

## Uganda

<b>Status Index</b> (Democracy: 2.2 / Market economy: 2.9)		<b>5.1</b>	<b>Management Index</b>		<b>5.0</b>
<b>System of government</b>	Presidential democracy		<b>Population</b>	24.2 mill.	
<b>Voter turnout</b>	70 % (Presidential Elections)		<b>GDP p. c. (\$, PPP)</b>	1,490	
<b>Women in Parliament</b>	24.7 %		<b>Unemployment rate</b>	n. a.	
<b>Population growth<sup>a</sup></b>	3.1 %		<b>HDI</b>	0.489	
<b>Largest ethnic minority</b>	16-20 %		<b>UN Education Index</b>	0.69	
			<b>Gini Index</b>	37.4 (1996)	
Data for 2001 – if not indicated otherwise. <sup>a</sup> Annual growth between 1975 and 2001. Source: UN Human Development Report 2003.					

### 1. Introduction

Uganda's natural and human resources actually provide it with good conditions for positive socioeconomic development (Churchill famously called it the "pearl of Africa"). The country emerged in a very poor state from two decades of violent conflict, terror, chaos, and civil war that lasted through the mid-1980s. Uganda was considered evidence of Africa's general decline and degeneration. Since then, President Museveni and his administration have reconstructed and stabilized the country to a considerable degree, making Uganda, in the eyes of many observers, one of the few good examples of successful economic reform policy in Africa.

The country's extensive transformation therefore spans 17 years. Fundamental political and economic changes were introduced and implemented, particularly in the early 1990s. This report on the status of democratic and market economy transformation during the last five years (1998-2003) concludes, however, that this period was essentially stagnant, and even showed a certain degree of regression in the political transformation. The macroeconomic balance sheet continues to be above average for Africa, but on certain points the enforcement of economic reforms has not lived up to the government's goals.

The long-standing struggle against a rebel movement in the northern part of the country continued unabated. Up until the end of 2002, a willingness to change Uganda's unique "Movement" system (in which party-related activities are virtually prohibited) could not be detected. The first months of 2003, however, saw some truly surprising signs for the return to a multi-party system.

President Museveni's efforts to create a positive environment for foreign direct investments as well as the political change in neighboring Kenya in late 2002 and

the pressure of development donors served as the impetus to a new assessment. Maybe in the near future essential changes will occur that could open up entirely new perspectives on the overall evaluation of the transformation.

## **2. History and characteristics of transformation**

The start of the political and economic transformation in Uganda can be traced to January 1986, when the National Resistance Movement (NRM), led by Yoweri Museveni, took power after a successful five-year guerilla war, first against the second administration of Milton Obote and then against a short-lived military regime. In its early years in power, the NRM made a serious effort in the political realm to form a government coalition on as broad a foundation as possible, including representatives from all ethnicities, regions and political orientations. However, new rebel groups made up of followers of the earlier regime had to be fended off again and again over the years.

The activities of the old parties, which emerged prior to independence, were halted because of their role in intensifying conflicts prior to the NRM's assumption of power, although there was no formal ban on political parties. Instead, a multilevel system of elected Resistance Councils, built upon the rudiments that emerged during the guerilla fighting, was introduced allowing the populace to participate in the political process, at least at the local level. The Resistance Councils were later renamed Local Councils and exist today. A surrogate national Parliament, set up in 1989, was a mixture of elected representatives from the Resistance Councils and the historical core leaders of the NRM from the guerilla era.

The work of a constitutional commission dragged on considerably longer than originally expected and finally culminated in general elections for a Constitutional Assembly in 1994. The Assembly's central debates related to the question of state building (central or federal; vehement demands for federalism from traditional Buganda representatives did not prevail), and the fundamental question of which political system to use (return to party pluralism or continue with no-party democracy).

The new constitution, which took effect in October 1995, initially adhered to the Movement system for the general elections set for 1996, without a general liberalization of party-related activities. It did stipulate, however, that a referendum should be held every five years for the people to choose between the Movement system and the party system. In the essentially sound elections that followed, Museveni was elected president, and the NRM won a clear majority in Parliament. However, known members of the old parties, other persons critical of the regime and non-conformist liberal followers of the NRM also won seats in Parliament. In forming the government, there was no longer any special focus on including a broad regional basis.

In 1997 the Movement Act made every Ugandan legally a member of the Movement. Although this decreed membership did not have any *de facto* relevance for the majority of citizens, the Movement was thus legally installed as the dominant political organization, with party-like structures. With this, the political transformation came to an end for the time being. The government still plans to pass an act regulating the status of parties.

The economic transformation also began when the NRM took power, essentially starting from square one with a largely destroyed economy. A 10-point program, previously conceived by the NRM to rebuild the country, was still largely oriented toward Museveni's earlier socialist ideas. However, given reality and the concrete challenges facing Uganda, there was a definite swing toward a very pragmatic free-market course starting in 1987. This was fully supported by international donors, including the IMF and World Bank, with considerable development aid.

The economic reform process has developed gradually and continuously over subsequent years. Important elements of the transformation have included: macroeconomic stability and fiscal-policy discipline, privatization of state-owned enterprises, latitude for local businesspeople, attracting foreign investors (including the return of the Asian entrepreneurial class expelled by Idi Amin), debt reduction, decentralization, diversification of manufacturing, expansion of regional cooperation and improvement of available human capital. Many of the measures were carried out under the obvious influence of donor institutions, but President Museveni also considers himself an important booster for structural changes, and for an overall dynamism in society and the economy. Nevertheless, many obstacles and political considerations remain in the consistent pursuit of this course.

### **3. Examination of criteria for democracy and a market economy**

#### **3.1 Democracy**

Uganda demonstrates considerable fundamental deficits in transformation of the political regime, especially in political representation, organizational freedom and the transparency of political decision-making processes. The military continues to be an influential factor outside formal structures. Nevertheless, there are definitely elements of political participation at the local level.

##### **3.1.1 Political organization**

(1) *Stateness*: The basic elements of nation-state identity do not exist in Uganda. The state monopoly on the use of force has been achieved in central parts of the country. It has, however, been seriously challenged for a number of years in some (geographically not insignificant) parts of the country by rebels and guerillas of

various political stripes and by “traditional” nomadic warriors. The strongest and most long-lived rebel group is the Lord’s Resistance Army (LRA), which terrorizes the civilian population of its own Acholi people. The LRA also battles with the Ugandan military, which has yet to triumph over the rebels despite great, and expensive, efforts. This is partly because the LRA has been able to withdraw across the border into Sudan, where it can regroup. On Uganda’s mountainous western border with the Democratic Republic of Congo, there was another active rebel group called Allied Democratic Forces (ADF) in the late 1990s. This group spread fear and was a massive threat to state power. As of 2000, the ADF has been largely contained but not eliminated, largely due to cross-border links with the continuing war in the DR Congo.

In addition to the LRA and the ADF, several other opposition groups (with exile bases abroad) have carried out armed campaigns in Uganda since the Museveni government took power. These campaigns have included fatal bombings in the capital on various occasions. The state has always struggled to control the northeastern Karamoja region, where nomadic warriors use modern weapons for more “traditional” activities such as cattle rustling and robbery. In the central parts of the country, which are the most densely populated, the monopoly on the use of force is largely established. The magnitude of violent crime and the feeling of insecurity in Kampala and other cities tend to be lower than in many other African countries.

There is fundamental consensus among all population groups about who qualifies as a citizen of Uganda. There is no sign of any secessionist movements. Perceptions of identification with the current state vary, but no population group is formally denied fundamental aspects of citizenship. Ethnic groups in the north (Acholi, Langi, etc.) consider themselves excluded from the central state to a large degree because of historical factors (economic neglect), repressive military action (in the course of the fight against the LRA) and a lack of political representation. Large and influential factions of the Buganda, the largest ethnic group in the center of the country, would still like special federal status recognizing their tradition as a separate kingdom. Thus, their loyalty to the state is split.

The state is formally secular to the greatest possible extent with a separation of church and state, although religious movements (sects, Muslim groups) could be important to the pattern of political behavior toward the state. The state’s administrative structures are generally present, with some territorial limits, but they are operative to different degrees: In the central parts of the country, the structures are relatively good, but they are clearly limited on the periphery, especially in the north. Corruption and a lack of civilian monitoring of the arbitrariness of the state’s security forces represent real restrictions.

(2) *Political participation*: Based on the constitution of 1995, general elections are, in principle, accepted as the method for deciding political rule. The rights to vote and stand for office apply for all citizens, although the right to stand for

office is partially limited by formal education requirements. Separate presidential and parliamentary elections took place both in 1996 and 2001, none of which can begin to be classified as completely free and fair given the general framework, but they did proceed correctly in form and probably did end up expressing the will of the people overall.

An important point is the almost total restriction of the freedom of political organization. These restrictions were formally legitimized by the Constitutional Assembly in 1995 and again by referendum in 2000. This does not mean parties that still exist from earlier times, the DP and the UPC, are forbidden. They simply cannot actually carry out any regular activities, and the founding of new parties is not allowed.

Electoral candidates may run only as individuals, not as representatives of any party. New party legislation that passed in mid-2002 after many years of controversial debate has essentially codified these restrictions. The DP and the UPC contested this before the Constitutional Court. The first signs of a possible fundamental change in the situation came in February 2003.

The Movement dominates the political scene in a way that a single party would. This is based on an act from 1997 that made all citizens automatically members of the Movement, in theory. Consequently, the true situation is marked by the strange hybrid of a no-party system, but with competitive personality-based elections in which existing party connections are publicly well known. Thus, many avowed members of the opposition are elected to Parliament. In the capital they dominate the city council and select the mayor.

The main argument against the open admission of parties is their disastrous role in past ethnic and religious conflicts. At the lower levels of regional authorities, there is an element of participation in local affairs through multilevel elections. This element has obviously contributed at least somewhat to the breakup of traditional hierarchies and leadership structures in the countryside. At the lowest level, these elections take place in an open process (queuing, no ballots). The president, government and Parliament are, however, legitimized by elections that have a correct form, and they execute their power to govern on this basis. As a legacy of the past, the military dispatches its own representatives (10) to Parliament.

Despite formal democratic structures, there is obviously a small circle of leadership within the Movement and the military top brass that wields the real power in Uganda. Parliament has won itself a certain amount of control over the executive branch, but it is constantly confronting barriers in this pursuit. Freedoms of speech and of the press are not respected consistently. Incredibly critical public discussions and statements in the media are largely tolerated, but from time to time massive intimidation campaigns are carried out. All in all, the

political climate is marked by a carefully balanced fusion of open discussion and keenly felt control.

(3) *Rule of law*: The usual separation of powers between various state bodies is fundamentally accepted and, to a large extent, also practiced. However, military and security forces are, to a great degree, beyond the control of the civil courts—not completely, but they continue to have considerable latitude. The judiciary is professionally competent, differentiated and can act relatively independently. It has also shown astounding independence in the face of political pressure in political cases (e.g., legal challenges to elections, constitutionality of laws).

The handling of both widespread corruption—Uganda is consistently singled out by Transparency International—and the abuse of authority by office holders is inconsistent. There have been astounding cases where investigative committees (e.g., for large portions of the police force and the military) have led to consistent sanctions. Some such committees have even been backed by a majority of Parliament against corrupt ministers, who were subsequently dismissed. Nevertheless, there are also considerable political and procedural limitations to broad-based consistent measures. In any case, prominent individuals are in no way universally shielded from prosecution.

Civil rights are not systematically abused, but the prosecution of abuses often only goes so far. The most public abuses are linked to the fight against guerillas. Members of the security forces who commit attacks on suspicious persons and civilians are seldom brought to justice, though there are some exceptions, even the execution of members of the military convicted of crimes.

### **3.1.2 Political patterns of behavior and attitudes**

(1) *Institutional stability*: Despite massive restrictions that go hand-in-hand with the prohibition of open political party plurality, democratic institutions (such as Parliament, the judiciary and administration) do play a substantial role in the existence of democracy and form a foundation for steps leading to its consolidation. In their current restricted form, the institutions at least appear to be stable. They even have the potential to be strengthened gradually. The restrictions exist primarily because of the uncodified power of intervention enjoyed by top members of the military, and especially because of President Museveni's undisputed exceptional position.

(2) *Political and social integration*: The political system is characterized by the regime's obstruction of a normal party system of functioning. The dominant Movement emerged from the NRM freedom movement of the 1980s. Its self-image relies on this history, but since then it has virtually become a monopoly party with a predominantly pragmatic-opportunistic membership and with widely diverging ideological positions, including positions on the fundamental question

of changes to the system. It is difficult to assess the populace's attraction to the old parties, the DP and the UPC, because they cannot act openly as parties. It is also difficult to discern what ethnic and religious orientation these parties might still have.

Despite their precarious situation, the open representatives of the DP and the UPC, and also the dissenters from the NRM who first appeared after the 2001 elections (known since then as "Reform Agenda"), have created a starting point for a semi-legal and half-heartedly tolerated political opposition. The regionally unequal distribution of leadership positions is highly visible. The north is absolutely marginalized, while a strong preponderance of leaders come from the west-southwest and also Buganda. It is unclear to what degree the Baganda would continue to insist on having their own special federal status if the chance existed, given the prevention of open discussion. In light of the unusual constitutional situation, the political party scene can be characterized only as unsettled.

The landscape of associations and interest groups is not very distinct. This is equally true for entrepreneurial interests, chambers of commerce, unions and farmers' cooperatives and representatives, all of which exist but have little ability to assert themselves politically. All these groups have ties to the Movement. It is difficult to discern true attitudes toward democracy. In view of a very lively culture of public debate, particularly in urban environments, however, it can be assumed that public opinion is generally in favor of democracy. Autonomous organization in civil society is relatively well developed, though great regional and ethnic differences exist. Some of the larger ethnic groups can fall back on strong traditions. Social self-organization represents substantial development potential and social capital. The relationship between the government and NGOs is inconsistent and varies between support for development tasks and control due to objectives that the government presumes critical towards its efforts.

## **3.2 Market economy**

Uganda has made considerable progress in carrying out economic reforms towards free-market elements since the late 1980s. It is considered by many to be one of Africa's greatest national success stories. Nevertheless, significant deficits remain.

### **3.2.1 Level of socioeconomic development**

Macroeconomic indicators show a relatively low general development level for Uganda in comparison with the rest of the world. Social exclusion is rather prominent both quantitatively and qualitatively, and it is structurally fairly entrenched due to a blend of geographical, historical, cultural and political factors. The northern sections of the country, in particular, are very much disadvantaged.

There is traditional gender inequality, with some possible exceptions, and it is very difficult to move up in society. Social classes are mainly determined by land ownership and modern education. Freedom of choice for all citizens does not exist in a normal curve of distribution.

### **3.2.2 Market structures and competition**

The fundamentals of free-market competition are guaranteed in a general form. Formerly dense regulation and state intervention have been continually and consistently reduced and dismantled over the years. The limited size of the national market has resulted in at least partial monopolies and oligopolies for certain areas and products. The privatization of former state-owned enterprises has been pursued for years, and is not yet fully complete. Decisions were frequently not transparent and were susceptible to corruption. The weak and inefficient finance and banking sector has long been a particular problem and an impediment to more broadly supported economic development; various reform efforts have had little success. Foreign trade has been liberalized to the greatest possible extent for some time now.

### **3.2.3 Stability of currency and prices**

The government has actually adhered to some of its important economic policy goals, including inflation control, a realistic exchange-rate policy and a disciplined budget policy. The Ministry of Finance and the central bank enjoy relatively strong positions vis-à-vis the financial greed of individual departments. Macroeconomic management, in this regard, has been praised by the IMF, the World Bank and other donors for years now. One exception is the controversy over what constitutes adequate military spending. The government is clearly keen to develop a stable macroeconomic policy. As a result of this consistent policy and as a reward, Uganda was the first country to qualify for significant debt relief as a part of the Heavily Indebted Poor Countries (HIPC) Initiative.

### **3.2.4 Private property**

Property rights and the rules for the acquisition of property are clearly established in principle. There are, however, still problems and disagreements regarding the practical implementation of existing regulations. This is especially true of the acquisition and ownership of land, where there are competing modern and traditional (which differ by ethnic group) perceptions of the law and legal practices. Conflicts of this nature continue to be a part of everyday life. A complete conversion to individual property ownership would be contrary to all traditions. In the meantime, private enterprises have unequivocally become the

mainstay of the Ugandan economy, but in some areas there is still activity through state-run institutions and enterprises.

### **3.2.5 Welfare regime**

In general, as in most of Africa, social networks supported by the state do not exist. There is basic provision for social risks (e.g., health insurance, pensions) only for a relatively small circle of permanent federal employees and for employees of a few large firms, but these benefits are very limited in scope. Otherwise, all such problems continue to be handled in a traditional manner, within familial relationships of solidarity. This system is undergoing some very rapid changes. It can be viewed less and less as a reliable fallback, especially because of changed urban lifestyles.

As a whole, social safeguards are much worse than previously for large segments of the population, and no modern replacement is in sight. Actual equality of opportunity does not exist at all, but at least there are some clear signs of improvement in this direction. There are significant differences in public assistance between cities and rural areas, and among various parts of the country, with definite discrimination against the north.

The abolition of school fees in 1997 for primary schools (Universal Primary Education, UPE) drastically broadened access to elementary education, which also benefited girls greatly. The practical enforcement of the UPE-program reveals clear signals that it might have been overambitious. Despite efforts on the part of the state to create equality of opportunity, social and regional origins continue to play a very important role. As extremely successful in international comparison is the strict and open fight against AIDS. Uganda was one of the countries hardest hit by the pandemic in the 1980s.

### **3.2.6 Strength of the economy**

Economic growth (absolute and per capita GDP) has been higher than the African average since the late 1990s, with unavoidable fluctuations related to the high proportion of agriculture and dependence on climate-related factors. Obviously, this growth results from the consistent pursuit of reform and structural alignment, although it is not clear how quickly this will reduce poverty. The current macroeconomic data look relatively good, in any case. Diversification of production is, however, at an early stage. Uganda is still heavily vulnerable to changes in world market prices for the country's main exports, coffee and tea, and for imported oil.

### 3.2.7 Sustainability

Politicians and society as a whole are very slow to consider environmental concerns. Nevertheless, a few changes and some activities by NGOs with a particular focus on the environment can be seen. With regard to fishing on Lake Victoria, which has quickly become very important, fundamental economic and hygienic improvements were brought about under massive pressure from the EU (a temporary total ban on imports).

The importance of education and human capital in general, is critical to this government and to the president personally; his main campaign promise in the 1996 elections was universal primary education. The populace also subscribes to the high value of formal education, for which parents are willing to go to great lengths. There are several state and private (some of which are religious) universities and a broad spectrum of education and research institutes, but extremely scarce financing results in very poor quality.

## 4. Trend

(1) *Democracy*: During the evaluation period (1998-2003), no noteworthy progress was made on the road to more democracy. Steps that were crucial to reaching the current state were made between 1994 and 1996 (election of the Constitutional Assembly, ratification of a new constitution and the first competitive presidential and parliamentary elections). Not much has changed from the state of affairs reached in 1996. If anything, opposition to demands for strengthened democratic elements has solidified. In 1997, the Movement was legally established as an organization, and in 2000 the existing system was codified for an additional five years without giving parties unlimited license.

In 2001 elections, the regime was seriously challenged for the first time by a group of critical NRM dissidents. They sprang from a close circle who had been loyal to the system for many years, but who had since relentlessly called attention to such weak points as corruption, graft and patronage. The full power of the regime went into relentlessly fighting the reformers during the election campaign. Taking the country as a whole, the Movement was able to pull out a clear—all things considered, probably legitimate—win. But in the north and in the capital its unpopularity was very apparent. The non-transparent squabbling over long-demanded political party legislation continued. A wing of the Movement that was ready for change could not establish itself, and legislation ratified in mid-2002 did not lead to any positive action.

The end of 2002 gave rise to new discussions within the Movement that could possibly result in broad changes in regards to the party question, but not before 2003. Also, the general situation for public discourse and critical media remained uncertain. The regime did not appear willing to allow political liberalization, and

all reformers felt very restricted. All in all, the degree of consolidation of the structurally restricted democracy did not improve significantly during the evaluation period.

(2) *Market economy*: There were no significant changes in the economic situation during the evaluation period, either. Macroeconomic development continued to be above average, and objectives were met for the most important macroeconomic indicators. Certain aspects of the institutional framework for free-market activity were further elaborated and developed, but there were no fundamental changes. Privatization is taking place, but in some cases it has resulted in major failures and setbacks. The containment of corruption, on the other hand, exhibited some resounding successes. There were no significant changes in the general socio-economic level of development. The fight against poverty met with modest success in individual areas, but the income gap in the north grew.

The anti-AIDS-policy of the government had extremely positive results: In cooperation with NGOs and external donors it succeeded to decrease the rate of newly infected from 18.3 % in 1993 to approximately 6.2 % in 2000.

**Table: Development of socioeconomic indicators of modernization**

	<b>HDI</b>	<b>GDI</b>	<b>GDP Index</b>	<b>Gini Index</b>	<b>UN Education Index</b>	<b>Political representation of women</b>	<b>GDP per capita (\$, PPP)</b>
1998	0.409	0.401	0.40	37.4 (1996)	0.57	24.7 %	1,074
2000	0.444	0.437	0.42	n. a.	0.60	24.7 %	1,208

**Table: Development of macroeconomic fundamentals**

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
Growth of GDP in %	5.6	7.5	3.5	5.2	5.5
Export growth in %	-10.0	5.2	6.9	0.4	3.5
Import growth in %	24.9	-16.9	12.8	8.1	11.3
Inflation in % (CPI)	0.0	6.3	2.8	2.0	0.1
Current account balance in billion \$	-0.503	-0.539	-0.543	-0.442	-0.541
Budget deficit in % of GDP	n. a.	n. a.			
not including development cooperation grants			-9.2	-10.9	-12.6
including grants			-4.2	-1.6	-4.4

Source: EIU (Economist Intelligence Unit)

## **5. Transformation management**

### **5.1 Level of difficulty**

Prospects for the continuation of the transformation at the beginning of the period confronted very difficult originating conditions. These included an extremely low level of economic development; restricted conditions and effectiveness of a free-market framework; a relatively low level of education; a history marked by a very violent recent past, as well as ethnic, religious and social conflicts; a somewhat limited tradition of broad-based civic engagement; and obvious weaknesses in state administration, the judiciary, security forces and police). The level of difficulty for the transformation in Uganda is extremely high in terms of structural socioeconomic conditions that mark the political process in the long term, especially if one takes into account Uganda's more distant, violence-prone past (prior to 1986).

The memory of the violent past still strongly affects behavior in many forms, even though it has been 17 years since the NRM took power. There is neither fundamental consensus on the need for party-based democracy nor on the related rules of the game. Narrow-minded partisan confrontation among important decision-makers is considered the main reason for the misery of the past. As a contrast, a concept of participatory basic democracy is supported as part of the all-embracing Movement organization. Other forces (old parties, internal reformers, etc.) see this as a fundamental restriction of their freedom of choice. All of this makes clear the political transformation's great degree of difficulty.

The complete decline of the country in earlier years is still having an effect on the economy, although reconstruction amid poor and chaotic originating conditions has gone surprisingly well overall. During the evaluation period, unfavorable world economic conditions—extremely low world market prices for coffee and other export products, high prices for imports of oil and industrial products—also had a negative effect on economic policy reforms.

## **5.2 Reliable pursuit of goals**

In addition to managing the current political situation, the Ugandan government, especially the president, is pursuing some longer-term strategic goals as well. These goals, however, often take a back seat to short-term needs and opportunistic benefit considerations. The strategy for the economy focuses strongly on economic diversification, modernization of production methods, improving human capital, strengthening the potential of private enterprise and reducing dependence on foreign aid. The financial and human resources needed to realize these essentially proper goals are, however, in limited supply.

The political strategy aims to anchor the Movement ideology and overcome an orthodox party landscape, which is a rather illusory goal given the external role models and outside pressure. The economic reform policy as a whole is relatively consistent, although inconsistent decisions are sometimes made in the service of short-term gain. The intended political reforms can, by all means, also claim relative consistency, even if they do not result in party-based democracy and presumably have no chance of long-term success.

The government's economic policy guarantees a general reliability of expectations for economic operations, but there are always surprising changes of course and other changes that lead to unpredictable insecurity for economic actors. All in all, the government does have a basic understanding of the need for reliable framework conditions.

## **5.3 Effective use of resources**

The government makes somewhat adequate use of available resources, at least compared with other countries in Africa. There is, however, no question that considerable deficits remain, such as political patronage and massive corruption. The state administration, however, is endeavoring to implement modernized management practices and financial systems, better-educated employees, managerial autonomy for individual areas, decentralization, etc. All of this is still far from being truly efficient, but it is a tangible improvement. Reform plans can, for the most part, be implemented only partially, and the implementation will go more slowly than advertised.

The range of public services surely remains way behind objective needs and expectations of the people given the very limited availability of resources, but some moderate improvement has been seen in, for example, education, health care, water supply and communications. Despite control mechanisms, corruption continues to be a major problem. The battle against corruption is circumscribed by political considerations. The cultural heritage tends to strengthen cronyism and political patronage while impeding objective state actions and strict sanctions for misconduct.

#### **5.4 Governance capability**

The government's large majority in Parliament, the dominance of the Movement and the extensive prevention of party-based opposition give the government a good basis for its organizational capability. Apart from the covert influence and special interests of the military, the government does not have to take much into account because there are very few opportunities for articulating dissenting political ideas. Therefore, resistance to the potential dismantling of political privileges tends to come only from members of the highest circle of power. The president's strong position enables him to act against this resistance when necessary.

The government's overall political style is marked by a combination of pragmatic adaptability and willingness to compromise with both internal and external critics on one hand, and on the other hand by occasional resistance to abandoning previous positions. Over all, Museveni has consistently proven a flexible and extremely pragmatic politician, sometimes contrary to the interests of important stakeholders.

The government has sufficient authority to implement its planned changes and reforms to a great extent. The strong position of the Ministry of Finance means that resources are allocated efficiently for state activities, but this does not preclude a good deal of latitude for the military and certain politically necessary measures, despite their lack of objective rationality. Reformers have followed a relatively pragmatic line for economic policy, aiming at gradual progress and taking existing impediments into account realistically.

The situation is considerably worse in the narrower political sphere: Some reformers have run out of patience and tend to support violent measures against the government. However, many reformers—both from the inner circle of the Movement and from the political opposition—continue to focus on the unavoidable change and liberalization of the political system as a whole through a combination of internal and external pressure.

## **5.5 Consensus-building**

There is arguably a vague general consensus among political actors regarding the goal of a market economy (more of a mixed economy with some state elements), but there is no consensus regarding the type of democracy desired. The Movement's hard core continues to deny the conventional political parties any right to exist under the current conditions and argues for the value of a participatory, no-party democracy. Liberal members of the Movement and the rest of the politicians are in favor of a conventional multi-party system. The various armed guerilla movements (LRA, ADF, etc.) do not have any recognizable policies; rather, they are based almost exclusively on fundamental opposition to the government.

The pivotal conflict over political reforms (authorization of a multi-party system) or maintenance of the status quo (without parties) is primarily taking place within the Movement, but it is influenced by relatively free public debate, pressure from donors and the burden of fighting the guerillas. A group of hardliners within the Movement resists any softening of the current power structure. Lines of conflict that stretch back into the recent past (ethnic, regional, religious and old-party related) continue to play a prominent role. There is no community of solidarity existing throughout the country that could be drawn upon to achieve a national consensus. There have been attempts to socially process the acts of injustice perpetrated by the earlier regime (pre-1986), but they did not lead to a new start or an actual reconciliation of all national groups.

## **5.6 International cooperation**

The government is working closely with all bilateral and multilateral donors on economic policy because Uganda depends greatly on the receipt of development aid. Donors have long considered Uganda a success. Its economic reform policy has been implemented relatively consistently and resulted in good macroeconomic progress. In this respect, the government is perceived internationally as being relatively reliable and predictable. The opening of the political system, on the other hand, is a different situation. Donors have encouraged the government to make changes. The regime has largely refused so far, but the donors have also not been very insistent, given the country's satisfactory economic success and its strategic role in a region burdened with a great deal of conflict.

The government's relationship to neighboring countries varies greatly. On one hand, there have been intense efforts to strengthen regional collaboration within the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA) and the Inter-Governmental Authority for Development (IGAD). On the other hand, Uganda has been involved in the war in the DR Congo and has for many years engaged in serious conflicts with Rwanda and Sudan, which have only recently been settled. Regional policy fluctuates

greatly between pragmatic economic collaboration and attempts to be politically influential or attain political supremacy.

## **6. Overall evaluation**

In view of the originating conditions, current status and evolution achieved, as well as the actors' political achievements (management), this report concludes the following:

*(1) Originating conditions:* The originating conditions for this transformation (prior to 1998) can be characterized as very difficult. Although Uganda exhibited many factors favorable to development at the time of independence (1962), years of chaos and decline had left the country in a sorry state, both politically and economically, by the mid 1980s. In the aftermath of all this the current government, with substantial support from outside sources, rebuilt in almost all areas of society, politics and the economy.

The economic framework conditions underwent fundamental change through a long transformation with high growth rates, a reorganization of the political framework (constitution, first elections) and the pacification of at least a majority of the state's territory. However, violent conflicts continue on the periphery and there is no broad national consensus of all ethnic groups. Above all, because of the special character of the dominant Movement system, there is no agreement between government forces loyal to democracy and opposition figures loyal to the system on what constitutes democratic normality. Quite the contrary, the political opposition is essentially excluded from any kind of open activity and is faced with the difficult dilemma of determining how to reassert itself.

*(2) Current status and evolution:* There has been no real change in status since the beginning of the evaluation period. In some aspects, the situation has even regressed with the solidification of the confrontational state, rather than progressive continuing development.

The market-economy transformation continued along its set path and showed respectable success and ongoing high growth rates despite existing deficits and problems (corruption, weakness in the financial sector, high level of dependence on foreign aid). There was no significant qualitative breakthrough to new forms of market-based policy, however. Framework conditions and practical day-to-day politics remained at their previous level.

The democratic transformation fared far worse. During the evaluation period no progress was made toward political liberalization or opening the system to party-political pluralism. The confrontation between the Movement and dissidents hardened considerably, as the use of violence during the 2001 elections shows. Party legislation codified the restrictive system, and intimidation of critical media

and individual members of the opposition intensified. Military repression was the only tool used to fight the rebel movements, and efforts to settle the conflict civilly were repeatedly rejected. Also, through the end of the evaluation period, there was no response to external demands for a political opening.

(3) *Management*: The conclusion on the political actors' management achievement is notably ambivalent. Economic transformation was sustained relatively consistently and carried forth, although without additional vitality, despite adverse global and external influences. Macroeconomic indicators and partial successes in fighting poverty demonstrate continued above-average economic policy management in comparison with other African countries.

Evaluation of the political (democratic) transformation, in contrast, is very difficult and controversial. In terms of pure political power management, the government perpetuated, with very different flexible measures (carrot and stick), the existing unique political system relatively unchallenged despite considerable resistance and counter-forces. This has secured more than 17 years of stability for Uganda. This can be characterized as a considerable management achievement in a certain sense, even though there are serious doubts about how long this course can be sustained given the prohibition of open political discourse and competitive political debate. Political management is perceived as regressive and focused on defending the status quo when it comes to the overarching democratic goal.

## **7. Outlook**

The contradictory picture of the transformation also reflects the tremendously conflicting ratings that Uganda gets from various external observers. Bilateral and multilateral donors of development aid consider Uganda one of the most successful countries in Africa in implementing reforms, despite its individual deficits. Therefore, the country receives preferred support, such as a high total volume of aid, generous modalities and HIPC debt relief. Political analysts, however, have very different and varying verdicts. These include a positive evaluation of Uganda's regional political role in an area rocked by crises, recognition of elements of participatory democracy in the Movement system without elections and a complete rejection of the system because of the manipulative prevention of open competitive party politics.

It is beyond dispute that the current government has achieved extensive rebuilding, the basis for sustained growth and a framework for political stability following a complete decline and total chaos. After 17 years in power without open competition, however, a relatively small group has become entrenched in power, and substantial signs of widespread patronage cannot be overlooked. At the end of the evaluation period, the interim assessment is more critical, since no switch was made to a sustainable stable future during the five-year period.

Stubborn clinging to the existing restrictive system results in the danger that opposition forces see no way out but to pursue a targeted destabilization of the domestic political situation, thereby encouraging the armed rebel groups to continue with their violent actions. If things come to a head in that manner, it would doubtless pose a serious threat to the government's achievements. In early 2003, however, there are encouraging hints of a possible return to an open multiparty system.