

Journal of Public Policy & Governance



Exploring Rwanda's Diplomatic Efforts to Attract Foreign Investors: The Case Study of Ministry of Foreign Affairs and International Cooperation

Ms. Peace Daniella Gashayija & Dr. Gitahi Njenga (PhD)

ISSN: 2616-8413

Exploring Rwanda's Diplomatic Efforts to Attract Foreign Investors: The Case Study of Ministry of Foreign Affairs and International Cooperation

Ms. Peace Daniella Gashayija¹ & Dr. Gitahi Njenga²(PhD)

¹ School of Social Sciences, Master of Arts in International Relations and Diplomacy
Mount Kenya University, Kigali, Rwanda

²Mount Kenya University, Kigali, Rwanda

How to cite this article: Gashayija P., D. & Njenga G. (2023). Exploring Rwanda's Diplomatic Efforts to Attract Foreign Investors: The Case Study of Ministry of Foreign Affairs and International Cooperation. *Journal of Public Policy & Governance*. Vol 7(3) pp. 38-53
<https://doi.org/10.53819/81018102t2225>

Abstract

Diplomacy Investment has been the superlative source of extrinsic finance for developing country. Economic diplomacy is concerned with conducting international business. The general objective of this study was to assess the diplomacy and investment through Ministry of Foreign Affairs and International Cooperation. Specifically, the study focused on to examine the effect of the public diplomacy on investment, to establish the effect of economic diplomacy on investment, and to determine the effect of science diplomacy on investment through Ministry of Foreign Affairs and International Cooperation. Qualitative and quantitative methods were used in the design of the descriptive study. Information gathered by use of questionnaire. Eighty-one respondents working for the Foreign Affairs and International Cooperation Ministry were polled. Since the research used a census-based approach, the whole population served as the sample. Statistical Package for Social Sciences version 26.0 was used to conduct descriptive statistics on the given data. We also utilized inferential statistics to demonstrate the interdependence of the variables. The outcomes are visually represented by tables with frequency distributions, means, and standard deviations. According to research commissioned by the MINAFFET, there is a statistically significant relationship between public diplomacy ($p=0.000$ less than 0.05), economic diplomacy ($p=0.00$ less than 0.05), and science diplomacy ($p=0.001$ less than 0.05) and investment. An R value of .921, a R square value of 0.848, and an adjusted R square value of 0.842 were discovered. The Ministry of Foreign Affairs and International Cooperation channels 84.80% of its investment via science diplomacy, economic diplomacy, and public diplomacy. The significant level from the analysis of variance was 0.000 which is less than 0.05, and the corresponding result was $F=128.449$. This means that the Science Diplomacy, Economic Diplomacy, and Public Diplomacy programs run by the MINAFFET have an influence on investment, as hypothesized by the study's author. The MINAFFET should prioritize and

<https://doi.org/10.53819/81018102t2225>

enhance public diplomacy efforts, increasing emphasis on economic diplomacy activities, and actively promoting science diplomacy initiatives. These strategies aim to attract investments, boost economic partnerships, and foster collaborative research, thereby advancing the Ministry's objectives and influence in international affairs.

Keywords: *Diplomatic Efforts, Foreign Investors, Ministry of Foreign Affairs, International Cooperation, Rwanda*

1. Introduction

Focusing on strengthening diplomatic and international cooperation in order to speed up Rwanda's development is priority number three of the Importance Area-Transformational Governance in the NST1 (2017-2024). Investment alignment is emphasized, which is why one sub-priority here is to actively pursue the Diplomacy Program. Rwanda's government may employ diplomacy to their advantage, although it is not a requirement under Rwandan law. A strategy, as opposed to a policy that requires long discussions, is offered as a practical instrument to aid the government in making rapid improvements to its procedures (Manzi & Ricardo, 2022).

To realize the government's objective of upper-middle income by 2035 and high income by 2050, annual investment growth of 24 percent is necessary. Rwanda needs an effective plan for investment. Intelligence standardization agreements logistics and marketing are important to achieving this goal. Rwanda is doing good work in these areas, but the country is hampered by a lack of internal and external cooperation. Many different actors are responsible for carrying out the procedures that ultimately provide the desired investment returns. Inefficiencies and wasteful spending occur when these processes are not integrated and coordinated (Alpha & Swati, 2020). With this context in mind, the research set out to assess the contribution made by the MINAFFET to the country's efforts to attract FDI.

1.1 Objective of the Study

1.1.1 General Objective

The general objective of this study was to assess the effect of diplomacy on investment through Ministry of Foreign Affairs and International Cooperation.

1.1.2 Specific Objectives

- (i) To examine the effect of the public diplomacy on investment through Ministry of Foreign Affairs and International Cooperation.
- (ii) To establish the effect of economic diplomacy on investment through Ministry of Foreign Affairs and International Cooperation.
- (iii) To determine the effect of science diplomacy on investment through Ministry of Foreign Affairs and International Cooperation.

1.2 Research Hypotheses

Ho1: Public diplomacy has no statistically significant effect on investment through Ministry of Foreign Affairs and International Cooperation.

Ho2: Economic diplomacy has no statistically significant effect on investment through Ministry of Foreign Affairs and International Cooperation.

Ho3: Science diplomacy has no statistically significant effect on investment through Ministry of Foreign Affairs and International Cooperation.

2.1 Empirical Review

2.1.1 Effect of the Public Diplomacy on Investment

Public diplomacy, as defined by Trajkov and Trajkov (2015), goes by many different titles, all of which refer to the same thing: the dissemination of knowledge and the promotion of understanding between nations and their citizens. Diplomacy is the correct channel for influencing public investment from abroad. Through its focus on learning about, sharing with, and influencing the perspectives of the international public on investment and development discussion, it serves to advance national interests and ensure national security. There are a common belief that public diplomacy takes the long view, focusing on fostering mutual understanding and cooperation via dialogue between various groups throughout time (Trajkov & Trajkov, 2015).

Investing diplomacy may be utilized to host a wide variety of commercial events. Multilateral trade discussions, trade consultations, and dispute resolution are all examples of trade diplomacy operations that aim to influence government policy and regulatory choices that impact international trade and investment. Formerly, commercial diplomacy included all of the work that diplomatic missions and their supporting organizations did to help businesses. Most of a commercial diplomat's work takes place inside a state, including interactions with various state agencies, civil employees, parliament, non-governmental organizations, business groups, businesses, and others. Members of diplomatic missions, trade promotion organizations, and investment promotion agencies are typical examples of these diplomats (Guillermo, 2017).

Public diplomacy involves the utilization of international political channels to attain economic objectives. In order to stimulate investment and global trade, governmental representatives from diplomatic missions, the Ministry of Foreign Affairs, and various government entities partake in what can be termed as "investment-focused public diplomacy." This entails actions like disseminating information and counsel related to trade and investment prospects, as well as arranging and hosting trade delegations originating from the home nation (Guillermo, 2017).

2.1.2 Effect of Economic Diplomacy on Investment

According to Daniela, Rui Henrique, and Rosa (2021), economic diplomacy is centered around the management of international business affairs. It primarily aims to ease national companies' access to foreign markets, draw investors to the country, and influence global regulations to align with national interests. Economic diplomacy operates on two distinct levels: macroeconomic diplomacy, involving negotiations between multiple states, and microeconomic diplomacy, where the state plays a supportive role for firms, often within highly competitive contexts. In essence, it represents a form of diplomacy that deploys a broad spectrum of economic and political tools to achieve specific national economic goals, particularly on an international scale (Sousa, 2019).

Furthermore, as outlined by Bayne and Woolcock (2017), economic diplomacy serves as a mechanism for managing conflicts that arise between the realms of politics and economics, among nation and non-state actors, and among the competing influences of international and domestic factors. It operates at the intersection of international negotiations and domestic negotiation processes, seeking to harmonize these various dynamics. The phrase "economic diplomacy" is all-encompassing, including a wide range of related but distinct fields. Trade diplomacy include both bilateral and international talks on trade agreements, whereas economic diplomacy is concerned with monetary and fiscal policy. Economic diplomacy, as

defined by the Institute for commerce and Commercial Diplomacy (ITCD), is the practice of influencing public policy and regulatory choices that have an impact on international commerce and investment (Bayne & Woolcock, 2017).

When it comes to exports and FDI (foreign direct investment), economic diplomacy is all about making things easier for everyone involved. According to Sousa (2019), it also involves using diplomatic missions to further national economic and financial interests. Investment opportunities, open lines of contact with company owners and trade groups, and coordination of international trade all fall within the purview of the state (Daniela *et al.*, 2021).

2.1.3 Effect of Science Diplomacy on Investment

Science diplomacy is becoming more important during times of big crises, although it is still little understood and, potentially, underutilized, as reported by the Research and Information System for Developing Countries (2018). The European Union in particular has a long tradition of scientific competence; as a result, it should be able to use this expertise as a primary tool in its foreign policy. The European Union (EU) places a high value on scientific diplomacy and on research and technology more generally. The European Union's (EU) expertise in scientific diplomacy is also ingrained in the European treaties' treatment of science and technology policy (RIS, 2018).

Science diplomacy is a term that is used to both individuals and activities. Politico-diplomatic actors, scientific actors, and administrative and managerial science players are the three primary categories of actors involved in science diplomacy operations. We may differentiate between overt and covert actor self-definition in each of these three categories. In the first, both overt and covert actors are taken into account. Scientific diplomats, scientific and technology attaches, and special envoys all have official titles that incorporate the phrase "science diplomacy," and they all play a part in the field of "investment science diplomacy." These players have nothing to do with high politics or delicate diplomatic problems and economic growth, and their duty is generally to exercise diplomacy for science, which is to aid scientists in bridging national incomes (S4D4C, 2020).

The last decade has seen significant contributions to pressing topics from science diplomacy. Reducing extreme poverty, improving health, and influencing economic development have all been aided by government and foundation efforts prompted by the United Nations Millennium Development Goals and informed by science. Although the decline in poverty over the previous decade may be attributed in large part to the expansion of the economy. Over the last decade, there has been a growth in awareness of the importance of diplomacy in promoting the global scientific and technical endeavor. The scientific community is increasingly international, with researchers and labs from all over the world making important contributions to the growth of the economy (William, 2018).

2.2 Research Gap

According to Chengchun *et al* (2017) the government diplomacy can fail to promote the investment due to the insecurity in country, region, or/and international. For example, the reliance of commodities from foreign nations created difficulties in times of war when the country was cut off by enemy actions. In Kenya during the election done in 2007-2008 bring the violence in country, Uganda and Rwanda which heavily relied on Mombasa port had their supply routes disrupted.

In addition, over-reliance on other economies erodes and sacrifices national sovereignty and pride at the altar of foreign trade relations. Likewise, most of the available empirical studies

focused on cross country studies which involved multiple countries. Under such circumstances the results produced are mixed with some producing positive results against diplomacy and investment. This study seeks to assess the diplomacy and investment through MINAFFET. Therefore, other studies on Diplomacy and investment have greatly focused on foreign countries in Europe, Asia and elsewhere giving limited academic attention to Africa especially at Rwanda (Jeremy, 2010). Except for a study by the Ministry of the East African Community (2014), there is no other available local study within the empirical literature to assess the diplomacy and investment in Rwanda. This is the gap generating the adequate information to researcher for correlating Rwanda's diplomacy and investment.

2.3 Conceptual Framework

Connecting ideas and facts is what a conceptual framework is all about, since it lays out the big picture of your research and makes it accessible. Therefore, the primary elements affecting the impact of Rwanda's diplomacy on investment via the MINAFFET may be predicted using the figure depicting the linkage among the independent and dependent variables.

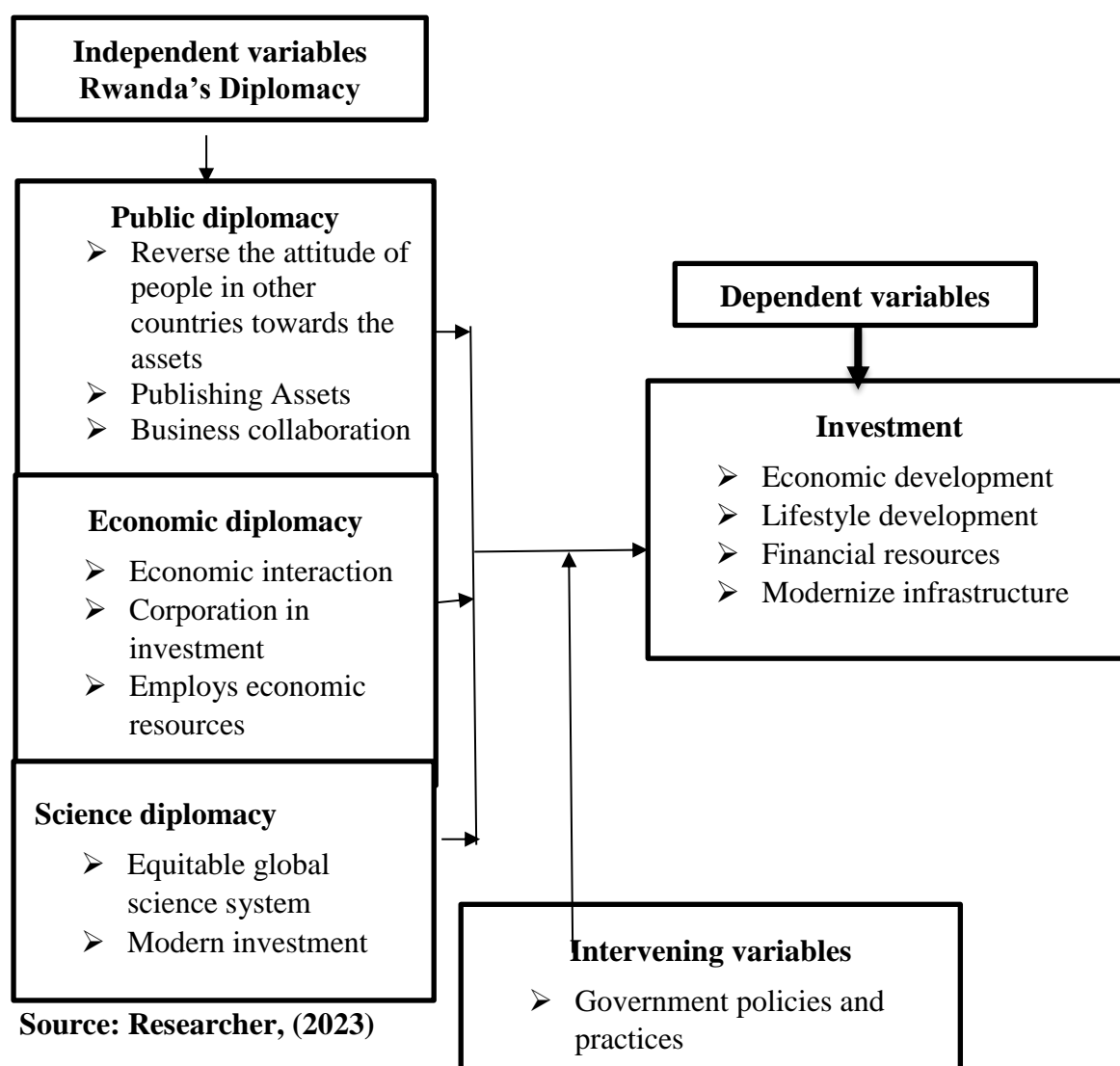


Figure 1: Conceptual framework

Figure presents the linkage between the independent variables of Rwanda diplomacy (public diplomacy, economic diplomacy, and science diplomacy) and dependent variables of investment (Economic development, Lifestyle development, financial resources, and Modernize infrastructure). It shows the summary on the relationship between of Rwanda diplomacy and investment.

3. Materials and Methods

The study utilized a descriptive research survey design, which was effective in collecting comprehensive data on the specific setting and the individuals within it. The comprehensive approach allowed for a deeper understanding of the Ministry of Foreign Affairs and International Cooperation (MINAFFET) and its diplomatic and investment strategies, enabling the researcher to draw meaningful conclusions. The use of inferential statistical tests further strengthened the study's foundation, facilitating a more comprehensive analysis of the study's variables.

The target population, consisting of 81 employees of MINAFFET, was categorized into distinct groups based on their roles within the organization, ensuring a comprehensive representation of the workforce. Employing the census method, the study considered the entire target population as the sample size, allowing for an equal opportunity for all employees to participate in the research. The stratified sampling technique based on departments further ensured a comprehensive and representative sample for the study.

Data collection methods involved the use of well-prepared questionnaires administered by trained research assistants. The instruments were designed to gather both open-ended and multiple-choice responses, enabling participants to provide detailed opinions and insights. The administration of the data collection instruments was conducted following the necessary approvals and introductions to the research subjects, ensuring transparency and a clear understanding of the study's objectives.

Validity and reliability were critical considerations in ensuring the quality of the research instruments. The researcher implemented various tests, including content validity and construct validity, to ensure the validity of the questionnaires. Furthermore, the reliability of the instruments was confirmed through consistent test and retest procedures, with results exceeding the established threshold for reliability, thus affirming the validity and reliability of the data collection instruments.

The data analysis process involved organizing the collected data according to the study's objectives and utilizing statistical methods, including descriptive statistics and inferential statistics, such as correlation and regression analysis. The use of the Statistical Package for the Social Sciences (SPSS) 26.0 facilitated a comprehensive and detailed analysis of the data, contributing to the study's robust conclusions. Ethical considerations were paramount throughout the study, with measures in place to protect the respondents' confidentiality and ensure voluntary participation. Anonymity was maintained to safeguard the participants' privacy, fostering an environment of trust and integrity throughout the research process.

4. Presentation of research findings

4.1 Findings on effect of the public diplomacy on investment through Ministry of Foreign Affairs and International Cooperation.

The first objective was to assess the effect of public diplomacy on investment through Ministry of Foreign Affairs and International Cooperation. The findings on related statements were discussed in Table 1.

Table 1: The effect of the public diplomacy on investment through Ministry of Foreign Affairs and International Cooperation.

	SD		D		N		A		SA		Mean	Std. Dev.
	fi	%	fi	%	fi	%	fi	%	fi	%		
Our country diplomacy carrying out foreign cultural policy that attract investors in different sectors	3	4.1	4	5.5	3	4.1	13	17.8	50	68.5	4.41	1.07
Country diplomacy protects sales and profits for investors which enhancing their values and security in investment	3	4.1	9	12.3	5	6.8	15	20.5	41	56.2	4.12	1.22
Rwanda has an explant international broadcasting system that helps to inform investors all info about investing areas	3	4.1	0	0.0	6	8.2	11	15.1	53	72.6	4.52	.95
MINAFFET promote citizens' advocacy which helps to collaborate with external investors	5	6.8	3	4.1	0	0.0	31	42.5	34	46.6	4.18	1.11
MINAFFET diplomacy guides promote the cultural of opening investment elsewhere	2	2.7	5	6.8	7	9.6	20	27.4	39	53.4	4.22	1.05
Overall											4.29	1.08

Source: Research findings (2023)

Table 1 shows the participants' perspectives on the effect of the public diplomacy on investment through Ministry of Foreign Affairs and International Cooperation, whereby 17.8% agree and 68.5% strongly agree that Our country diplomacy carrying out foreign cultural policy that attract investors in different sectors. Furthermore, 20.5% agree and 56.2% strongly agree that Country diplomacy protects sales and profits for investors which enhancing their values and security in investment. In addition, 72.6% of people who responded strongly agreed that Rwanda has an explant international broadcasting system that helps to tell investors about all facts on investment places, whereas 15.1% of people who responded agreed. As for the MINAFFET encouraging citizen advocacy, most respondents (42.5% agree) and (46.6% strongly agree) believe this is beneficial for collaborating with overseas investors. Finally, when asked if the MINAFFET's diplomacy advisers encourage the culture of opening investment abroad, 27.4% agreed and 53.4% highly agreed.

The findings align with Trajkov and Trajkov's (2015) emphasis on the role of public diplomacy in promoting international understanding and influencing public opinion regarding investment and development discussions. The positive respondent perceptions in Table 4.6 indicate the importance of public diplomacy in attracting investors, protecting their interests, and facilitating international cooperation, which resonates with the broader goals of public diplomacy as highlighted by Trajkov and Trajkov.

Most respondents to the survey conducted by the MINAFFET agreed or strongly agreed that public diplomacy influences investment. The results are backed up by a very high mean of 4.29 (proof that the facts indeed exist) and a standard deviation of 1.08 (showing that the replies were heterogeneous).

4.2 Findings on effect of economic diplomacy on investment through Ministry of Foreign Affairs and International Cooperation

The second objective was to examine the effect of economic diplomacy on investment through Ministry of Foreign Affairs and International Cooperation. The findings on related statements were discussed in the Table below.

Table 2: The effect of economic diplomacy on investment through Ministry of Foreign Affairs and International Cooperation

	SD		D		N		A		SA		Mean	Std. Dev.
	fi	%	fi	%	fi	%	fi	%	fi	%		
Rwanda diplomacy creates a viable & profitable environment for investment cooperation to everyone from everywhere	2	2.7	6	8.2	5	6.8	21	28.8	39	53.4	4.22	1.07
MINAFFET build the trust in investment where investors satisfied	3	4.1	5	6.8	5	6.8	19	26.0	41	56.2	4.23	1.11
Because of good economic diplomacy of Rwanda, country's economic was promoted through promoting investment	6	8.2	9	12.3	7	9.6	9	12.3	42	57.5	3.99	1.38
Country economic diplomacy promoted the availability of jobs and raising living standards of Rwandan	5	6.8	9	12.3	3	4.1	19	26.0	37	50.7	4.01	1.29
The competitive market of Rwanda increased because of good economic diplomacy of country	2	2.7	6	8.2	5	6.8	23	31.5	37	50.7	4.19	1.06
Overall											4.13	1.18

Source: Research findings (2023)

The results in Table 2 showed the participants 'observations on the effect of economic diplomacy on investment through MINAFFET, such that 28.8% agree and 53.4% strongly agree that Rwanda diplomacy creates a viable & profitable environment for investment cooperation to everyone from everywhere. 26.0% of respondents agree and 56.2% strongly agree that MINAFFET build the trust in investment where investors satisfied. Also, 12.3% agree and 57.5% strongly agree that because of good economic diplomacy of Rwanda, country's economic was promoted through promoting investment. Moreover, 26.0% of respondents agree and 50.7% strongly agree that Country economic diplomacy promoted the availability of jobs and raising living standards of Rwandan. Lastly, 31.5% of respondents agree and 50.7% strongly agreed that the competitive market of Rwanda increased because of good economic diplomacy of country.

The findings align with the emphasis of Daniela, Rui Henrique, and Rosa (2021) on the essence of economic diplomacy. Their perspective highlights economic diplomacy as a comprehensive approach aimed at giving access to foreign markets for national companies, attracting foreign investors, and aligning global regulations with national interests. The study's results strengthen the role of economic diplomacy in creating a favorable

investment environment, fostering trust among investors, promoting economic growth, generating job opportunities, and enhancing market competitiveness through MINAFFET, all of which align with Daniela, Rui Henrique, and Rosa's perspective on economic diplomacy.

Based on the results, it seems that most people believe the MINAFFET's economic diplomacy efforts have a positive impact on investment. The percentages are credible because to the high mean of 4.13, which provides proof of the presence of the facts, and the standard deviation of 1.18, which shows that reactions to the aforementioned assertions are heterogeneous

4.3 Findings on effect of science diplomacy on investment through Ministry of Foreign Affairs and International Cooperation

The third objective of the study was to examine the effect of science diplomacy on investment through Ministry of Foreign Affairs and International Cooperation. The findings on related statements were discussed in the Table 3.

Table 3: The effect of science diplomacy on investment through Ministry of Foreign Affairs and International Cooperation

	SD		D		N		A		SA		Mean	Std. Dev.
	fi	%	fi	%	fi	%	fi	%	fi	%		
Country's science diplomacy promoted the skills in investment towards international cooperation	2	2.7	5	6.8	6	8.2	17	23.3	43	58.9	4.29	1.06
The science diplomacy of Rwanda enhances the needed information for developing investment	9	12.3	7	9.6	2	2.7	16	21.9	39	53.4	4.11	1.17
Science diplomacy promoted the infrastructure that required in international cooperation	5	6.8	8	11.0	5	6.8	17	23.3	38	52.1	4.03	1.29
The Rwandan increased the expertise of investment because of good science diplomacy	1	1.4	4	5.5	8	11.0	27	37.0	33	45.2	4.19	.93
The science diplomacy promoted the innovation and creativity that attract the investors	2	2.7	5	6.8	1	1.4	25	34.2	40	54.8	4.38	.84
Overall											4.20	1.06

Source: Research findings (2023)

The results in Table 3 indicate the participants' observations on the effect of science diplomacy on investment through MINAFFET, whereby 23.3% of respondents agree and 58.9% agree that the Country's science diplomacy promoted the skills in investment towards international cooperation. In addition, 53.4% of respondents strongly believe that Rwanda's scientific diplomacy improves the necessary knowledge for developing investment, whereas 21.9% of participants agree. As for the infrastructure needed for international collaboration, 23.3% of participants agree and 52.1% strongly agree that this was facilitated by science diplomacy. Additionally, numerous participants (37.0% agree and 45.2% strongly agree) believe that Rwandan improved science diplomacy led to a growth in investment expertise. Lastly, 34.2% agree and 54.8% strongly agree that the science diplomacy promoted the innovation and creativity that attract the investors.

The findings are consistent with William's (2018) emphasis on the significance of science diplomacy. William's perspective indicates how science diplomacy has become increasingly important for addressing global challenges and fostering international collaboration, aligning with the positive influence of science diplomacy on investment through MINAFFET highlighted in the study's results. This supports the idea that science diplomacy plays a crucial role in promoting cooperation and achieving developmental goals.

The survey showed that, numerous participants agreed or strongly agreed that the MINAFFET's scientific diplomacy programs had an effect on investment. The percentage findings were backed up by a high overall mean score of 4.20 and standard deviation of 1.06, indicating that the replies were heterogeneous.

Table 4: Investment through Ministry of Foreign Affairs and International Cooperation

	SD		D		N		A		SA		Mean	Std. Dev.
	fi	%	fi	%	fi	%	fi	%	fi	%		
Rwanda has good cultural for collaborating with external investors	0	0.0	5	6.8	15	20.5	17	23.3	36	49.3	4.15	0.98
Country keeps funds of investors to be safe and secure	2	2.7	5	6.8	10	13.7	21	28.8	35	47.9	4.12	1.07
Rwanda has favorable guidelines in investment	4	5.5	5	6.8	11	15.1	20	27.4	33	45.2	4.00	1.18
There is a good protection of asset allocation and risk tolerance	3	4.1	6	8.2	10	13.7	22	30.1	32	43.8	4.01	1.14
The investment funds in Rwanda grow exponentially	3	4.1	1	1.4	3	4.1	27	37.0	39	53.4	4.34	0.95
Overall											4.12	1.06

Source: Research findings (2023)

Table 4 displays the results of a survey asking respondents to rate comments made by the MINAFFET on investment. Some 23.3% are in agreement, with 49.3% strongly so, that Rwanda has a culture conducive to working with foreign companies. In addition, 28% are in agreement and 49% are highly in agreement that the country ensures the safety of its investors' money. The vast majority of respondents (27.4% agree, 45.2% strongly agree) find Rwanda to have investor-friendly policies and procedures. In addition, 30.1% think there is a decent safeguard of asset allocation and risk tolerance, and 43.8% think so strongly. Finally, 53.4% of those who responded to the survey think that the growth of investment money in Rwanda is exponential, with 37.0% agreeing with this statement.

The findings align with the emphasis made by Emily and Auke (2019) on investment development. They emphasized the necessity for government agencies to work together and the role that the private sector plays in helping the nation achieve its development objectives and resonates with the findings that highlight Rwanda's MINAFFET efforts to promote investment and create a favorable environment for investors. This indicates the significance of investment development in Rwanda's economic growth and prosperity.

According to the data, the majority of those polled strongly think that the MINAFFET is a good place to look for investment opportunities. Overall mean score of 4.12 is high as evidence on presence of the fact, and standard deviation of 1.06 is evidence on heterogeneity of respondents, both of which are supported by descriptive statistics.

4.4 Inferential statistics

The purpose of this section is to use inferential statistics to verify the study's hypotheses, which state that: Public diplomacy haven't a statistically significant effect on investment through the MINAFFET; Economic-diplomacy have no statistically significant effect on investment through the MINAFFET.

Table 5: Correlations matrix

		Public diplomacy	Economic diplomacy	Science diplomacy	Investment
Public diplomacy	Pearson Correlation	1	.687**	.643**	.855**
	Sig. (2-tailed)		.000	.000	.000
	N		73	73	73
Economic diplomacy	Pearson Correlation		1	.599**	.803**
	Sig. (2-tailed)			.000	.000
	N			73	73
Science diplomacy	Pearson Correlation			1	.740**
	Sig. (2-tailed)				.000
	N				73
Investment	Pearson Correlation				1
	Sig. (2-tailed)				
	N				73
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Research findings (2023)

The results' correlation analysis is shown in Table 5, which is organized around the study's stated aims and assumptions. The Table demonstrates that public diplomacy and investment via the MINAFFET have a substantial Pearson association of 0.855 (p-value $0.000 < 0.05$). Economic diplomacy and investment via the MINAFFET have a very significant positive connection ($p = 0.000 < 0.05$, Pearson correlation = 0.803) in the data. With a p value of $0.000 < 0.05$ and a Pearson correlation of 0.740, the results point to a positive moderate relationship between scientific diplomacy and investment via the MINAFFET.

The findings align with Alpha and Swati's (2020) emphasis on the pivotal role of diplomacy in influencing investment climates. Alpha and Swati highlight how diplomatic efforts, including leadership diplomacy, can positively impact the environment for multinational corporations and consequently influence their site selection for investments. This supports the notion that diplomacy plays a significant role in shaping investment decisions and outcomes through Ministry of Foreign Affairs and International Cooperation.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.921 ^a	.848	.842	.27826
a. Predictors: (Constant), science diplomacy, economic diplomacy, public diplomacy				

Source: Research findings (2023)

Table 6 displays the outcomes of a regression analysis on model summary, showing how the MINAFFET's focus on scientific diplomacy, economic diplomacy, and public diplomacy affects investment. From the correlation coefficient (R), the findings showed a R value of 0.921, a R square value of 0.848, and an adjusted R square value of 0.842, indicating that those variables explain 84.80% of the total variance in investment via the MINAFFET.

The findings are supported by Zhang (2014), who emphasizes the growing importance of diplomacy in investment behavior, particularly for multinational corporations from developing economies. Zhang's work highlights that the competitive advantages and sources of these advantages are not always well-understood, especially for MNEs from emerging nations. This underscores the role of diplomacy in facilitating global expansion and influencing investment choices, aligning with the findings that highlight diplomacy's impact on attracting investment and shaping economic policies through Ministry of Foreign Affairs and International Cooperation.

Table 7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.837	3	9.946	128.449	.000 ^b
	Residual	5.343	69	.077		
	Total	35.179	72			
a. Dependent Variable: Investment						
b. Predictors: (Constant), science diplomacy, economic diplomacy, public diplomacy						

Source: Research findings (2023)

Table 7 of ANOVA shows F=128.449 with a significant level of $0.000 < 0.05$. This signifies that the researcher has found evidence that the MINAFFET's Science Diplomacy, Economic Diplomacy, and Public Diplomacy have an effect on investment.

The findings are consistent with UNCTAD's (2011) emphasis on the role of diplomacy in influencing investment. UNCTAD highlights that governments aim to attract positive investment effects while minimizing negative impacts through measures that promote economic growth. Diplomacy and public policy communication play crucial roles in conveying information about government incentives to prospective investors, ultimately influencing investment decisions. This underscores the significance of diplomacy in shaping investment climates and aligns with the study's focus on diplomacy's role in investment within the MINAFFET.

Table 8: Coefficients

Model		Unstandardized coefficient		Standardized coefficient	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.170	.194		.879	.382
	Public diplomacy	.501	.075	.472	6.699	.000
	Economic diplomacy	.336	.067	.340	5.047	.000
	Science diplomacy	.244	.067	.232	3.638	.001
a. Dependent Variable: Investment						

Source: Research findings (2023)

In a linear regression model, the equation took the form of:

$$\text{Investment} = 0.170 + 0.501 (\text{Public diplomacy}) + 0.336 (\text{Economic diplomacy}) + 0.244 (\text{Science diplomacy}) + \varepsilon$$

Investment through the MINAFFET is independent of all other variables except for one, as shown in Table 8 of the regression coefficient. Investment via the MINAFFET increased by a factor of 0.501 for every additional unit of public diplomacy, and this increase may be attributed to the other factors. Investments undertaken via the MINAFFET had a 0.336-fold greater chance of survival for every one unit rise in Economic Diplomacy. The MINAFFET's investments increased by a factor of 0.244 for every unit of scientific diplomacy. The results of a study conducted by the MINAFFET showed that public diplomacy ($p=0.000$ less than 0.05), economic diplomacy ($p=0.00$ less than 0.05), and science diplomacy ($p=0.001$ less than 0.05) all had a statistically significant impact on investment.

Table 9: Test of hypotheses

Hypothesis Formulated	Beta (β)	ρ – values	Decision
Ho1: Public diplomacy has no statistically significant effect on investment through MINAFFET.	.501	.000	Rejected
Ho2: Economic diplomacy has no statistically significant effect on investment through MINAFFET.	.336	.000	Rejected
Ho3: Science diplomacy has no statistically significant effect on investment through MINAFFET.	.244	.001	Rejected

Source: Research findings (2023)

<https://doi.org/10.53819/81018102t2225>

Table 9 shows that the MINAFFET has a statistically significant impact on investment in public diplomacy ($p=0.000<0.05$), economic diplomacy ($p=0.000<0.05$), and science diplomacy ($p=0.001<0.05$). Thereby, the study concludes that there is a statistical link between public diplomacy and investment channeled via the MINAFFET, thereby contradicting (Ho1). Economic diplomacy via the MINAFFET was shown to have a positive correlation with investment, contrary to the claim made in (Ho2). The study also concluded that the MINAFFET was successful in using Science Diplomacy to influence investment decisions.

5.1 Conclusion

In conclusion, the primary objective of this study was to identify the impact of diplomacy on investment through MINAFFET. Specifically, the study guided by objectives of examining the effect of public diplomacy, economic diplomacy and scientific diplomacy on investment through MINAFFET.

The researcher found that a significant number of the surveyed individuals both agreed and strongly agreed that diplomacy had a notable impact on investment through the MINAFFET. These findings were substantiated by robust mean scores, indicating strong evidence for the relationships under investigation.

The statistical analysis revealed that public diplomacy ($p=0.000<0.05$), economic diplomacy ($p=0.000<0.05$), and science diplomacy ($p=0.001<0.05$) all had a statistically significant impact on investment through the MINAFFET. Consequently, the researcher rejected the null hypothesis (Ho1) and affirmed the presence of a statistical relationship between public diplomacy and investment through the MINAFFET. Similarly, the null hypothesis (Ho2), positing no relationship between economic diplomacy and investment through the MINAFFET, was also rejected. Furthermore, the null hypothesis (Ho3) was dismissed, indicating that science diplomacy indeed influenced investment through the MINAFFET.

5.2 Recommendations

Based on the study's findings, to enhance investment activities, the MINAFFET should prioritize public diplomacy, improving communication globally and domestically. Emphasizing economic diplomacy through strengthened partnerships, trade promotions, and collaboration with international organizations would further facilitate investment. Additionally, promoting science diplomacy by fostering research collaborations and technology exchange can attract investments in the science and technology sectors. Building trust among investors through improved economic diplomacy, creating a favorable investment environment, and collaborating with the private sector to align development efforts with broader national goals are crucial. Encouraging public-private partnerships would foster economic development, job opportunities, and increased investment in Rwanda..

5.3 Acknowledgement

I express profound gratitude to my supervisor, Dr. Samson Njenga Gitahi, for his unwavering guidance. My heartfelt thanks to Mount Kenya University's management, dedicated lecturers, and supporting staff for their crucial contributions. I am also grateful to all those whose encouragement was instrumental in my Master's Degree completion.

References

- Ali, A. S. (2019). Examination of economic diplomacy in promoting investments: the case of Tanzania, Oman and United Arab Emirates, The Open University of Tanzania, EPrints3
- Alpha, F. L. & Swati, P. (2020). The state of postcolonial development: China–Rwanda dependency in perspective, *Third World Quarterly*, 42 (56): 1-19
- Amany, A., & Krishna, K. (2019). Response rates in survey research: An empirical analysis. *Journal of Research Methodology*, 15(2), 123-137.
- Azman-Saimi, A. Z. B & Siong-Hook, L. (2010). Foreign direct investment, economic freedom and economic growth: *International evidence, Economic modeling*, 27(5):1079-1089
- Bayne, N. & Woolcock, S. (2017). The new Economic Diplomacy: Decision-Marketing and Negotiation in International Economic Relations, *Ashgate, Fourth Edition*
- Chengchun, L, Murshed, S. M, Sailesh, T. (2017). The impact of civil war on foreign direct investment flows to developing countries, *Journal of International Trade and Economic Development* 26(4):1-20
- Dirk, H and Heidi, K. (2012). Determinants of outward foreign direct investment from BRIC countries: *An explorative study, emerging markets*, 7(1): 4-30
- Emily, T. S, & Auke, B. (2019). Investment in Rwanda - the Dutch Experience - How to further strengthen the business climate in Rwanda, *Kingdom of the Netherlands*
- Guillermo, V. L. (2017). Commercial Diplomacy in a Globalized World. *Przegląd Strategiczny 2017, nr 10:367-382*
- Happiness, B. (2019). The impact of foreign direct investment on economic growth of Rwanda, University of Rwanda, *College of Business and Economics*
- Manzi, R. A & Ricardo, S. (2022) Why an Economic Diplomacy in Rwanda, *International Journal on Economics, Finance and Sustainable Development* 2615-4021: 35-49
- Maxwell, O. (2012). Foreign Direct Investment and Economic Growth in Uganda: Evidence from Vector Autoregressive Model, *International Journal of Economics* 2(1):4417-5763
- Najeh, B., & Walid, A. (2019). The impact of foreign direct investment on economic growth: evidence from Tunisia, *Journal of smart economic growth* 4(3):11-21
- Research and Information System for Developing Countries (2018). South-South Cooperation: Role of Science Diplomacy, *Delhi Dialogue-XII*
- S4D4C (2020). *The Matters of Science Diplomacy: Transversal Analysis of the S4D4C Case Studies*
- Sousa, P. P. (2019). A diplomacia economica na politica externa portuguesa contemporanea: Problemas teorico-conceptuais, *Relacoes Internacionais*, 61:47-61
- Steve, L.G-D. (2014). Impact of foreign direct investments on economic growth in Africa: Evidence from three decades of panel data analyses, *Research Economic* 68(3):32-61
- Trajkov, V., & Trajkov, G. (2015). The influence of public diplomacy on the state's visibility in the international relations. *Journal of Liberty and International Affairs*, 1(2):70-78

- UNCTAD, (2011). Investment Promotion Handbook for Diplomacy, Investment *Advisory Series Internationalis A, Number 6.*
- William, E. C. (2018). *Science Diplomacy and Future World*, Science Diplomacy, Vol 7, No 3
- Zhang, J., Jiangang, J., Chaohong, Z. (2014). Diplomacy and Investment - The case of China, *International Journal of Emerging Markets* 9(2):216-235