veto power to enhance their interests (Wafula, 2005). Hence the need for reform has persistently been suggested.

The United Nations Security Council’s Modus Operandi

Article 24 [1] of the UN Charter stipulates that, In order to ensure prompt effectiveness of the UN, its members confer on the Security Council primary responsibility for the maintenance of international peace and security, and agree that in carrying out its duties under this responsibility the Security Council acts on their behalf.

The UNSC’s powers and functions are by far the most extensively regulated fields within the UN Charter. As enshrined in the Charter, these powers and functions are embedded in Chapter V [Articles 24-32, General Provisions], Chapter VI [Articles 33-38, Peaceful Settlement of Disputes], Chapter VII [Articles 39-51, Measures with respect to Threats to the Peace, Breach of the Peace and

Acts of Aggression], in Chapter VIII [Articles 52-54, Regional Arrangements] and Article 83 [Functions of the UNSC in the Trusteeship System]. It is assumed that by virtue of the UNSC having been assigned the primary responsibility for the maintenance of international peace and security, no other body within the family of states and no state has comparable authority and functions. Thus, in order to discharge these functions, the UN Charter assigned to the UNSC, a number of political functions and powers, which are considered as extraordinarily far-reaching, given the traditional *résistance* of states to transfer parts of their sovereignty to an intergovernmental body/authority. As Joshua (2008:225) notes the Security Council has tremendous power to *define* the existence and nature of a security threat, to *structure* the response to such a threat, and to *enforce* its decisions through mandatory directives to UN members. Therefore, making it the most powerful organ of the UN.

The UN Charter confers authority to the UNSC and various methods of resolving the disputes. As Weimer [2000:40] notes, "Chapter VI of the UN Charter provides for peaceful settlement of disputes which includes such methods as mediation, arbitration, conciliation or judicial settlement". Chapter VI, Article 33 of the UN Charter stipulates that, "The UNSC may also ask countries to negotiate between themselves or may recommend terms of settlement". Other frequently used methods include the appointment by the UNSC of a fact-finding mission or a commission of inquiry or as Wallace [2002:32] argues, "to ask the UN Secretary-General to extend his good offices". In diplomatic parlance, the UNSC would craft what is nowadays commonly referred to as a "road map" for the resolution of the disputes.

As Bacher [1994:45] notes, “actions adopted by the UNSC in terms of Chapter VI of the UN Charter, dealing with the specific settlement of disputes, are purely recommendatory, they do not bear significant force”. Nevertheless, their political consideration remains vital.

This is because constant disregard of these recommendations might constitute arbitrariness, impropriety or even illegality. It is important to note that decisions adopted under Chapter VI of the Charter can influence situations as they express the opinion of the international community. However, when these recommendations fail to soothe the conflict and there is a concomitant threat to international peace and security, the UNSC invokes its power under Chapter VII.

According to Akehurst [1982:174], “under Chapter VII, once the UNSC has resolved that a particular dispute or situation involves a threat to the peace or action of aggression, the way is open to take further measures”. Such measures may, however, be preceded by provisional action taken to prevent the aggravation of the situation. This action provided for by Article 40 of the Charter, is without prejudice to the rights or claims of the parties, and is intended as a provisional measure to stabilize the crisis situation. Chopra [2001:41] argues that the call for the withdrawal of troops from foreign territory such as in the Democratic Republic of Congo [DRC] on 31 August 1998 and calls for ceasefires in Middle East in 1969 and 1973 are examples of action taken by the UNSC under this UN Charter provision.

The adoption of provisional measures by the UNSC often has an effect ranging far beyond the confines of a purely temporary action. This provisional measure may induce

a calmer atmosphere leading to negotiations. These measures may set in train moves to settle the dispute upon the basis laid down in the UNSC resolutions, which called for the provisional measures. The action adopted by the UNSC, once it has decided that there exists with regard to a situation a threat to the peace, breach of the peace or act of aggression, may fall into either two categories. As Kegley [1998:57] notes, "It may amount to the application of measures not involving the use of armed forces under Article 41 such as the disruption of economic relations or the severance of diplomatic relations and complete or partial interruption of economic relations".

In addition, the UNSC may call for the "use of such force" as may be necessary to maintain or restore international peace and security under Article 42 [Kegley, 1998:57]. The UNSC may feel that measures short of armed force as prescribed under Article 41 have been or would be inadequate. In such a scenario as Merrills [1998:45] puts it, it may take "such action by air, sea or land forces as may be necessary to maintain or restore international peace and security".

Military action is clearly the *ultimum remedium* for the UNSC and may only be undertaken if the UNSC considers that measures not involving the use of armed force would be inadequate or have proved to be toothless. These measures aim to weaken the capacities of hostile regimes to pursue aggressive military, domestic and foreign policies. Article 42 of the UN Charter also provides that such action may extend to demonstrations, blockades and other armed operations by members of the UN. Under Chapter VII, decisions taken such as imposition of economic sanctions are binding on UN members. Under

Chapter VII of the UN Charter, the UNSC imposed general trade sanctions on Iraq in 1990. Since then it imposed more 'targeted' sanctions such as arms embargoes, travel bans, restrictions on diplomatic relations. It imposed bans on key commodities, such as petroleum and diamonds in countries like Sierra Leone, Liberia, Angola and the Iraq oil for food programme.

In addition, The UNSC has a right to initiative under the Article 4 of the UN Charter by making recommendations to the UNGA concerning the admission of new members, suspension of membership, expelling of a member state, election of the UN Secretary General as well as elections of members of the International courts of Justice among other roles. This overreaching power makes the UNSC the most powerful organ of the UN and a seat to at the UNSC's chamber is seen as a marker of country's global stature and significance.

Role of Veto Power in the Management of International Politics

One of the most distinctive features of the UNSC is that it is the only UN organ in which there is a formal rule of unanimity or 'right of veto'. The UNSC is part parliament and part secret diplomatic conclave. As Beigbeder [1994:18] asserts, "the Charter declares that decisions of the Council shall be by the affirmative vote of nine members and that, except for procedural matters, the votes shall include the concurring votes of the permanent members". The one exception to this Charter rule is that in decisions relating to the pacific settlement of disputes, a party to a dispute shall abstain from voting [Article 27[3]]. Thus, if nine or more of the fifteen members vote in favor of a proposal but one of the five permanent members votes 'no', the

proposal will be nullified. The UNSC can veto virtually any decision including the proposals by the UNGA as a whole. A closer analysis, however, reveals that there is no reference in the UN Charter to the “right of veto”. What is called the “right of veto” is intrinsically linked to permanent membership. Article 27[3], of the UN Charter merely calls for the “*concurring votes*” of the permanent members when the UNSC makes a substantive decision. The model on which the UN was built has been proved to be too ambitious. The UN Charter had been drafted on the assumption that the victors of the WWII would continue to co-operate as they did during the hostilities. Paradoxically, from the beginning, the UN has been unable to function as designed.

The working of the UNSC, a body designed to ensure the strong beat of the heart of the UN Charter and its collective security provisions, has over the years attracted widespread criticism. Instead of fostering co-operation, it became apparent in the early days of the UN that the Post-War differences that had developed between the US and the Union of Soviet Socialist Republics [USSR] significantly limited the ability of the UNSC to take action.

As Chopra [2001:42] argues, “The superpowers were inevitably on opposite sides of most issues and the US controlled the votes in the council.” Since the USSR’s interests were frequently under threat and because of its conspicuously minority position in the UNSC, it was left with the veto as its sole weapon to thwart any action it deemed would undermine its interests.

It is imperative to note that since the UN originated from a coalition of victorious wartime allies, the organization faced for roughly several decades questioning on how

those “converted” to the antifascist side of peace might be admitted to the club [Beigbender 1984:45]. Over decades, vetoes have been cast to block the admission of member states as well as nominations for the UN Secretary General. As Rourke [2002:34] argues, “Despite all fourteen other UNSC members having supported Boutros Boutros Ghali, the US veto ended his tenure as the UN Secretary General”.

Bourantonis [2005:12] notes that “Indeed during the period 1946-1954, 31 states had applied for admission for UN membership but only nine of them were admitted owing to the East-West conflict. As the membership issue became entangled in the politics of the Cold War, each camp made use of the veto to block candidates by the other”. Thus, the US ensured that USSR allies applying for membership were denied the required UNSC majority. On the USSR side, in a bid to keep out Western- sponsored applicants, it used its veto recurrently until the USSR Commissar and later Minister for Foreign Affairs, Vyacheslav Molotov, said ‘no’ so many times that he came to be known as ‘**Mr Veto**’” (Barry, 2003).

It is apparent that the US and USSR would probably not have accepted the creation of the UN without the veto power. This is because despite some exceptional privileges denied to Great Powers in the days of the League of Nations or in other security associations, the veto represents that right which was prerequisite of all sovereign states in the pre-UN world, the right not to be -ruled by other members. As Roskin [1993:362] argues, Stalin at Yalta in 1945 insisted on the veto provision, Churchill and Roosevelt went along. Stalin felt [correctly] that the USSR would be so outnumbered by non-

Communist countries that it would suffer permanent condemnation. On the same basis, Stalin got the bizarre provision giving *three* UNGA votes to the USSR, whose constituent “republics” of Ukraine and Beloroussia were counted as UN members.

One may observe that since the UNSC was originally intended to deal with most critical issues of national interests and because these Great Powers hold the preponderance of the means of enforcement, such an arrangement may be considered a necessary departure from the complete abandonment of unanimity. Though it is impossible to escape the notion that the primary purpose of the veto is not to foster co-operation but to prevent action, the use of veto is often in contradiction to the literal terms of the UN Charter and has been manipulated for national interests. The veto strangles the UNSC and prevents a broad consensus from guiding its work across a wide range of issues surrounding global politics. In essence, the veto helps Great Powers to ensure that their vital interests are not affected.

As Roberts [2000:41] notes, “There was discontent when the US and Britain systematically blocked council action to impose economic sanctions on South Africa during the 1980s.” Goodrich [1999:60] notes that, “There was dissatisfaction when France and Britain blocked action on Suez in 1956; when the US refused action on Vietnam in the 1960s, 70s and when the USSR prevented action on Afghanistan in the 1980s”. Today, the opposition is conspicuous because rather than giving the impression that it fails to act on critical issues, it can be argued that the UNSC behaves in ways that often seem motivated by geopolitical interests of the permanent members. Of late,

there have been signs that Russia and China are willing to veto any resolution punishing Iran because of its intentions to produce nuclear energy.

In analysing the role of veto in the UN system, Sheever [1999:59] notes that, "No important action can be undertaken by the UN with any reasonable prospect of success in the face of US opposition. Conversely, if the US gives full support to a proposal, its chances of being adopted must be considered very high, unless of course the veto operates".

As Roskin [1993:63] observes, "In speeches and corridor conversations, diplomats often point out that four out of the five permanent members are "European" [A concept that includes the US]. He adds that "Four out of five are industrialized countries. The four-fifths of humankind that live in the poor countries of the global South, they say, have only one voice, namely, China".

This goes hand in hand with Huggins' [1988:41] comment that, "It became the practice to use the veto more broadly both to stop the possibility of any sanction directed against permanent members, even to stop a mere critical resolution directed against an ally." As John Sigler [2002:67] puts it "The US use of veto has traditionally been tied to Israel with the US vetoing anything critical of the Israel at the Security Council". In an article published on 17 September 2003 in the Guardian [United Kingdom] newspaper, David Teather writes that the US vetoed a resolution drafted by Syria that denounced Israel's threat to remove then Palestinian Leader Yasser Arafat because "it failed to condemn groups such as Hamas, which it blames for promoting terrorism".

In an online article published on 17 September 2003, Tarik Kafala highlights that “In December 2002, the US Blocked a draft resolution criticizing the killing by Israeli forces of several United Nations employees and the destruction of the World Food Programme warehouse in the West Bank”. Since 1970s, the US has frequently used the veto, most frequently to block decisions that it regards as detrimental to the interests of Israel (UNSC.2019).

The above-cited examples illustrate how the P-5 members use the veto to shore up their interests and leads to the conclusion that the veto power principle was deliberately inserted into the UN Charter by the “Great Powers” and accepted by the rest of the UN as an automatic switch off to prevent the UNSC from becoming involved in a “Great Power” showdown. It can be argued that from an international relations perspective, the veto system kept the UN alive longer than the League of Nations. Without it, one or several of the Great Powers would otherwise have either not joined it in the first place or else deserted it. The veto saved the UN from damaging conflicts pitting directly its major members and from involvement in impossible missions.

The veto in the UNSC can be likened to a fuse in a house wiring system. If the system overheats; better to have a fuse blown [a veto] than the house blazing up. Thus the veto has become a safety valve that prevents the UNSC from undertaking commitments in the political field, which it lacks the power to execute.

Over the years, a variety of proposals to amend the structure of the UNSC to bring it more into line with the current geopolitical realities, have been proposed. However, the veto power aspect has become a stumbling

bloc, as the five permanent members have been ever ready to quash any attempt that may lead to the amendment of Article 108 of the UN Charter. It is in this perspective that the study seeks to analyse the possibility of adopting the proposed African Union position.

Contending Proposals on the United Nations Security Council Reform

In a world beset by nuclear threats, terrorism, human rights abuses and war crimes, a robust UNSC that would take the initiative in promoting international peace and security and defending international law has been proposed. These current events have breathed new life into the Security Council reform conversation, generating renewed interest in the issue, not only regarding expansion of membership, but other reform issues such as the Council's working methods and the use of the veto.

In his Report published in March 2005 titled "In Larger Freedom: Development, Security and Human Rights for All", UN Secretary General Kofi Annan, stated that, "No overhaul of the UN would be complete without reform of the Security Council." Although dissatisfaction with the UNSC has spawned many plans to revise it there is little clarity, let alone consensus, among UN Member States about the form, the practicality as well as the substantiality of the reform. Despite this however, States are in agreement though that the UNSC's permanent membership reflects outdated geopolitical realities and political thinking that were shaped by the world of 1945. Hence reform proposals have been crafted.

The African Position

Sarooshi [2005:4] states that after deliberating at length on the 2004 Report of the High-Level Panel on Threats, Challenges and Change, the AU Executive Council adopted a Common African Position known as the 'Ezulwini Consensus' at a meeting held in Swaziland from 7 to 8 March 2005. The AU proposal was formally presented to the UNGA on 14 July 2005. Under the Ezulwini Consensus, the then 53 AU member states agreed to ask for an increase of UNSC seats from 15 to 26, with 6 of the 11 new members being permanent ones with veto rights and the rest five non-permanent ones". Two of the six new veto-wielding permanent seats should go to African countries while another two to Asia, one to Latin America and Caribbean and one to Western Europe.

The Report by the High-Level Panel on Threats, Challenges and Changes [2004:4] suggests that for the UN Security Council to be more proactive "those who contribute to the Organisation financially, militarily and diplomatically should participate more in Council decision-making and those who participate in Council decision-making should contribute more to the Organisation." However, AU member states demanded the right to establish their own selection criteria for African contenders and the right to select African representatives to the UNSC.

As Parsons [2005:5] argues, "According to the Ezulwini Consensus, the AU criteria will be based on the representative nature and capacity of those chosen." Nevertheless, these criteria have still not been explicitly defined. Furthermore, although countries like Nigeria, South Africa, Senegal, Egypt and Kenya have shown

interest in representing Africa on the coveted seats, the AU is still undecided as to which of its member states to endorse.

The Common African Position adopted in Swaziland was reiterated at the AU Summit in Sirte [Libya] convened from 4 to 5 July 2005. In Sirte, all 53 states that made up the AU unanimously reaffirmed the initial position demanding two permanent seats with veto rights. Page 2 of the Sirte Declaration on the Reform of the United Nations [ASSEMBLY/AU//Decl.2 (V)] states that leaders, *“Reiterate, to this end, our commitment to preserve Africa’s unity and solidarity in the selection, by the African Union, of its representatives in the Security Council to act in its name and on its behalf.”* This Sirte declaration was reaffirmed at the AU Extraordinary Summit held in Addis Ababa, Ethiopia, on August 4 2005.

The Group of Four Positions

Running contrary to the AU position is the G-4 proposal. On 31 March 2005, the Permanent Mission of Japan to the United Nations released a statement which outlined that “At an event held today at the Millennium UN Plaza Hotel, the Group of Four [Japan, Germany, India and Brazil] presented the essentials of their draft framework resolution that they hope the General Assembly will adopt in June 2005. These countries believe an expanded UNSC should include, on a permanent basis, countries that have the will and the capacity to take on major responsibilities with regard to the maintenance of international peace and security.

In an address on 30 July 2005 to the Joint meeting of the Foreign Affairs Committee of the Chamber and Senate on the United Nations Security Council Reform, Italian Foreign Minister Giafranco Fini stated that:

On 6 July last in New York the G4 formally deposited a draft resolution, which it had previously circulated, with the co-sponsorship of 27 countries which later became 29. [www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Interventi/2005/07/Interventi_1.htm].

This draft envisages enlargement of the UNSC to include six new permanent seats without the veto [two each for Africa and Asia, one for the Western states and one for Latin America and the Caribbean] and four new non-permanent seats [one each for Africa, Asia, Latin America and the Caribbean, as well as Eastern Europe].

The G-4 has decided to stand by its draft and canvass support for it and has embarked on a furious lobbying campaign with particular attention being paid to African states that could make up a powerful bloc in the world body where a two-thirds majority in the UNGA is needed. The G-4 states perceive their position as a pragmatic scheme that may succeed in getting the required backing of two-thirds of the UNGA, as well as being accepted by the current powerful veto-wielding members.

United for Consensus (UfC)

As Nadin (2014) notes the UfC called for a 25-member Council, which would be achieved by adding 'no permanent members to the Council, but would rather create new permanent seats in each region, leaving it to the members of each regional group to decide which

Member States should sit in those seats, and for how long'. Although various proposals have been presented, these are unlikely to lead to the amendment of Article 108 of the United Nations Charter as they are in stark contradiction with the interests of the five permanent members. The veto power remains vital and fundamental to promoting and protection of their crucial interests globally.

Contextualisation of the African Position and the possibility of its adoption

The effort to create a more effective UNSC that responds to the challenged global security climate has become a geo-political challenge for power and influence. There is widespread support for enlarging the UNSC to reflect the global realities of the 21st century. Nonetheless, as the current state of affairs has shown, there are still serious barriers, which must be understood and navigated. With 55 African states represented in one grouping, making up a significant percentage of the votes needed to pass a General Assembly resolution expanding the Council, though challenges remain, Africa is *the* heavyweight in Security Council reform discussions. The following part analyzes the possibilities of amending the pillars of the UN Charter, especially Article 108, the prospects as well as the challenges the AU proposal faces. This section looks at various aspects that are at the core functioning of the UN by comprehensively comparing the current five permanent members and contenders countries.

Table 1: The UNSC P-5 and African states contenders on troops and budget contribution.

Country	Troops contribution	Budget contribution	GDP (Nominal)	Population
USA	118	22.000% (1 st)	1 st	318 Mill(3 rd)
Britain	281	5.179% (5 th)	6 th	64 Mill (22 nd)
China	1,645	5.148 (6 th)	2 nd	1.361 Billion (1 st)
France	950	5.593% (4 th)	5 th	66 Million (21 st)
Russia	102	2.438 (11 th)	8 th	144 Million (9 th)
Brazil	1,724	2.934%(10 th)	7 th	201 Million (5 th)
Germany	235	7.141% (3 rd)	4 th	81 Million(16 th)
India	7,868	0.666%	10 th	1.241 Billion (2 nd)
Japan	269	10.833% (2 nd)	3 rd	127 Million (10 th)
Nigeria	4,738	0.090%	37 th	1754 Million (7 th)
South Africa	1.675	0.372%		53 Million (25 th)

Source: Nadir P. (2018) United Nations University.

Table 1 indicates that both Germany and Japan are pillars of the global economy, both are bigger than the UK and France and both are more economically powerful than any member of the Security Council except for the US. As Table 1 shows, Japan contributes 10.833% of the UN budget, second only to the US which contributes 22%. Germany is third with a contribution of 7.6% of the UN. The other four permanent UNSC members lag behind. Britain contributes 5.179%, France 5.593%, China 5.0% and Russia 2.438%. African countries, South Africa and Nigeria which are jostling for the seats at the UNSC as the table indicate contributed lag behind with 0.372% and 0.090% respectively.

The above stated corroborates with the United Nations Peacekeeping Department (2018) in its report on the top ten providers of assessed contributions to the United Nations Peacekeeping operations for the year, 2018.

Table 2: Top Ten providers of assessed contributions to the UN Peacekeeping operations

	Country	Percentages		Country	Percentages
1	United States	28.47%	6	United Kingdom	4.46%
2	Japan	9.68%	7	Brazil	3.82%
3	China	7.92%	8	Italy	3.74%
4	Germany	6.38%	9	Russia	3.08%
5	France	4.8%	10	Canada	2.92%

Source: UN Peacekeeping Department, 2018

The report depicts that, the United States tops the list of major contributors with 28.47%, followed by China with 10.25%, Japan 9.68%, Germany 6.39%, France 6.28 %, the United Kingdom 5.77 %, the Russian Federation with 3.99%, Italy 3.75%, Canada 2.92% and Spain 2.44%.

A closer analysis of the above table shows that no African contender founds among the top contributors to the UN Peacekeeping operations in 2018. Even though this is not a determining factor in selecting candidates under this reform drive, imperatively it is clear that this factor verily dents the African reform *desideratum*.

Table 3: The United Nations budget biggest Contributors, 2018

	Country	Percentages		Country	Percentages
1	United States	22%	6	United Kingdom	4.46%
2	Japan	9.68%	7	Brazil	3.82%
3	China	7.92%	8	Italy	3.74%
4	Germany	6.38%	9	Russia	3.08%
5	France	4.8%	10	Canada	2.92%

Source: Times of India, 2018

As indicated in table 3, the United States of America contributes the highest with a share of 22%. The USA's GNP is approximately 27% of the total GNP of all UN member countries, thus its highest share of contribution justified (Factly.2016). Reference made to table 3 African contenders fall in the category classified by Wafula (2005) as notorious for late payments and delinquencies, making the whole continent less influential in terms of *checkbook* diplomacy, equally deepening its crises of expectations.

As Joshua (2008) notes, the structure of the Security Council is not without problems. Japan and Germany are great powers that contribute substantial UN dues (based on economic size) and make large contributions to UN programs and peacekeeping operations. Yet they have exactly the same formal representation in the UN as tiny states. However it can be suggested that including Japan and Germany as permanent Security Council members would not augur well as this will unfairly jeopardize the geographical equilibrium sought by the reformers.

Table 4: The UNSC P-5 and African states Contenders on contribution to goods and services

Rank	UN Member country	Total Contribution to the UN	% of Total Contribution
1	United States	\$1,647 Million	9.37%
2	India	\$1,277 Million	7.27%
3	UAE	\$805 Million	4.58%
4	Switzerland	\$743 Million	4.23%
5	Belgium	\$708 Million	4.03%
6	Afghanistan	\$628 Million	3.57%
7	Denmark	\$566 Million	3.22%
8	France	\$544 Million	3.10%
9	United Kingdom	\$514 Million	2.62%
10	Kenya	\$445 Million	2.53%

Source: Niall McCarthy, 2018

The UN is dependent on contribution of cash, good and services from its member states to finance its activities in the form of voluntary and assessed contributions. Voluntary contributions are left to the discretion of each member state and are used for relief and development work.

These goods and services supplied to UN are procured for use in its various special programs, such as UNDP, UNOPS, the World Food Program (WFP), the United Nations High Commissioner for Refugees (UNHCR), the United Nations Children Fund to mention a few. As shown in table 4 the USA remains the highly contributor to goods and services, and Kenya with 2.53% has been the sole African country amongst the top contributors. Kenya provides cargo transportation, construction services

and fuel. It is important to note that even though these contributions are not used to fund core UN activities and are not mandatory, their significance weigh more in diplomatic parlance.

Table 6: Top Ten troops contributors to the United Nations

Country	Number of troops	Country	Number of troops
Ethiopia	7,554	Pakistan	5,258
Bangladesh	6,550	Egypt	3,766
Rwanda	6,541	Indonesia	3,074
India	6,453	Ghana	2,806
Nepal	5,757	China	2,512

Source: United Nations Peacekeeping Department, 2019

The UN was formed in 1945, after the second world war to maintain international peace and security. This continues to be one of its five main functions, along with preventing conflict and peacekeeping.

The UN has no army, but it does have UN peacekeepers whose role is to create conditions for lasting peace. As Weiss (2019) notes, Africa, Asia and Latin America provide more than 90% of military and police personnel to the United Nations peace operations, but with 15% of the budget. This justifies table 6 which shows most top UN member states troops contributors being African and Asian states. However, emphasizing the role of veto power, as Mazumdaru (2019) notes even though India has been among the highest contributors, the US ambassador to the UN recently said that the key to India becoming

a permanent member of the UNSC is “ not to touch the veto”.

It is widely held that as the traditional peacekeeping operations became more dangerous, industrialized nations have been unwilling to send their troops where risks are high and national interests low. As Weiss (2019) notes the West foots the bill and makes use of what could be described as “*hired help*” from the Global South.

In terms of troops contribution, Africa fares well and remains the most reliable contributor, though, must be reminded that he *who calls the piper calls the tune* and *who have the gold makes the rules*. It is important to note that even though all cards are stacked against Africa, the UNSC is now more important than ever to Africa, particularly concerning matters of intervention in the conflicts occurring in the region and over which decisions are adopted without Africa’s voice. It can be argued that these decisions will become more legitimate and easier to implement once they are made through democratic and representative process.

In conclusion it can be noted that the contemporary international relations system is characterised by increased interdependency among states. This evolving scenario, therefore, demands an emphasis on multilateralism and concomitantly, a restructuring of the UNSC so that it reflects the new international relations discourse. A UNSC that is representative of the UN family of nations would enhance global international peace and security. Whilst the idea of increasing the number of countries holding veto power in the UNSC is noble, achieving this goal as the study has shown by adopting the AU position remains a myth under the current anarchical and power struggle-

ridden international system. It is crystal clear that chances are slender as the question of who would get a seat on an expanded UNSC, and with what powers, remains contentious.

The study also highlights that in the current debate on UNSC reform, the P-5's vested interests have been at odds with the AU blueprint and inevitably stalled the process. Therefore, the researcher concludes that it is going to be difficult, if not impossible, for the AU formula, which is calling for a revolutionary alteration of the UNSC, to be adopted. In the absence of a clear set of objective criteria for UNSC membership, consensus among states will be difficult to reach and jockeying for the UNSC seats is set to continue.

RECOMMENDATIONS

The veto has been a sturdy pillar in the foreign policies of the P-5. In the event that the veto becomes difficult to get or abolish, Africa must pin its hopes on trying to mobilize pressure and persuasion to get the P-5 members to limit their veto use, especially in cases of genocide and other grave human rights abuses.

In addition, AU must approach the G-4, which is a powerful and influential group, in order to try and reach a compromise. This would entail the AU dropping its demands for veto-wielding seats. The idea would be for both the AU and the G-4 to combine their proposals and possibly push for reform of the UN whilst at the same time providing a significant diplomatic barrier to the wanton use of the veto by the P-5.

While the UNSC reform is important for Africa, African unity is equally vital. The 'go-it alone strategy' practiced by some countries, such as Nigeria and South Africa, may further jeopardize the continent's quest for two veto-wielding seats. In addition rivalry among countries that are potentially Africa's representatives on the UNSC hardly strengthens African unity and solidarity.

It is imperative for the AU to secure the support of the Non-Aligned Movement [NAM]. NAM states voted together during the years prior to the first reform vote, indicating that the organisation has the numerical ability not only to sway resolutions favoured by either the US or Russia, but to pass resolutions which it is pushing for, even if the resolutions in question do not have the support of the 'big powers'.

Lastly, the AU must ensure that candidates for potential African seats on the UNSC are known by forging a consensus on how Africa should be represented at the top decision-making body as the indecision on who gets what and where is likely to increase undertones among those countries campaigning for the seats.

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