

CONTRIBUTION OF FOREIGN DIRECT INVESTMENT TO SOCIO ECONOMIC DEVELOPMENT IN GASABO DISTRICT, RWANDA

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Abstract

This study focused on the contribution of FDI to socioeconomic development that continues to slowly speeding up in Gasabo district, Rwanda. It used a descriptive research design. A sample of 100 individuals was randomly drawn from 583,841 people of Gasabo district. This sample size was calculated following Cochran formula with a confidence level of 90% and 10% as margin error. Nominal, and scale primary data were collected using a self-administered questionnaire (schedule) whose reliability was tested and a cronbach alpha of 0.8235 was found. Documentary technique was used to collect secondary data from different sources. Data were processed and analyzed using SPSS as a tool. Through descriptive statistics and Spearman correlation coefficient (ρ) calculation as relevant techniques the study revealed that attributes of FDI in Gasabo district were in the order of bringing capital and technology, promoting competition, improving skills in management, promoting exportation, and job creation. Also it showed that FDI was seen as a catalyst in reducing unemployment and thus increasing the level of personal income from which social indicators were nicely reached in Gasabo district. Therefore FDI was found having a significant positive but very week correlation (a Spearman correlation coefficient of 0.209(i.e. 20.9%) the reason why the study recommended to continually attracting more foreign direct investments (FDIs) in Gasabo district, Rwanda.

Keywords: Foreign Direct Investment (FDI), socioeconomic development, district.