A fascinating example of successful liberalisation?

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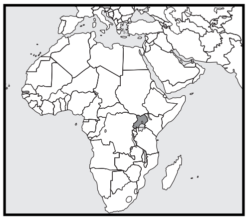

Although Uganda is presented as a fascinating example of a very poor country that has 'successfully' carried out a 'fundamental liberalisation' of the economy, the consequences of such rapid opening up to multilateral capital have often been adverse for indigenous firms and farms who benefit less from production subsidies and have limited help towards access to markets. Lacking antipoverty strategies and job creation policies, with widespread corruption and increasing inequalities the majority of the population remain in vulnerable circumstances.

Lacking antipoverty strategies

Uganda lacks some key policy strategies that would directly contribute to poverty reduction. There is still widespread corruption, and income inequalities have been increasing since 1997. Poverty in the rural areas stands at 39.7% as compared with 10.3% in urban areas. In the Northern region, 65.8% of the population lives in absolute poverty. Children (under 19 years) represent the largest group of poor at 62%.[1]

Employment sector: insignificant progress

Uganda's active labour force is estimated at ten million of which four million are unemployed or non-gainfully employed. With a labour force growth rate of 3%, the economy faces 340,000 new job seekers every year. Government jobs fell by 40% from 1992-2000 with few re-employment opportunities.

With regard to specific commitments, government achievements in the employment sector are insignificant. Employment policy and goals have not been harmonised into a single national strategy. As principal employer, the informal sector has been neglected at the policy level and employment creation has been relegated almost entirely to market forces. Credit programmes to support small enterprises are still ineffective because of corruption and resource diversion. Technical and vocational training is neglected. Affirmative action is starting to pay off for women in the formal sector, but apart from this, there is no effective national policy protecting disadvantaged groups in employment matters.

Impact of adjustment policies on income and its distribution

Adjustment processes supported by the International Monetary Fund (IMF) and World Bank, characterised mainly by a concentrated focus on management of government expenditures, retrenchment, trade liberalisation and privatisation, still form the "nervous system" of the "expanding" economy. Government and World Bank/IMF analysts argue that Uganda is a fascinating example of a very poor country that has 'successfully' carried out 'fundamental liberalisation' of the economy. However, the consequences of such rapid opening up to multilateral capital have often been adverse for indigenous firms and farms who benefit less from production subsidies and have limited help towards access to markets.

The Poverty Action Fund has enabled the government to allocate funds to key sectors that would otherwise suffer under structural adjustment. There is need for increased resource allocation, more equitable distribution and more effective utilisation of resources and monitoring in the areas of education, health, water and sanitation, agriculture and infrastructure at national and decentralised levels.

Insufficient affirmative action

Although affirmative action has bred some achievements in urban areas, the majority of women in rural areas still form the core of the most socially marginalised people in Uganda. There is emerging public frustration in Uganda regarding ineffective implementation of the Land Act, and in particular, there is reluctance to accept the co-ownership scheme. Delayed passage of the Domestic Relations Bill and delayed establishment of the Equal Opportunities Commission as stipulated in the 1995 Constitution are also sources of frustration. There is also increasing dissatisfaction with the way representation is working, especially because a few 'affirmative queens' are riding the affirmative ticket and blocking fresh entrants.

The combined efforts of the government and voluntary sector have narrowed the gender gap in primary education to 89% of girls and 91% of boys. The gap widens at higher education levels because girls have a higher dropout rate.

The government has yet to pass the much-debated Domestic Relations Bill and there is no appropriate law to protect family rights. Violence against women continues. Affirmative action to help women reconcile the simultaneous demands of home and work is totally absent. In rural areas, decades of affirmative action have made barely a dent in the entrenched values that regard women as the providers of household labour.

There is considerable achievement towards the goal of disaggregating data by sex, but additional resources are needed. Women still suffer disproportionately from illiteracy. Although they dominate Functional Adult Literacy (FAL) classes, the illiteracy level of women is still 57% compared with 27% for men. A comprehensive national plan for functional adult literacy is being developed in the ministry of gender and social development.

Progress on provision of basic education

Education has remained a key government priority and continues to receive priority in resource allocation. Today, 33% of total government discretionary recurrent spending is allocated to this sector. Of actual total expenditures, 68% goes to primary, 13% to secondary and the rest to tertiary education. The sector is being implemented under an elaborately developed Education Sector Investment Plan (ESIP) for 1998-2003. The plan's priorities are universal access to primary education, removal of gender, regional and social inequities, strengthening the role of central government and building the capacity of the districts.

1 Social Development Sector Strategic Plan 2002

At World Summit for Social Development (WSSD), provision of gender sensitive basic education and particularly achieving 50% improvement in adult literacy by 2015 were cited as prerequisites for social development. Since 1997, the implementation of Universal Primary Education (UPE) arguably has been a revolutionary achievement. By 1999, 85% of primary school-age children were at school. This surpassed the WSSD target of at least 80% by 2000. However, the rapidly declining quality of primary education under UPE is worrying parents, government policy-makers and civil society organisations.

The success in primary education has not been replicated in FAL education. The coverage of the FAL programmes is still very limited. Adult illiteracy levels fell by 3% from 1995 to 2000, from 65% to 62%. Up to 5.5 million Ugandans remain functionally illiterate and literacy rates are actually falling in the Northern region. The dismal performance in FAL is a result of inadequate resources to expand the outreach, train and recruit more community development assistants. At USD 13 per unit cost of participation, an evaluation of FAL programmes carried out by the World Bank and Ugandan government (1999) estimated that five million illiterate adults in Uganda could be made literate with USD 65 million.

Vicious circle of illness and poverty

Uganda has made progress since 1997 in major health care indicators, but is still below average for sub-Saharan Africa, which has the worst health indicators in the world. Research has shown that ill health is the leading cause and effect of poverty at household level in Uganda.[2] Government efforts in 2001 centred on programmes for malaria control, childhood immunisation and information, education and communication activities.

An elaborate Health Sector Strategic Plan was developed in 2000 as a framework for tackling challenges in the health sector. The major objective of the plan is to reduce mortality and morbidity and ensure equitable access to minimum health care for all. The WSSD targets are still far from being met partly because of the close association between health and poverty.

Fifty-six per cent of Ugandans in rural areas have no access to health services. This figure rises to 72% in the Northern region. Nationally, utilisation of health services by women and children is declining. Less than half of Ugandans live within five kilometres of a health facility. The government abolished cost sharing in public health centres, but unlike primary education, support for public health centres at community level has not intensified. Even without official user charges, transport and other charges, scarcity of qualified health personnel and illiteracy still keep low-income communities from accessing health care. Fifty-six per cent of Ugandans could not afford to attend a health centre the last time a family member was ill.[3]

Despite meeting the WSSD target for reducing HIV/AIDS infection rates, 10% of adults are infected. AIDS remains the leading cause of death in adults below age 49 with women 10% more prone to infection than men. Drugs for treating HIV/AIDS are still very expensive and unaffordable to the majority of Ugandans.

Non-governmental organisations provide 26% of total health services in Uganda and the government has made some budgetary allocations to NGO health services. There is, however, no formal national framework to co-ordinate government/NGO partnership in the health sector.

Since 1997, morbidity has been in sharp increase among all social economic groups. Maternal mortality, at 510/100,000, like many other health indicators, is very high. Budget allocations for health care were only 6.8% of total government expenditure in the 1999/2000 budget. The government has done well to focus on traditional birth attendants, but traditional birth attendants lack even the basic facilities to deal with complications.

2 Uganda Participatory Poverty Assessment Project, 2000.

3 *Ibid.*

Recommendations

Achieving WSSD targets will require the following:

- The escalating indirect cost sharing in UPE needs to be addressed. Government should continuously monitor the monetary and non-monetary costs associated with attendance of UPE classes.
- The informal sector should be prioritised and a sector strategic plan put in place. This plan should be instrumental in defining the levels and nature of support given to micro-enterprises within the national support framework for poverty eradication.
- The emphasis put on functional adult literacy at policy level should be translated into concrete action. Funding should be increased for FAL campaigns in rural areas.
- The government should establish a joint National Disabled/Orphans Council along the lines of the youth and women councils, to promote legislative action favouring orphans and persons with disabilities and strengthen the management and implementation of the current affirmative interventions for socially marginalised groups.
- The government should build on the strong foundation of gender empowerment to design more effective approaches. The Domestic Relations Bill should be passed, and an Equal Opportunities Commission (provided for in the constitution) should be created to redress other persisting gender imbalances and injustices.
- Lastly, the government should urgently mandate a focal ministry to deal with WSSD issues and develop a coherent approach to the Summit commitments. The currently fragmentation among several ministries is an obstacle to government monitoring of WSSD issues.

Conclusion

Some impressive gains have been made, but the overall challenge for the government and other development partners is to extend the reach of these gains.

The majority of Ugandans remain insecure and in vulnerable circumstances. Socially marginalised groups (the elderly, youth, children, orphans, poor women, people with disabilities and internally displaced persons) constitute by far the majority of the vulnerable population. Yet they still are as likely to live in situations defined as difficult. They are victims of a growing income gap amidst impressive national income figures. They are self-employed, domestic workers, and child labourers in an increasingly skills-dependant labour market. They bear the brunt of privatisation of social welfare and corruption and have not yet benefited much from affirmative action. They cannot afford the indirect costs associated with education and often die of preventable diseases because they cannot afford to visit health centres.

The role of the government in the development process needs to be revisited. Free markets imply not less government (Uganda's official position at the moment), but the need for more government with greater scope, along with pressure from a vibrant civil society. ■

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