

THE BUSINESS OF RECONCILIATION: ENTREPRENEURSHIP AND COMMERCIAL ACTIVITY IN POST-CONFLICT RWANDA

Karol Boudreaux

In post-conflict Rwanda trade and enterprise are leading to increased levels of co-operation among former enemies. Economic interaction is providing a cost-effective alternative to state-led reconciliation programmes as a mechanism for justice and healing. Governments seeking to provide effective transitional justice and reconciliation should therefore facilitate private-sector efforts by actively working to improve the institutional environment for doing business.

Introduction

Conflict-ridden environments are, by definition, desperately short of peace and stability. When hostilities end, re-establishing peace, a rule of law and some degree of political stability are key goals. A related goal in post-conflict environments, particularly in situations where the conflict were domestic – such as a civil war or insurgencies – is reconciling the previously warring factions, who may need to live in close proximity to each other once the violence ends.

The rationale for reconciliation is, of course, the desire to avoid future, costly conflict. Hoping to prevent retaliatory bloodshed, governments (and international agencies and donors) conduct war-crimes trials and other reconciliation efforts designed to bring enemies together to achieve some modicum of justice and to promote ‘healing’.

These efforts can be either endogenous (managed by domestic officials) or exogenous (managed by officials of other nations or of international organisations). Contemporary examples of public reconciliation projects include the endogenous Truth and Reconciliation Commission (TRC) in South Africa and the exogenous International Criminal Tribunal for Rwanda (ICTR). In some circumstances, these efforts may be politically expedient and psychologically beneficial; in other cases, however, the costs associated with wide-ranging transitional justice and reconciliation efforts will be greater than

the benefits they generate (Boettke and Coyne, 2007).

Boettke and Coyne (2007) identify three significant problems associated with public-sector transitional justice: (1) problems associated with credible commitment of a regime to real change, (2) trading off the pursuit of justice with the loss of valuable human capital held by wrongdoers, and (3) holding wrongdoers accountable for acts that were not illegal under the previous regime but that nonetheless imposed harms on citizens. The problem of *ex-post* law-making is further complicated by the recognition that some number of wrongdoers should be held responsible for their actions. Complete forgiveness may lead to a moral hazard in which the new government signals that wrongdoing will be forgiven, inadvertently prompting future violence. The authors argue that when the costs associated with pursuing transitional justice and reconciliation outweigh the benefits of holding individuals responsible for their actions the wiser course of action is to ‘reconcile around an ethic of forgiveness and acceptance . . .’ (*ibid.*, p. 57).

Public-sector efforts, exogenous or endogenous, to provide transitional justice and reconciliation seek to re-establish peaceful relations. Less visible, but no less important, are private-sector acts that promote reconciliation and peaceful co-existence. There are numerous strategies that private individuals and organisations adopt in pursuit of private reconciliation: reliance on faith and faith-based organisations, use of media to communicate

and discuss what has happened, and membership in a wide variety of support groups that provide emotional and material assistance. Another strategy for reconciling former enemies is less directly tied to promoting justice or to explicit healing activities. And yet, this relatively unheralded strategy provides, and has provided, a pathway towards peace in the worst of situations. The strategy is trade.

Peace through trade

In his *Letters Concerning the English Nation*, the eighteenth-century philosopher Voltaire observed:

'Go into the Exchange in London, that place more venerable than many a court, and you will see representatives of all the nations assembled there for the profit of mankind. There the Jew, the Mahometan, and the Christian deal with one another as if they were of the same religion, and reserve the name of infidel for those who go bankrupt.'

Voltaire was writing about religious toleration, but his insight that trade – and the pursuit of profit – prompts much toleration, is a point often overlooked when considering how best to reconcile former enemies.

For example, in July 2006 a leading international-development resource, the Eldis Gateway (run by the Institute of Development Studies, Sussex), posted the following on its Conflict and Security blog:

'Most of the studies and reports that deal with businesses in conflict zones, focus on the negative impact of businesses on conflict. A . . . majority of the material we have covered in this subject area deals with the involvement of corporations in the trade in conflict resources such as diamonds, gold, oil, etc. Another large part of the material examines how corporations profit from conflicts by providing weapons or infrastructure, or enrich themselves at the expense of the local population when engaging in reconstruction efforts . . . comparatively little has been written about how companies can engage proactively in peace-building efforts.'²

A follow-up post discusses the important role that local entrepreneurs play in post-conflict environments: 'people in post-conflict environments need jobs. Only if they have jobs they can take care of their own problems and become stable citizens, less likely to resort back to violence'.³

Obviously, people who survive armed conflict need jobs and some source of income, but it may be less obvious that commercial activities play a vital role in repairing shattered relations among old enemies. Trade provides an effective vehicle for people with few options, giving them the opportunity and incentive to work together towards

a common goal: profit. In the process, trade allows individuals to develop mutually beneficial ties that are largely depoliticised. Creating trading ties among former enemies lessens the likelihood of renewed violence by enhancing co-operation and by raising the costs of violence.

There are costs associated with creating trade-friendly environments. Groups that formerly received special protection or subsidies may lose benefits and bureaucrats may lose opportunities to seek rents from these groups or from others looking to skirt burdensome regulations. However, the benefits of a trade-friendly environment, an environment with a high level of economic freedom, are likely to outweigh the costs associated with confounding red tape and protectionism. In some areas in Africa, commercial activities help in just these ways, promoting reconciliation while also strengthening a fragile economic environment.

For example, a *New York Times* article from November 2006 discusses the return of thousands of displaced farmers to southwestern Darfur.

In the past, the town of Wastani had a thriving marketplace on Sundays, where 'thousands of farmers flocked in from the fields, and nomads rode in from miles around to trade crops, livestock, tea, sugar, gossip and sometimes even the hands of their daughters' (Gettleman, 2006). Violence in Darfur drove farmers out of the area and into refugee camps. However, without the farmers, the herders had limited trading opportunities. The result was that 'the nomads eventually realized that they were hurting their own businesses, which is one reason they were eager for their old farming friends to come home' (*ibid.*). The commander of an African Union peacekeeping base near Wastani said: 'I hear these reports on the radio about genocide, but I don't see that coming, at least not here. The people are coming together – gradually' (*ibid.*). While security issues are still a major concern, in Sudan, business is bringing enemies – Arab herders and African farmers – back together, a first step towards reconciliation.

While relatively little has been written on the role business can play in post-conflict reconciliation, much work has been done on the closely related topic of the relationship between peace and trade. The idea that trade promotes peaceful relations and lessens the likelihood of armed conflict was noted by Montesquieu in the mid-eighteenth century. He argued that: 'Peace is the natural effect of trade. Two nations who differ with each other become reciprocally dependent; for if one has an interest in buying, the other has an interest in selling; and thus their union is founded on their mutual necessities'.⁴ Another Frenchman, nineteenth-century journalist Frederic Bastiat, is often given credit for recognising that 'if goods don't cross borders armies will'.

Patrick McDonald, writing in the *Journal of Conflict Resolution*, argues that:

'Free trade, not just trade, promotes peace by removing an important foundation of domestic privilege – protective barriers to trade – that enhances the domestic power of societal groups likely to support war, reduces the capacity of free-trading interests to limit aggression in foreign policy, and creates a mechanism by which the state can build supportive coalitions for war.'

(McDonald, 2004, p. 549)

McDonald's study extends a body of empirical work that demonstrates the positive correlation between commercial activity and peace. In a recent paper, Polacheck and Seiglie draw on Montesquieu's insight that trade creates mutual dependence and enhances co-operative behaviour. They hypothesise that larger welfare gains resulting from increased levels of cross-border trade lower the level of conflict between the trading nations: 'countries with the most trade (and the greatest gains from trade) have the most to lose from conflict. *Ceteris paribus*, these countries have lesser amounts of conflict' (Polacheck and Seiglie, 2006, p. 14). Democratic nations trade more with each other and fight each other less often than do non-democracies. The suggestion is that trade underlies more peaceful relations among democracies: 'Nation-pairs with more trade exhibit less conflict, and democracy-pairs exhibit more trade' (*ibid.*, p. 48).

In related work, P. G. Thompson looks at levels of foreign direct investment and makes the case that such investment reduces the level of conflict in investor and investment-receiving nations (Thompson, 2003). Citizens of different countries who are brought in closer contact through investment opportunities are more integrated. Increased integration makes relations between countries more stable and less conflict prone.

The peace-through-commerce literature has important implications for those interested in the question of how to approach post-conflict reconciliation. If expansive trading relations help to promote peace by increasing co-operation and by making conflict more costly, then in the aftermath of conflict, government policies that enable people (both citizens and foreigners) to trade as widely as possible in relative security have strong potential to generate post-conflict stability and peace.

If trade and commercial activities are catalysts for peace, they should be seen as cost-effective complements to government efforts at fostering reconciliation. If governments create institutional environments that promote trade and that provide security of property and contracting rights, then former enemies who trade benefit, but so too does society as a whole. This 'public-good' nature of trade suggests that a focus on improving the environment for doing business should be included in post-conflict transition plans and reconciliation efforts.

Following the 1994 genocide in Rwanda, a variety of strategies for transitional justice and reconciliation were implemented: exogenous transitional justice, endogenous transitional justice, and private-sector reconciling. Public-sector efforts have proved difficult to manage and their results disappointing. In the private sector, however, the results have been unexpectedly positive. By improving the institutional environment for doing business the government has created space for some industries, particularly the speciality coffee industry, to flourish. Commercial activities between former enemies are strengthening. As in Darfur, but to a greater extent, we find that commercial activity is prompting private reconciliation in Rwanda.

Genocide in Rwanda

The 1994 slaughter by the majority Hutu people of Rwanda of close to 1 million Tutsis ranks as among the most horrific events of the twentieth century. From April to June of that year over 800,000 people were murdered by their neighbours. The genocide was the culmination of decades of divisive ethnic politics that granted legal favours to one group over another.

Rwanda became a part of German East Africa in the late nineteenth century, but control of the territory passed to the Belgians following World War I. For the next four decades, colonial government policies favoured the Tutsis, who were perceived by Belgian rulers to be superior to Hutus (a Tutsi monarchy had governed Hutus for centuries). The Belgian government issued racial identity cards beginning in 1933 and Hutus, who comprised approximately 85% of the population, were forced to labour under the supervision of the minority Tutsi. Formal education was also largely restricted to Tutsi students, severely limiting economic opportunity and access to government service for Hutus.

In the 1950s, the Belgian trustee government began to introduce some reforms. Tutsis resisted these changes, seeing them as a threat to their privileged status. In 1959 the Hutus revolted, ending the Tutsi monarchy. The revolt sent thousands of Tutsis into exile in neighbouring countries. Large numbers of Tutsis fled again in 1969 and in 1972 and were not allowed to return to the country. Following independence in 1962 a succession of Hutu governments were elected and tensions between the Hutu government in Kigali and the governments of Congo, Uganda and the Tutsi-dominated government of Burundi remained high.

Finally, in 1990, exile Tutsis, under the banner of the Rwanda Patriotic Front (RPF), invaded the country. The invasion was not successful but the Hutu government of Juvenal Habyarimana agreed to rewrite the constitution, integrate the RPF and Rwandan armies and to enter into a power-sharing

agreement with Tutsis, known as the Arusha Accords.

Despite these efforts to lessen tensions, in 1993 violence erupted in the capital city of Kigali and the RPF launched a new assault. The United Nations began peacekeeping operations in August of that year, but these proved disastrously inadequate. In April 1994, President Habyarimana's plane was shot down by a rocket near Kigali airport. Hutu extremists, fearful that the President was on the verge of enforcing the Arusha Accords, have been blamed for the murder.⁵ This act provided the spark that lit the genocidal conflagration.

Local media played an important role in goading Hutus into a murderous frenzy against their neighbours. While the Hutu military, both the Rwandan Armed Forces and the Hutu Interahamwe militia were involved in the killing, many perpetrators were civilians acting against civilians. The RPF finally brought the killing to a halt and drove the Hutu government into exile, but by the time the violence stopped close to 1 million people were dead, nearly 2 million had left the country, and close to 1 million were internally displaced – nearly 40% of the pre-war population was missing, the country devastated.

In July 1994, the RPF created a coalition national unity government, whose president was a Hutu, Pasteur Bizimungu. Following the genocide the international community responded with a humanitarian effort, directed by the United Nations, that lasted until 1996. In late 1996 hundreds of thousands of refugees from Zaire (Congo) and Tanzania returned to the country. War crimes trials began in Tanzania, in 1997. In 2003, multi-party elections were held. Paul Kagame's Rwanda Patriotic Front won in a landslide and a new constitution was adopted. The RPF remains in power today.

Transitional justice and post-conflict reconciliation

A dozen years after this calamity, how are the people of this small, densely populated country managing? In particular, how can people bear to live in close proximity to those who killed or maimed their husbands, wives, children, grandparents and friends? Not surprisingly, the answer to this question will differ from house to house, person to person.

In March 2006, we conducted field work to study the rise of the speciality coffee industry in Rwanda. The study turned up an interesting and unexpected element: in Rwanda, the coffee industry provides an arena for private-sector, post-conflict reconciliation. Trade increases co-operation and improves relations among former enemies.

What we witnessed in Rwanda is not a 'strategy' in the sense that someone sat down, planned out and implemented a particular course of action. Of

course, some reconciliation strategies do take this form. Consider South Africa's famous Truth and Reconciliation Commission: this was a purposefully devised institution, created by legislation enacted by South Africa's National Unity government in 1995. The Commission called on victims of the apartheid government to come forward and publicly speak about the crimes they had suffered. After listening to victims, the Commission decided if and how victims in each case should be compensated for their harms. In many cases, they had to rule on requests for amnesty by perpetrators. The Truth and Reconciliation Commission is an example of endogenous transitional justice and reconciliation, one that is generally recognised as a success.

Bringing to light the crimes of the past was the central focus of the South African Commission's work. The process of bearing witness to, of recording, the extensive human-rights violations committed by the National Party government was considered essential both to honour those whose suffering had been hidden and to help all South Africans escape their discrimination-filled past and progress towards a freer and more democratic future. The point was to generate public exposure, public healing and public closure. Public exposure of crimes, public calls for forgiveness and, when necessary, public apportioning of responsibility were designed to reduce tensions between whites and blacks and, hopefully, to limit future conflict between these groups.

Rwanda also has institutions designed to promote transitional justice and reconciliation through a formalised process that calls victims forward and attempts to hold perpetrators responsible for crimes committed. One such institution is the International Criminal Tribunal for Rwanda. Unlike the South African TRC, the ICTR was created by a United Nations mandate. It is an exogenous mechanism, not a locally created institution. The ICTR's purpose is to prosecute those who committed genocide according to the terms of international-law prohibitions on genocide and crimes against humanity. To the frustration of many, the ICTR has worked slowly. As of June 2006, 28 people, all Hutus, have been tried and 22 judgments handed down.⁶ This exogenous approach to justice and reconciliation is costly and highly time consuming. Whether the costs of this international effort are offset by the benefits of convicting these particular defendants is a question that deserves closer scrutiny.

In Rwanda over 100,000 people were accused of having participated in the genocide, and prosecuting even a fraction of such staggering numbers is an awesome task. Given this reality, the Rwandan government has created a special set of courts, called the Gacaca Courts, in an attempt to bring more people to justice more quickly. These courts draw on Rwanda's heritage of community-based dispute

resolution. Victims and the accused, along with witnesses and other local people, come together at the location where the crime was committed to debate what happened. The idea is to find the truth, or some approximation thereof, through open discussion. Decision-makers are local leaders, not professional judges.

This path to reconciliation is somewhat closer to the South African model; it is a local, endogenous solution to the problem of apportioning responsibility and healing post-conflict trauma. It allows for decisions to be taken more quickly and with less expense than those at the much more formal ICTR. Gacaca Courts may provide a closer tie between costs of administering justice and the benefits that seeking justice and reconciliation bring to local people. However, with such large numbers of individuals involved as perpetrators, two related questions arise: how many additional resources should be devoted to Gacaca Courts; and, how many people should be jailed, their human capital rendered unavailable to help move the country towards greater stability and foster economic growth?

Trade as a means to post-conflict reconciliation

Following the genocide, the Rwandan economy was in ruins: the World Bank reports that in 1994 Rwanda's gross domestic product (GDP) fell by 50% (World Bank, 2006a). Over the past ten years, the economy has moved, haltingly, in the direction of modest openness and growth. The government has instituted some economic reforms, including monetary and banking reforms, lowering tariff rates and revising labour laws. Average real GDP growth rates were 8% per annum between 1995 and 2004. Nonetheless, the country is still quite poor: per capita income in 2004 was below \$200 (OECD, 2005).

Rwanda ranks low on economic freedom indices. Regulatory burdens remain high, property rights are still insecure, and the judiciary is partial. Contract enforcement is spotty and corruption is high – all resulting in low levels of foreign investment. Despite efforts to make the country more business friendly, such as providing 'one-stop shopping' for investors, the country received a low score in the World Bank's 2006 'Doing Business' report: 158th out of 175 nations, with extremely high costs to export and import goods and very high costs of registering property (World Bank, 2006b). There is a large informal sector that 'is believed to be doing substantially better than the formal sector' (Heritage Foundation, 2006).

While much remains to be done to further improve conditions for trade and commerce in Rwanda, there are relatively bright spots, and among these is the expanding speciality coffee

industry. As noted, the Rwandan economy was in tatters after the genocide. Farms and businesses were abandoned, yet people still needed food and shelter. With so many dead, exiled and jailed, those left behind found that working together was more beneficial than pursuing revenge. And so business in Rwanda became a forum in which victims and perpetrators throughout Rwanda voluntarily came together, out of necessity, to pursue a common goal: making ends meet.

Working together to achieve individual goals that both victims and perpetrators desire (earning a living) is helping people to overcome animosities and heal deep wounds. In an indirect way, commercial activities are helping to promote reconciliation in Rwanda. For thousands of Rwandans, commercial activities – whether in the newly expanding speciality coffee industry, in horticulture, or in rice co-operatives – provide a depoliticised, relatively neutral environment in which former enemies work side by side.

Is commercial activity a 'strategy' for post-conflict reconciliation? Not in a formal sense, perhaps, but there is a new recognition that businesses can play a vital role in revitalising post-conflict societies (International Alert, 2006). Of course, successful businesses can help revive a conflict-ridden nation's economy. But an under-appreciated aspect of commercial activity in a post-conflict environment is that it can bring former enemies together as co-workers co-operating in pursuit of a common goal. Having a shared mission, such as building a coffee-washing station or finalising a contract with European importers, might provide an impetus for people to concentrate on what they have in common, rather than on what drives them apart. This focus might promote peace and reconciliation. Just as trade promotes peaceful relations among nations, increased trading opportunities promote peace between previously warring neighbours.

The speciality coffee industry in Rwanda

On a trip to Rwanda in March 2006 we studied the role of the speciality coffee industry in alleviating poverty. We discovered that the story of the growth of Rwanda's speciality coffee business is intimately tied to the genocide and to the costs and benefits of working closely with former enemies.

After the genocide, the new government looked for ways to increase exports, in hope of earning money to repay its debts. Working with consultants and non-governmental organisations (NGOs), the government liberalised trade in several products that had reasonable income-earning potential. In the coffee sector, private farms and co-operatives were encouraged, more exporters were

allowed to operate, and the government set targets for building coffee-washing stations and wet mills to add value to the bourbon beans that farmers grow.

Since the 1930s, Rwandan farmers have grown coffee, but they had never focused on producing top-quality coffee. After the genocide, agricultural experts recognised that Rwanda was blessed with good-quality bourbon coffee trees, with volcanic soils, and with reliable rainfall. If the smallholder farmers who grow most of Rwanda's coffee could be taught how to take better care of their trees through mulching and careful pruning, and if they could build washing stations close to the crops and process coffee cherries carefully and quickly, the farmers could command higher prices per pound on world markets.

This would require most smallholders to join together in co-operatives. And joining together would mean working with neighbours, whether Hutu or Tutsi. In the post-genocide environment, farmers did not have the luxury of working only with members of their ethnic group. Too many people were dead and too many had fled or relocated. Only by working together with those who were left could these small-scale farmers take advantage of economies of scale, improve their chances of getting funding to build washing stations, and attract the attention of foreign buyers interested in the speciality coffee market.

By working together, farmers found they were better able to target the increasingly lucrative 'speciality' market for coffee. And this specialisation was important because worldwide prices for ordinary coffee were slumping sharply. Many run-of-the-mill coffee farmers were driven out of the market. Developing a better-quality product would make Rwanda's smallholder farmers more competitive – and, not inconsequentially, this improvement in the export prospects of Rwanda coffee growers would also help the treasury.

With technical and financial support from several NGOs and coffee importers and roasters (notably Green Mountain Coffee, Union, Intelligensia and Counter Culture Coffee), local entrepreneurs in Rwanda organised coffee co-operatives and worked with the co-operatives' members to improve methods of growing, handling and processing coffee. To date, the results are breathtaking. Rwandan speciality coffee, a small but growing percentage of the total coffee crop in the country, has been winning or placing near the top of the field in international speciality coffee competitions. In 1997, only 1.8 metric tons of speciality coffee was produced in Rwanda; by 2004 the figure was 40 metric tons. The OECD noted, in 2005: 'With overall favorable weather conditions experienced during 2004 and recent price improvements, export volumes for coffee and tea are estimated to have grown close to 25% in the first 10 months of 2004' (OECD, 2005).

This success is wonderful news for the Rwandan farmers whose co-operatives win the attention of foreign buyers. In April 2006, Starbucks introduced its new line of 'Black Apron' exclusive coffees. Rwanda 'Blue Bourbon' coffee was the first featured product in this new line. Just a few years ago, Rwandan coffee growers were making \$0.50–\$0.75 per pound for their ordinary coffee. Today, top speciality growers, such as Abahuzamugambi Cooperative, producers of Maraba coffee, earn closer to \$3.50 per pound for their coffee. By some estimates, approximately 40,000 of Rwanda's half million coffee farmers have doubled their income (Fraser, 2006).

Earlier this year, a news report from the United Nations High Commission on Refugees (UNHCR) discussed the relationship between the coffee industry and reconciliation in Rwanda. The president of Abahuzamugambi Cooperative, Ms Joyeuse Mukashyaka, who lost her husband during the genocide, is quoted as saying: 'the association has given to those women affected in one way or another by the war new reasons to live. I have three teenagers at home whose studies I can afford now, even if the money is still very little' (UNHCR, 2006).

Having greater access to the international speciality coffee market makes a big difference for these farmers. When we spoke with members of another successful co-operative, COOPAC, located in Gisenyi, Rwanda, they told us that they can now fix their homes, buy clothes, pay school fees for their children, and get through the long months between coffee harvests more easily than before.

Twenty per cent of Rwanda's coffee farmers are genocide widows and orphans. The women and children left behind after the genocide had to find ways to survive. Coffee was one way. But because most coffee farmers are smallholders, each with an average of 175 trees, an individual smallholder has difficulty commanding a decent price for the coffee she grows. Economies of scale make it sensible for smallholders to band together into co-operatives, to share expenses and knowledge and spread risks.

This economic imperative encourages reconciliation. Neighbours, many of whom are genocide widows (these widows are the women whose husbands were killed, as well as the women whose husbands are locked away for perpetrating the genocide), now work together, building effective co-operatives, developing stronger governance and management skills, and finding common commercial ground as they all work to improve their product and, by extension, their lives. In an interview about the successful Karaba co-operative, general manager Angeline Karekezi said: 'Some of us once hated each other . . . And now we're working side by side. That's been crucial for the healing process' (Foote, 2004).

People in Rwanda recognise that commercial activities generally, and the coffee industry in

particular, are a valuable path to reconciliation. Dr Timothy Schilling, who directs PEARL (the Partnership to Enhance Agriculture in Rwanda through Linkages), one of the pivotal non-profit organisations working to promote speciality coffee and economic development in Rwanda, has said that

[b]y bringing villagers together to work toward a common economic goal . . . co-ops have helped Rwandans with the monumental task of reconciliation, since genocide widows work side by side with women whose husbands are in jail for participating in the killing . . . ‘What’s reconciliation if it’s not people who have conflict getting together and talking?’ [Schilling] said.’

(Fraser, 2006)

During an interview in his Kigali offices, the Rwanda Minister of Agriculture, Mr Anastase Murekezi, told us:

Industry has certainly contributed to reconciliation . . . In every village we’ve had this very bad experience with genocide. Coffee producers were both victims and killers. Afterwards, the killers were imprisoned. Their wives and their children were at home. Close by were the survivors of the genocide. The victims were living next to the families of those killed. But now we have the experience of people working together. We have seen coffee producers working together.

I believe the secret is increasing income through washing coffee. This is the same concern for all the families. They are working together now through co-ops. The co-ops are friendly associations. These farmers are getting more income now than in the past and they are happy to get more because they are working together. Now, we can value each family based on their real achievements in improving quality and quantity of coffee, not on ethnicity. This is a new value: a focus on work and results.’

Conclusion

Much remains to be done in Rwanda to improve lives and the economy. Most Rwandans are still desperately poor. Many will bear the physical and psychological wounds of genocide to their graves.

The ICTR and the Gacaca Courts are two means Rwandans have to heal these wounds. Both ventures have benefits, but both also have costs and limitations. Given the huge number of perpetrators of genocide in Rwanda, the courts have been overwhelmed by the problems associated with administering transitional justice. Pursuing justice and reconciliation through the ICTR may simply be too expensive – the costs may outweigh the benefits for the Rwandan people. As centres of speedier and less costly justice, the Gacaca Courts offer greater hope for effective public-sector reconciliation. However, both approaches to justice limit

Rwandans’ access to human capital, a real cost in a country whose economy is constrained by a lack of qualified workers (White, 2006).

Unexpectedly, an ethic of forgiveness and reconciliation is being generated within the private sector. In Rwanda, trading relations are leading to increased levels of co-operation among former enemies. Co-operation in pursuit of a common goal is providing a different, and cost-effective, mechanism for justice and healing. The great hope, of course, is that the role played by commercial activities in promoting reconciliation between Hutus and Tutsis in Rwanda will mirror the experience of nation-states. To the extent that nations trade with each other, they have more peaceful relations. In Rwanda, coffee farmers who are working together in pursuit of a common goal will, hopefully, also create spheres of peace within this ravaged nation.

This suggests that governments seeking to provide effective transitional justice and reconciliation should look to *both* public-sector and private-sector efforts. In particular, in post-conflict situations governments should actively work to improve the institutional environment for doing business. This issue receives little attention in current debates about Darfur. Yet, the need to create an institutional environment that will sustain livelihoods and bring former enemies together in a depoliticised space is imperative.

In Rwanda, the government has made some improvements on this front, but more remains to be done. With a continuing focus on improving the institutional environment within Rwanda, the government can, hopefully, end the cycle of violence that has beset this country. If the Rwandan government were to commit to continued institutional improvement and especially to freer trade, then perhaps the people of this beautiful country will be able to put some of the horrors of their past behind them.

1. Voltaire (c. 1778) *Letters Concerning the English Nation*, Letter 6, ‘On the Presbyterians’, in Leigh (2007).
2. ‘What the Private Sector Can Do to Actively Engage in Peace Building’, *Eldis Conflict and Security Blog*, 28 July 2006 (<http://community.eldis.org/webx?14@159.RxgTadHGmkM.0@.eed1eb6!discloc=.eed2ad1>). Emphasis added.
3. ‘The Private Sector’s Contribution to Post-conflict Development’, *Eldis Conflict and Security Blog*, 1 November 2006 (<http://community.eldis.org/webx?14@187.lx9cadO6mH3.0@.eed1eb1!discloc=.eed3092>).
4. Montesquieu, *Spirit of Laws*, Book 20, Chapter 2 (<http://press-pubs.uchicago.edu/founders/documents/v1ch4s2.html>).
5. In November 2006, a French magistrate issued arrest warrants against nine senior RPF officers for the shooting down of President Habyarimana’s plane. The magistrate also called for President Paul Kagame to stand trial before the International Criminal Tribunal for Rwanda for his part in the incident. In response, the Rwandan government expelled the French ambassador to the country and suspended French aid projects. Anti-French riots followed.
6. The ICTR’s website is: <http://www.un.org/ictr>.

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Karol Boudreaux is a Senior Research Fellow at Mercatus Center, George Mason University. She is also the Lead Researcher for *Enterprise Africa!* (kboudrea@gmu.edu).