

BTI 2016 | Uganda Country Report

	scale	score	rank	trend
Status Index	1-10	6.19	# 49 of 129	
Political Transformation	1-10	6.60	# 47 of 129	➔
Economic Transformation	1-10	5.79	# 60 of 129	➔
Management Index	1-10	5.70	# 41 of 129	

This report is part of the Bertelsmann Stiftung’s Transformation Index (BTI) 2016. It covers the period from 1 February 2013 to 31 January 2015. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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Key Indicators

Population	M	37.8	HDI	0.484	GDP p.c., PPP \$	1765.7
Pop. growth ¹	% p.a.	3.3	HDI rank of 187	164	Gini Index	42.4
Life expectancy	years	59.2	UN Education Index	0.479	Poverty ³	% 63.0
Urban population	%	15.8	Gender inequality ²	0.529	Aid per capita \$	46.3

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | UNDP, Human Development Report 2014. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.10 a day at 2011 international prices.

Executive Summary

Much has happened, but little has changed – this appears to be an appropriate summary of events in Uganda during the period under review (31 January 2013 to 31 January 2015). After the turmoil of 2011, economic stability had returned and was sustained while political stability – if only in the already familiar setting characterized by a mixture of democratic processes, authoritarian interventions and unabashed repression – persisted. In these two years, Uganda saw a dazzling blend of drama, tragedy and farce.

Drama was observed in the wrecking of the position and ambition of Prime Minister Amama Mbabazi, a long-standing loyal supporter of President Yoweri Kaguta Museveni. Relations between both became strained, since Mbabazi – who also doubled as secretary-general of the ruling National Resistance Movement (NRM) – considered himself fit for the presidency and to follow upon Museveni. While he did not declare any plans to run against the incumbent, the latter took early precautions by eventually replacing him as prime minister with the widely respected veteran politician, Ruhakana Rugunda.

Tragedy unfolded in the Mountains of the Moon (the Rwenzori range in the west) in July 2014. Clashes involving two neighboring ethnic groups, fed by a history of perceived neglect and by attempts of a kingdom with disputable credentials to add even unwilling “subjects” to its fold, resulted in the death of probably more than a hundred people, many of them killed by the military, the Uganda People’s Defense Forces (UPDF), in a manhunt following the initial attacks. Numerous civilians suspected to be part of the attack were tried in a military court while others quickly were given amnesty.

A farce was performed by several actors after the coordinator of intelligence services, General David Sejusa, also known as Tinyefuza, a member of the army’s High Command and a member of parliament for the army, absconded to London in May 2013. This was a follow-up to his allegation that Museveni pursued a hidden agenda to assassinate senior government and army leaders in order to pave the way for his son to succeed him. In London, Sejusa proclaimed the

struggle against Museveni, but after having been in contact with government representatives in mid-December 2014, he returned to Uganda and was received by the president at the beginning of January 2015. No desertion charge was levied against him, although he was still seen as a serving army officer.

Economic growth picked up again. A prudent fiscal and monetary course of action and the continued pursuance of market-friendly reforms won the endorsement of international financial institutions. The pervasiveness of corruption, however, still plagued Uganda, making relations with donors uneasy at times. Oil production, sometimes rightly or wrongly considered a panacea for Uganda's problems, is still far from being imminent, yet two bills intended to regulate all relevant activities and ensure a transparent process of licensing were signed into law. However, the flow of official information concerning oil and gas production was unsteady, leading many national and international observers to worry that the government's course may not put Uganda on a path toward an oil wealth benefiting the entire economy and serving the common good.

History and Characteristics of Transformation

Uganda's first experience with multiparty democracy ended seven years after independence. At the close of 1969, President Apolo Milton Obote, very much in line with contemporary African political thinking, enforced a one-party state. The brief multiparty era had been ushered in by the British just before the end of their colonial rule. Obote and his Uganda People's Congress (UPC) government in January 1971 were overthrown by a military coup, followed by eight years of Idi Amin's tyranny, the misdemeanors of which earned the country international stigma. When Uganda's military clashed with Tanzania, this former East African Community (EAC) partner state under the leadership of Mwalimu Julius Nyerere defeated Amin (later to die in comfortable exile in Saudi Arabia). Nyerere's troops received some assistance from Ugandan forces formed in Tanzanian exile – from soldiers loyal to Obote as well as from guerilla fighters of the Front for National Salvation (FRONASA) created by Yoweri Kaguta Museveni.

Civilian politicians, somewhat at variance with the fighting forces, had met in the Tanzanian town of Moshi in March 1979 and prepared for a new beginning. Following the fall of Kampala shortly after, the different armed and civilian actors took over government under the auspices of the Tanzanian army. Lasting stability was not achieved; eventually a military commission took power. Museveni became vice chairman of the commission, which prepared the multiparty elections of December 1980. Drawing on FRONASA and intellectuals longing for new perspectives beyond the ethnic and religious orientation of the old forces and parties, he formed the Uganda Patriotic Movement (UPM). But he threatened to “go back to the bush” if the elections were manipulated by UPC followers, who dominated the commission.

The elections, though observed by the Commonwealth, indeed were manipulated to the extent that ensured a majority for UPC and for Obote again becoming president (Obote II, 1980 – 1985). It is widely held that the Democratic Party (DP) was the true winner of the vote; nevertheless DP took

up the few seats in parliament it had been allocated. Barely two months after the perceived election fraud, Museveni started a guerilla campaign against the Obote government; other groups took up arms as well. In mid-1985, Obote for the second time was toppled by his own army. After a half-year interregnum, the National Resistance Army (NRA) and the National Resistance Movement (NRM) led by Museveni took power and he was sworn in as president on 29 January 1986.

Given the limited strength of NRA and NRM and to prove that real change, not just “a change of guard” had occurred, he co-opted other guerilla forces and political groups to form a “broad-based government.” The state structure was modeled along the lines of the local “resistance councils,” a sort of grassroots and bottom-up approach, which gave the political parties no room for activities. The concept was to establish a “no-party democracy” with strong participatory elements (“movement system.”) In 1994, elections to the Constituent Assembly took place, resulting in the drafting of a new constitution which entered into force in 1995. The movement system was still in operation, with elections being based on personalities, not parties (though usually the political allegiance of candidates was known to the voters).

In 2005, the NRM, now firmly entrenched and closely interwoven with the state structure, accepted the return to the multiparty dispensation, which was confirmed by a referendum. Opposition forces, though small in number, were able to enter the political arena, even if the playing ground was (and still is) not level and accusations of election rigging were raised.

Meaningful economic transformation started in the early 1990s, as formerly cherished left-wing ideas about the economy faded away. Museveni’s government followed the prescriptions meted out by international financial institutions. This policy, though having its reverse side, for some time led to a sequence of growth rates rarely observed in other African countries.

Despite a notable record with regard to market-oriented reforms and the preservation of macroeconomic stability, there was not much structural transformation of the economy itself. However, a new dimension was added with the discovery of massive crude oil and natural gas deposits in the west of the country. The debate has begun as to whether the “resource curse” should be feared or whether the road for Uganda becoming a “middle-income country” has been paved.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

Question
Score

The state continues to exercise control over its territory and wields a monopoly on the use of force. Occasional local challenges to its authority occurred but were ruthlessly and violently quashed.

Monopoly on the
use of force

8

The overall security situation remained stable in the period under review. The long-time nemesis of the government, the Lord's Resistance Army (LRA), which used to torment the Acholi people, among others, in northern Uganda with numerous cases of murder, maiming, torture, rape and kidnapping, ceased to be active on Ugandan soil as of the middle of last decade. Although the LRA pulled back to the Central African Republic, the Uganda People's Defense Forces (UPDF) continued to pursue the remnants of the LRA with the help of the African Union Regional Task Force (AU-RTF).

The situation in the arid northeastern region of Karamoja, for years the scene of violent conflict between the state and parts of the local society, as well as of inter- and intra-ethnic clashes sometimes involving nomads from the Kenyan side of the border, improved markedly. However, Karamoja remains the country's least developed area, a result of neglect and a lack of understanding by successive postcolonial administrations. The army continues to be involved in policing and administering in the area.

The Allied Democratic Forces (ADF) once had been active in the western part of the country, on the Ugandan side of the Rwenzori range, and then appeared to have faded into oblivion before re-emerging as a player in the culture of violence characterizing the east of the Democratic Republic of the Congo. Although the ADF remained confined to the Congolese side of the mountains, it is seen by the authorities as a potential threat to western Uganda.

Nevertheless, the Rwenzori region became the scene of a major violent clash, when in mid-2014 an attack on police and civilians in Bundibugyo claimed more than a hundred lives, including those killed in the aftermath. The attack apparently was perpetrated by activists of the Bakonzo ethnic group, who were trying to extend their kingship over the Baamba people. They were also motivated by perceived neglect of

their home area and by the way land disputes there were handled by the government. This also shed light on the limited success of President Museveni's intention to re-strengthen traditional institutions as a means toward social cohesion (apart from the fact that the Bakonzo kingship lacks any real historical credentials).

Since Uganda's "7/11," the bomb attacks in Kampala committed by al-Shabaab adherents on 11 July 2010, terrorism has posed a major countrywide challenge. Uganda is still seen as a target due to its involvement in Somalia as the main troop contributor to African Union Mission in Somalia (AMISOM). Terror alerts are occasionally issued by the police.

The widespread presence of mob justice in Uganda poses a persistent challenge to the state's monopoly on the use of force. In 2014, representatives of the police and local governments even called on residents to apply their own justice, a move that opposed the central government's claims of preventing citizens from taking the law into their own hands.

The concept of the nation-state and the legitimacy of the state are generally accepted. All political actors usually aim at gaining control of the whole country instead of claiming the independence of a particular area. Calls for separation, for instance in Buganda or the north of Uganda, are rare.

Diversity of languages, ethnic groups, traditional sociopolitical organization and religious affiliation is a marked characteristic of Uganda. However, this poses lasting challenges to national cohesion, as politicians frequently tend to give priority to the perceived interests of their group.

By reinstating the abolished kingdoms, President Museveni, an Obote, intended to preserve cultural heritage, foster social cohesion and add legitimacy to his government. Kings and other cultural leaders were strictly confined to a cultural role and barred from participating in partisan politics. They do not exercise any administrative, legislative or executive powers of government, not even on the local level. Nevertheless, they are de facto political players. It even appeared attractive to create new "traditional" institutions with questionable historical credentials.

The neo-traditionalists of Buganda, Uganda's heartland, assembled under the banner of "federo," which at least some of them do not take to mean federalism. It appears to be a cipher for regaining their once-dominant position. The experience is ambivalent: The role of Buganda within Uganda and the behavior of the Kabaka and his entourage are not always conducive to internal peace and good neighborly relations.

Citizenship is regulated by the constitution (Chapter 3) and pertinent laws. Citizenship is reserved for individuals with one parent or grandparent who was a citizen of Uganda. The authorities are usually hesitant to naturalize refugees, although this is legally possible. As of 1 January 2015, the country was host to 422,435 registered refugees and asylum-seekers, of whom 44% originated in the Democratic Republic of the Congo and 38% in South Sudan.

State identity
8

The national motto, which also runs along the bottom in the coat of arms, concludes the preamble of the constitution and reads “For God and My Country.” This indicates the strong attachment to the religions introduced since the second half of the 19th century, namely the Anglican, Roman Catholic and Islamic faiths. (The traditional cults long adhered to by a majority of the people are not usually considered religions). Even now, political rhetoric frequently draws on the Bible; a former Catholic priest assumed a controversial role as sort of a moral guardian when he was appointed Minister of State for Ethics and Integrity.

No interference of religious dogmas

8

Nonetheless, the constitution accords no special status to religious communities, and the adoption of “a state religion” is explicitly ruled out (Article 7). In society, however, religious orientation plays a highly significant role, and all political actors take this into account. Freedom of religion is a right along with the freedom of conscience, expression, movement, assembly and association (Article 29).

Among the Christians, evangelical and Pentecostal groups have emerged as serious competitors to Catholics and Anglicans; they have risen to prominence and wield considerable political influence. Muslims are divided by factionalism. In general, they have no extremist leanings, but fundamentalist Tabliqs once contributed to the ranks of the ADF and in December 2014, the murder of two prominent Muslim leaders, followed by the arrest of a number of clerics for possible involvement, shocked the community.

The political parties in Uganda originally had a religious background, the DP being seen as the expression of political Catholicism and the UPC as the party of the Anglicans. This has largely become a historic reminiscence. The Muslim political party, JEEMA, plays a limited role in national politics and its program does not refer strongly to Muslim ideas and values.

Christians and Muslims live together peacefully and often share a common position on some social issues. Occasionally, both religious groups work together to influence Uganda’s policy, for example in the case of the homosexuality bill, which was passed by parliament on 20 December 2013 despite government disapproval. The bill’s main provisions were life imprisonment for people convicted of homosexual (including lesbian) acts and seven years imprisonment for people found guilty of “aiding and abetting homosexuality.” The president at first reacted reluctantly, but in view of domestic popular opinion signed the act into law on 24 February 2014. In light of donor opinions, however, he seemed also to have tacitly encouraged the legal challenging of the act. On 1 August 2014, the Constitutional Court nullified it because its adoption in parliament lacked the required quorum. The president has since tried to keep the matter shelved, but fresh initiatives to re-table the issue in parliament may be expected.

The basic administrative structure of the state is in place and is supposed to provide essential public services; these are more efficiently provided in the center of the country and in some of the towns that host district administration headquarters.

Basic
administration
7

Since the restructuring of the running of the capital in 2011, the Kampala Capital City Authority (KCCA) has been closely tied to the central government, namely its Minister for Kampala. KCCA Executive Director Jennifer Semakula Musisi was reappointed for another three-year term running from April 2014 to April 2017. Her energetic measures to improve the quality of life in the city yielded visible results, though the high-handed actions taken against people like petty street vendors drew public criticism.

Access to courts and law enforcement is present everywhere, but access to courts and corresponding judicial services diminishes considerably at the local level, mainly due to limited awareness and long distances.

Government health services cover the whole country, but mostly under deplorable conditions. Health centers frequently do not have required medication or hand it out only after a bribe is offered. Those who can afford it tend to prefer private clinics. Service Delivery Indicators, based on a sample survey and presented by the World Bank in November 2013, pointed toward significant knowledge gaps among teachers and health workers and found a high incidence of absenteeism among both. In public schools visited, 40% of classrooms had no instructor teaching in them.

Access to suitable sanitation facilities remains limited, and the figures show no noticeable improvement over the past years. In 2012, the percentage of the population with such access still stood at 34%, the worldwide average being 66%. Access to adequate water sources improved to 75% in 2012 (up from 72% in 2010), though still lags behind the international average of 85%.

Generally, access to services depends largely on the distance citizens have to travel to reach them. This situation is further aggravated by the facts that many villages are not connected to their district headquarters by paved roads and that there is no reliable transport system in place.

Modern communication systems developed quickly. Mobile phones are ubiquitous; in 2012, there were 45.9 subscriptions per 100 inhabitants. The proportion of individuals using the Internet is estimated to have increased to 14.7% in 2012 (from 12.5% in 2010).

2 | Political Participation

Elections are regularly held on the national level as well as for the lower echelons of government, and universal suffrage is guaranteed. According to the constitution (Article 59), every Ugandan citizen 18 years old or older has the right to vote. Although perceived as a civic duty, voting is not compulsory. Voting is secret, with people being able to choose among a number of clearly identifiable different political parties. Elections to parliament are based on a majority voting system in the 238 constituencies (2011). Voters also choose a female representative for each district (112 in 2011). In separate procedures, voters choose five representatives each for youth, persons with disabilities (PWD) and workers as well as 10 soldiers to represent the army. This representation of “special interests” tends to compromise the equipollency of votes. The legislative body also comprises “ex-officio” members, i.e. ministers who are not elected members of parliament; they do not have the right to vote.

Free and fair
elections

6

Confidence in the electoral process among the stakeholders from the ranks of opposition parties or civil society has continuously declined. The country’s electoral body, the Electoral Commission (EC), is appointed by the president pending parliamentary (i.e. majority party) approval, which creates doubt concerning its independence. There is a demand for reform in order to appoint a credible EC. Some oppositionists ponder the idea of an election boycott if the present EC continues.

The president is elected “by universal adult suffrage through a secret ballot” (Article 103 of the constitution). The last nationwide elections for the office of president as well as for parliament took place concurrently in February 2011. Voter turnout, with 8.3 million (59.3%) of 13.9 million registered voters, was far from impressive, about 10% less than in 2006. Incumbent President Museveni received 68.4% of the vote, a larger share than in 2006 (59.3%) and similar to 2001 (69.4%). His main challenger, Kizza Besigye of the Forum for Democratic Change (FDC), received 26% of the vote (2006: 37.4%). Out of 375 seats in parliament, the ruling NRM held 262 (69.9%), but its majority reaches well beyond that number, given that most “independent” members of parliament are government-leaning, and that this is to be expected from all the soldier members of parliament, though (unlike the members representing other special interests) they have no formal party affiliation. Thus, the NRM rallies in effect more than three-quarters of all legislators.

Though there were some incidents of violence and intimidation, in 2011 the campaign and election day generally were peaceful, and there was marked improvement compared to the 2006 elections. However, international observers showed dissatisfaction with the performance of the EC and the police as well as with the uneven playing field and the lack of access to media platforms through which

opposition candidates can campaign. The EU Election Observation Mission (EU EOM) left no doubt that there was no “level playing field”.

Observers were particularly struck by the “monetization” of the election: “The distribution of money and gifts by candidates, especially from the ruling party...was widely observed by EU EOM observers.” The ruling party was repeatedly accused of using public funds for its campaigns. Excessive deployment of the military was also perceived to cause intimidation among voters.

Ahead of the 2016 elections (expected to include yet another endorsement of the incumbent) monetization finds its graphic expression by the “sacks of money” brought by the president to various meetings. The removal of internal competition within the ruling party was accomplished by the use of various means, including money, intrigue and intimidation.

Democratically elected legislators and office holders have to a large extent the effective power to govern. Nonetheless, Uganda’s political reality is a mixture of democratic processes and outright authoritarian interventions. Power is very much concentrated with the president. Yet President Museveni is keen to ensure that the desires of different stakeholders, who see their interests best served by supporting the ruling party, are brought into balance.

Effective power to govern

6

The major veto holder is the army. For a long time, its top leadership consisted of Museveni’s comrades-in-arms from the guerrilla war. Gradually, however, a shift has been taking place to younger military leaders associated with Brigadier Muhoozi Kainerugaba, Museveni’s son. This led to resentment by some of the old guard. Brigadier Muhoozi heads the well-equipped and well-paid 10,000-strong Special Forces Command, which is the linchpin within the 50,000-strong UPDF.

There is a close relation between the executive and the military, a de facto alignment which is not in line with the constitutional order.

Other groups, such as religious and cultural institutions, operate well under the authority of the elected leadership. Certain cultural institutions (particularly the kingdom of Buganda) are, however, observed to exercise a certain level of problematic influence over the decisions of elected representatives, mainly in parliament and in local government.

The constitution guarantees the “freedom to assemble and to demonstrate together with others peacefully and unarmed” and the “freedom of association which shall include the freedom to form and join associations or unions, including trade unions and political and other civic organizations” (Article 29). In practice, authorities did not attach much importance to these principles when faced with political and social unrest.

Association /
assembly rights

5

Although in the capital demonstrations of traders against some measures of the KCCA occurred, protests were generally rare during the period under review. Political protest now can take satirical forms such as some youths celebrating Museveni’s 80th birthday (instead of his 70th, to denounce him as having surpassed the 75-year age limit for presidential candidates), or driving yellow-painted pigs (the NRM color) to the entrance of parliament. Activists of the Black Monday Movement, which tries to disseminate information on corruption, were harassed, and in 2013 some of them had to report to the police on Mondays in order to prevent them taking part in weekly protests. In the past, the ranks of demonstrators did not always consist of only non-violent participants, with the September 2009 riots in Buganda being a case in point.

There were infringements on the freedoms of assembly, such as the introduction of a requirement for organizers of public meetings and demonstrations to secure “police permission,” as opposed to the legally stated requirement of “notifying the police.” This pretext was used by security agencies to block or dissolve public meetings mainly organized by the opposition. Along the same lines, civil society organizations taking up sensitive political topics faced difficulties. Arbitrary arrests of demonstrators were used as a police tool.

The 2011 Public Order Management Bill, which had caused serious concern with regard to freedom of assembly, was signed into law by the president on 2 October 2013. It gives the police “the power to regulate the conduct of all public meetings in accordance with the law.”

A large variety of NGOs exists. In general, they can work freely and cooperate with foreign partners, who usually provide substantial financial assistance. At the local level, however, NGOs tend to shy away from political topics for fear of crossing lines with the political establishment. In predominantly rural areas, the police and the Resident District Commissioners (RDCs) – who are appointed by the president – watch civil society activities very closely and restrict freedoms randomly.

Uganda's media scene is quite lively. In the field of broadcasting many private FM stations arose from the liberalization process, some owned by politicians, and one controlled by the Buganda kingdom. Although in urban areas TV has a strong role, the vast majority of Ugandans access news and other information via the radio.

Freedom of
expression

5

Traditional print media in English and in various Ugandan languages thrive as well. They range from papers offering in-depth analyses to tabloids. The major English-language papers are the Daily Monitor and the New Vision. The former, which usually covers government actions critically, belongs to the Aga Khan's East African Nation Media Group. The latter was founded (and is still partly owned) by the government, but cannot entirely be considered its mouthpiece. The 2014 World Press Freedom Index of Reporters Without Borders ranked Uganda at 110, down six places from the previous year.

A major confrontation started on 20 May 2013, when coverage of wild allegations made by General Sejusa culminated in a partial media shutdown by government and the police trying to compel the journalists to disclose their sources of information. The journalists acquiesced, vowing to take national security interests more carefully into consideration.

The media situation is characterized by ambiguity. Nonetheless, freedom of expression is generally exhibited, and reporting is oftentimes surprisingly open and critical. Taking an independent stand is occasionally outweighed by the business interests of the media houses, which normally try to be on good terms with the state (still the major advertiser). Thus, the plurality of opinions is somewhat compromised, although still evident and in place. The quality of reporting and ethical standards is poor at some FM stations and tabloids.

The divide between the urban and the rural areas is noteworthy. The liberal climate in Kampala is far from being representative of the whole of the country. In rural areas, the freedom of the media and the freedom of expression in general are more limited, with supervision and harassment of journalists by local governments that are controlled by the ruling party, than for the national newspapers and TV stations.

The social media are found to be difficult to control; the Uganda Communications Commission has already threatened to shut down WhatsApp and Facebook. A Facebook and a Twitter account under the name of the president are run by State House staff.

3 | Rule of Law

The institutional differentiation of the organs of the state, their division of labor in accordance with their functions and the provision of checks and balances are constitutionally provided for. However, they are quite often overstepped, usually by the president, and there are serious doubts as to whether the concept was fully internalized by the political decision-makers.

Separation of powers

6

The legislature, the executive and the judiciary are defined in separate chapters of the constitution. The separation of powers is accepted as a principle. The cabinet consists of the president together with the vice-president and the ministers appointed by the president with the approval of parliament; the office of prime minister was introduced only in 2005, together with other constitutional amendments.

The constitution accords wide powers to the president; it also provides legal procedures for his or her removal (Article 107). Yet, in day-to-day practice, the president frequently exceeds his constitutional powers with impunity. Moreover, the fact that most public offices of some relevance are subject to appointment by the president sets limits to the independent exercise of these positions.

Parliament, though dominated by the ruling party, does not necessarily work in a rubber-stamp fashion. The ninth parliament has, in comparison to previous legislatures, turned out to be more confident and increasingly critical of government failures and acts of proven or perceived corruption. Nevertheless, the executive's control over the legislature remains pronounced, not only because the vast majority are held by the NRM, but also because the president tends to override parliamentary decisions.

Independence of the judiciary is guaranteed by the constitution (Article 128) and the structure of the judicial system is well defined.

Independent judiciary

7

The law faculty at Makerere University, the Law Development Center and professional associations like the Uganda Law Society have a tradition of enhancing professionalism. Initiated in 1999, the Justice Law and Order Sector (JLOS), a sector-wide approach to planning, budgeting and program implementation, including monitoring and evaluation, comprises 17 institutions in the fields of justice, law and order administration – almost one-third of all government institutions. JLOS is supported by a development partners group currently chaired by Sweden. Among the tasks of JLOS is to improve access to and the administration of justice, which is still hampered by inadequate funding and staffing.

Both are generally a serious constraint on the effectiveness of the Ugandan judicial system. Defendants often have to wait for a long time before the beginning of their trials, often in overcrowded prisons under dehumanizing conditions.

Some of the lower courts are believed to be susceptible to bribery and political influence, especially in rural areas where the majority of citizens perceive judicial institutions as treating people according to financial and political status. However, the judges on the benches at the higher levels of jurisdiction are able to use their legal powers – frequently to the chagrin of the powerful – to rein in government when, for example, the opposition presents a valid case.

A problematic aspect of the judicial system is that under certain circumstances civilians may be tried by a court martial. Military courts do not automatically act independently from the army's commander-in-chief, i.e. the president. They are susceptible to be used as instruments in the name of internal security.

At face value, Uganda is well-equipped with institutions meant to ensure the proper running of public institutions and to control actions or performance of civil servants and office bearers. In line with the provisions of the constitution, the Inspectorate of Government (Chapter 13), the Leadership Code of Conduct (Chapter 14) and the office of the Auditor-General (Article 163) were established. Constitutional amendments approved in 2005 provided for the independence of the Auditor-General, the creation of special courts to deal with corruption-related offenses and the (pending) establishment of a Leadership Code Tribunal. The 2009 Anti-Money Laundering Bill was passed on 10 July 2013.

Corruption allegations were leveled publicly against stalwarts of the ruling party, over the years spanning from cabinet ministers to a former vice-president. There is a widely held belief that top actors accused of corruption enjoy impunity.

Fraud uncovered in 2012 in the Office of the Prime Minister led to the 2013 sentence against the principal accountant of five years in prison. Others who the police alleged had been implicated in the scam were transferred to other ministries. Eight senior officials in the Ministry of Public Service, including its permanent secretary, were charged in connection with a scandal involving payments to 2,605 ghost pensioners, which amounted to the equivalent of \$60 million. In early 2013, freezes in aid by donors following these two scandals were estimated by the World Bank to be worth \$300 million, equivalent to 4% to 6% of the government budget.

The solidarity shown by local leaders in cases of corruption of high-ranking politicians illustrates that attitudes toward corruption constitute a societal problem as well.

While the very prominent cases of abuse of office do attract a certain level of public outcry and often lead to calls for the punishment of a scapegoat, the less prominent

and daily cases of corruption and abuse of office rarely spark attention or seldom have consequences. The police and parts of the judiciary, for example, are among the most corrupt institutions in the country, yet representatives of these institutions rarely face investigations. The same is true for public servants or, for example, medical personnel. Although most Ugandans suffer personally under such corruption, cases are rarely reported; corruption remains an endemic, accepted means of getting by, be it in traffic or whenever a certain service is needed.

The constitution devotes its fourth chapter to the “protection and promotion of fundamental and other human rights and freedoms” and spells out the human rights in some detail. Besides civil rights, the chapter includes economic, social and cultural rights. As supervisory body, the Uganda Human Rights Commission (UHRC) is charged also with the investigation of complaints concerning human rights violations, visiting jails and monitoring “the Government’s compliance with international treaty and convention obligations on human rights.” The UHRC submits an annual report to parliament, which is not always honored by other authorities.

Civil rights
6

Uganda has ratified the Maputo Protocol, i.e. the Protocol to the African Charter on Human and Peoples’ Rights of Women in Africa. At the social level, women in many fields still are disadvantaged, despite efforts by government (including positive discrimination, such as by the rules on the representation of women in elected bodies) to counter negative attitudes. However, in rural areas, women are largely perceived as de facto second-class citizens; their sole purpose is seen as taking care of their husband and children, which explains why domestic violence and marital sexual abuse are not usually considered human rights violations, but private matters. Women often find themselves in a position of dependency and helplessness toward their husband and his family, with tradition and religion being used as justification.

There is no systematic discrimination against any ethnic or religious group. When delineating protected areas in western Uganda, however, Batwa hunters and gatherers were deprived of their traditional environment and left without appropriate remedy

There have been rare instances in which members of the Asian minority, quite influential in business, have been attacked amid urban popular protests. On the other hand, there are allegations of discrimination or mistreatment by employers or supervisors of Indian origin. Sexual minorities are not recognized as such. Homosexual Ugandans often live in fear of physical harm and face severe social discrimination.

The security forces, especially the police, but also the military, are notorious for torture and the inhumane treatment of people. This mostly occurs not in an institutionalized manner, but still goes unpunished and unnoticed. A convict who receives prison sentence (resulting in a life in overcrowded cells with no access to sanitation or health services) is often forced to perform hard labor, e.g. for

landowners. The majority of the prison population is there for pretrial detention and must sometimes wait for years without receiving a proper trial.

From the outset, Uganda has taken part in the African Peer Review Mechanism, which reaches beyond human rights issues. It also reports to the African Commission on Human and Peoples' Rights. The country, being party to all core human rights instruments concluded under the auspices of the United Nations, also underwent the Universal Periodic Review in the field of human rights in Geneva.

4 | Stability of Democratic Institutions

Democratic institutions exist from the village up to the national level. By and large, they perform as designed and in accordance with constitutional and other legal stipulations.

Yet the peculiarities of the Ugandan political set-up led to a certain degree of friction. The fact that President Museveni and the NRM have been in power since 1986 has resulted in the intertwining of the ruling party with the state apparatus. Moreover, the president does not always follow the proper channels when pushing through his decisions.

The structures of governance do overlap in some areas. Reminiscent of the colonial "bwana disi," or District Commissioner, in each district a Resident District Commissioner (RDC) is appointed by the president and represents the central government in the districts to ensure implementation of government services. Potential conflict with local elected bodies is almost predetermined, especially if such bodies are controlled by members of opposition parties. However, at the local level this interference by RDCs is not the only challenge. Though decentralization is one of the major features of the country's system of governance, local governments are financially dependent on the central government. Authoritarian tendencies are often stronger on the local than on the national level; opposition parties often do not get the opportunity to engage effectively in local governance. Elected leaders on the local level show a significant lack of understanding of their roles and responsibilities. Knowledge of procurement rules and the capability to draft or read a budget is quite often not in place. This has serious effects on the performance of local councils and thus on the local governments in general.

On the national level, the inspectorate of government, the Auditor-General, the parliament's public accounts committee and other institutions partly cover the same field.

Parliament and higher courts repeatedly have asserted their independence and provide for the presence of checks and balances in a system dominated by a strong executive.

Performance of
democratic
institutions

7

Democratic institutions created under the 1995 constitution continue to receive a certain level of acceptance by the relevant political actors. The same holds true for the multiparty system, even though many NRM members and heavyweights view the “old” parties as a mere nuisance and tend to delegitimize the claim of the smaller parties to engage in dialogue and discussion. The president at times denigrates independent-minded members of parliament, particularly those belonging to his own party. The existing institutions, nevertheless, are seen as the framework in which the political will of the people can find its expression.

Commitment to democratic institutions

7

However, the trust in elections among civil society actors is rather low. Although the value of elections is mostly not questioned in principle, the outcome is widely mistrusted. Within the political system, there is a lack of respectful dialogue and tolerance of divergent political views, especially in rural areas.

The effective veto holder is the army leadership. Although it had been stated that the UPDF would accept and work with any elected government, for some time to come it will remain unclear whether this deserves to be taken seriously.

5 | Political and Social Integration

Toward the end of the colonial era in Uganda, a number of political parties emerged, the main contenders being the DP and UPC (see Q1.3), both seeking a nationwide following. The third party (if considered a party at all) was the Kabaka Yekka (KY), the political expression of the believers in the Buganda monarchy, the kingdom which received preferential treatment by the colonial power. Allegiance to the DP and UPC, as well as to the kingdom in Buganda, proved to be more deeply rooted than expected. The DP and UPC still exist, though their clout has diminished. Loyalty to the king is still present among the Baganda.

Party system

7

Nonetheless, during its three decades in power the NRM was fairly successful in portraying the old parties as backward, sectarian and the culprits for the post-independence malaise.

The major challenge to Museveni’s rule did not come from them but from within, the FDC originally being composed of former close associates. The FDC has emerged as the strongest and most serious force in the opposition camp, holding almost 10% of the seats in parliament, although, like the DP and UPC, it at times was riddled by internal strife. In the 9th parliament, elected in 2011, the NRM camp (including government-leaning independents and the military MPs who had no formal party affiliation) could muster more than three-quarters of the legislators. In this parliament, the DP and UPC are represented in small numbers, while the Conservative Party (CP) and JEEMA hold one seat each. This distribution of seats

indicates the relevance of the political parties, who, apart from the DP and UPC, do not have noteworthy historic or societal roots and are poorly institutionalized.

The success of political parties depends on their effective power as perceived by the voters, yet relies more heavily on personalities than on programs or ideologies.

While on the surface the NRM is ideologically based on Museveni's ideas and vision, it comprises an assortment of political tendencies, economic interests and personalities. It is knit together by a common interest to maintain power and to remain part of the clientelistic network closely connected to state resources and institutions. Museveni's style of leadership follows more a patrimonial pattern than grassroots democracy. Ahead of the 2016 elections, internal dissent grew stronger within the ruling party in 2014 as some groups wanted to nominate then Prime Minister Mbabazi as the NRM presidential candidate; the Museveni camp was strong enough to thwart this challenge.

Voters, if not directly bribed, tend to lean toward the ruling party, expecting tangible local improvements. Most oppositional parties do not offer any programmatic alternatives. Political polarization is high at election time, but in 2011, the situation proved to be calmer than in 2006.

Civil society, largely due to the turmoil of the 1970s and 1980s, developed late and may not have the same muscle as in neighboring countries, yet its presence cannot be overlooked. There are industry associations, business community groups, professional and cooperative organizations. Many NGOs have emerged in the fields of development, human rights and charity work. Many of them receive strong financial backing from abroad, and some appear to be completely dependent on foreign funding. Some of the funds originating from Western countries are spent in line with a social and political agenda, such as advocating the rights of the LGBTI community in Uganda – a fact resented by the government and most Ugandans.

The more conventional associations which still play a powerful role in society are the various religious (Christian and Islamic) organizations. The Inter-Religious Council of Uganda (IRCU), the Uganda Joint Christian Council (UJCC) and religious leaders in general in times of political conflict tend to take a mediating or moderation role.

The kingdom of Buganda is able to rely to a certain extent on deep-rooted structures and to generate public support for its demands in its part of the country. Other kingdoms and traditional rulers are in a much weaker position.

NGOs active in the field of human rights, gender issues, or combating corruption have become vocal and continue even in the face of threats and concrete attempts by the state to observe and regulate the NGO scene.

Interest groups
7

Contemporary trade unions are in a weak bargaining position, and despite the workers having specific representation in parliament, are hardly relevant.

In general, the different interest groups lack the coherence and organizational capacity necessary to exert much influence on the political process. Political lobbying of individuals, informal groups and interests is most effective when directed toward political leaders of the ruling party.

The government continues its attempts to place NRM loyalists in civil society organizations.

According to the latest available Afrobarometer, Ugandans widely accept the notion that democracy is the best way to govern a country (80%), and they believe in democratic elections as the proper method to select their leaders (89%). They also disapprove of a one-party system (84%). Slightly more than half the population (52%) considers Uganda to be “a full democracy or a democracy with minor problems.” These polls, however, cannot be taken entirely at face value, as Ugandans, especially in rural areas, still harbor some uncertainty about the term “democracy” and the role and functions of the different actors in a democratic state.

Approval of
democracy
8

Generally, the social capital of the country has been eroded by decades of civil war, which has led to large numbers of people living in refugee camps. Additional factors are increasing urbanization and the steadily growing population, which unbalances traditional social systems.

Social capital
6

Traditional community-based institutions still exist and do contribute significantly to social cohesion at the local level. They include for example credit and saving societies, burial funding associations or lay committees in the church. Those institutions work on the basis of mutual trust and reciprocal support. However, voluntary work outside a religious framework has become rare, which reflect the changing structure of society.

Customary law is still obeyed in large parts of rural Uganda; local self-help schemes are in place and clan elders settle inheritance cases or neighborhood issues. The glorification of these features of social life though should be avoided, given the many neighborhood or family struggles over land and property, which occasionally turn violent.

Solidarity within extended families worked better before the gaps within the family began deepening. The growing middle class often perceives the expectations of less privileged kin as a one-sided dependency working against their own personal advancement.

II. Economic Transformation

6 | Level of Socioeconomic Development

Question
Score

Socioeconomic
barriers
3

Uganda fared well in terms of the Millennium Development Goals (MDGs). The first of the MDG targets – to halve the proportion of people below the national poverty line – was attained before the 2015 deadline, and the poverty gap was reduced all over the country. There has been notable reduction in under-five mortality, and on a number of other targets the country was seen as being “on track,” for instance in the elimination of gender disparity in primary and secondary education. However, the quality of education is rather poor, partly due to the fact that schools are underfinanced and understaffed. Private schools, affordable only to a small segment of the society, offer overall better education and give their graduates a better start.

Only in one instance of the MDGs was a “reversal” registered: Uganda was to have “halted by 2015 and begun to reverse the spread of HIV/AIDS.”

The Human Development Index (HDI) of the UNDP places Uganda in the category of “low human development” (0.484) with an HDI rank of 164, behind Kenya, Rwanda and Tanzania. In 2013, 62.9% of the population lived on less than \$2 a day (32.5% being the 2010 international average). For the same year, the Gini Index for Uganda was 44.6, demonstrating a higher degree of inequality than in Tanzania. Evidence nevertheless suggests that the gap between a very small, exceedingly rich part of the population and the many poor is deepening. The social and financial gap between the urban middle class and the rural population is illustrated by the fact that most people in the rural areas spend less on food in a month than members of the middle class in a day.

The Gender Inequality Index for 2013 lists Uganda at 0.529, below the international average (0.429) and worse than Rwanda, which indicates that Ugandan society is still deeply shaped by a patriarchal culture. There is a highly significant gap between urban educated women and their rural counterparts.

There is no specific exclusion on the basis of religion or ethnicity, but the strong regional disparities are receding only slowly.

Uganda’s urban population in 2013 was 16.4% of the total. Thus, the vast majority of the population continues to live in the countryside, largely depending on subsistence farming and with limited access to markets to sell their products. But with a few temporary and local exceptions, the country is not only able to feed itself but also to export agricultural products.

Economic indicators		2005	2010	2013	2014
GDP	\$ M	9013.8	18803.9	24703.2	26312.4
GDP growth	%	6.3	5.2	3.3	4.5
Inflation (CPI)	%	8.4	4.0	5.5	4.3
Unemployment	%	2.0	4.2	3.8	-
Foreign direct investment	% of GDP	4.2	2.9	4.8	-
Export growth	%	14.8	-17.1	7.9	5.6
Import growth	%	12.6	-2.5	0.1	-3.8
Current account balance	\$ M	-12.8	-1695.9	-1999.2	-
Public debt	% of GDP	48.2	22.9	27.6	31.4
External debt	\$ M	4436.7	2974.6	4361.3	-
Total debt service	\$ M	171.7	63.5	82.0	-
Cash surplus or deficit	% of GDP	-0.8	-3.4	-	-
Tax revenue	% of GDP	11.8	10.3	-	-
Government consumption	% of GDP	14.5	9.6	8.0	9.1
Public expnd. on education	% of GDP	-	2.3	2.2	-
Public expnd. on health	% of GDP	2.6	6.0	4.3	-
R&D expenditure	% of GDP	0.22	0.56	-	-
Military expenditure	% of GDP	2.4	3.2	1.2	1.2

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | International Monetary Fund (IMF), World Economic Outlook, October 2015 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2015.

7 | Organization of the Market and Competition

Uganda took vigorous steps to liberalize its economy soon after the professed revolutionary Museveni assumed power in 1986. The country's extensive informal cross-border trade with South Sudan, however, does not respect official regulations.

Internal markets largely follow the law of supply and demand. Entry and exit barriers and regulations on investment are in place, but on the whole, they play no negative role. It is stated policy to present Uganda internationally as an attractive destination

Market-based
competition
6

for foreign direct investment (FDI). Despite some limitations, the climate and to some degree the legal framework are favorable toward FDI, increasingly originating in Asia.

Imperfections affecting the markets are caused by a partial weakness of the institutional structure, the presence of pervasive corruption and occasional obscure political interventions. The operation of the state bureaucracy does not always prove helpful.

A very large informal sector is well-established as a de facto part of the Ugandan economy, reflecting not so much the constraints of regulated markets but the fact that it provides avenues for income-generating activities which the relatively small formal sector still is unable to provide.

The government has been firm in safeguarding market operations, even when under popular pressure to resort to price fixing. There is heavy competition among powerful economic actors such as providers of mobile phone services, and this had a positive effect on retail pricing. This market, largely dominated by South Africa's MTN, finally saw the entry of the British supplier company, Vodafone.

Anti-monopoly
policy
6

However, oligopolies or limited monopolies are not always curtailed by the authorities.

Uganda is an original member of the WTO, and it signed the General Agreement on Tariffs and Trade (GATT) just after independence. As a member of the East African Community (EAC), Uganda's major trade policy instrument since 2005 has been the EAC common external tariff (CET). The EAC countries belonging to the Common Market for Eastern and Southern Africa (COMESA) apply a preferential tariff on imports from other COMESA countries. COMESA and EU countries are major exporting destinations.

Liberalization of
foreign trade
7

According to the October 2012 WTO Secretariat's second Trade Policy Review Report of the EAC countries, "regulatory constraints, and trade taxes (import tariffs and export taxes) that promote non-competitive industries" still constituted an impediment to exports. Uganda's most tariff-protected sector was agriculture, with "tariff bindings cover(ing) 15.9% of all its tariff lines." The least tariff-protected sector was mining and quarry activities, including petroleum products. The WTO review in November 2012 indicated that there is still room for improvement, with the members urging the EAC countries "to pursue their trade liberalizing reforms, to improve their multilateral commitments on goods and services and their business environment with a view to enhancing transparency and predictability and attracting investment."

Export subsidies are not provided and there is no anti-dumping, countervailing or safeguard legislation. If contingency measures were seen as necessary, the legal basis would be the COMESA and EAC regulations.

In the 2014 Global Connectedness Index published by DHL, which measures 12 types of trade, capital, information and people flows, Uganda ranks 115th out of 140 in the trade pillar.

Uganda's banking sector is well-developed and well-capitalized with a number of mainly foreign actors. Financial products offered are mainly short-term. Banks work in compliance with international standards.

Banking system

7

As of August 2014, there were 25 licensed commercial banks, of which only seven were in local ownership. The ratio of bank capital and reserves to total assets stood at 16.1% (World Development Indicators 2013), trailing Rwanda (20%) but comparing favorably to the Kenya's 11.8% and the 11.5% average of the countries covered by the statistics. A characteristic of the operations is the high interest rates of the banks; their "very high net interest margins" in 2013 were criticized by the Bank of Uganda's deputy governor by pointing out that "bank profits have risen faster than their costs."

Supervision of the financial sector is in place and is exercised by the Bank of Uganda (BoU). However, the BoU does not supervise insurance companies or brokers, leasing companies or development banks.

Effective 1 June 2011, the BoU's Financial Consumer Protection Guidelines 2011 apply to all financial services providers and cover consumer protection, albeit incompletely. All financial services providers must submit semiannual reports to the BoU. Mobile-phone money services are accessed by more than half of adults. These are used mainly for cash withdrawals and to a much lesser degree for cash deposits.

The financial landscape also includes the Uganda Stock Exchange and the Uganda Institute of Banking and Financial Services, a professional association. The Capital Markets Authority, a semi-autonomous body, was established in 1996 with the task of promoting, developing and regulating "the capital markets industry in Uganda, with the overall objectives of investor protection and market efficiency."

The BoU, with its overarching responsibilities, exercises its role with a high degree of independence.

8 | Currency and Price Stability

Strict monetary policies and considerate interventions by the central bank had helped the economy to pass relatively well through the global financial crisis at the beginning of the decade. The BoU is largely independent, but in truth remained not completely free from influence by the head of state. In November 2014, Bank governor Professor Emmanuel Tumusiime-Mutebile, who continues to stand for a tight fiscal policy, recalled the pressure brought upon the BoU to finance a supplementary budget of about \$260 million in early 2011, that money in fact having been “used for electioneering” and eventually having plunged “the economy into chaos.” He promised not to allow such a thing to happen again.

After the October 2011 inflation peak of 30.4%, conditions improved considerably with a return to low inflation and with strong currency reserves. Annual core inflation stood at 2.3% in November 2014. The composite consumer price index for the 2013 calendar year was 5.5%, identical with the average for the countries covered by the statistics. The BoU medium-term goal of keeping annual core inflation at 5% appears to be realistic. Prudent policy was demonstrated by the BoU in keeping the central bank rate, that is, the lending rate to banks, at 11.0%. The development of the exchange rate of the national currency against the dollar was less comforting. The Uganda shilling (UGX) depreciated markedly, by about 9% in 2014, due to the global strengthening of the dollar, decreasing export receipts and a growing importer demand (as well as demand from private citizens), especially during the second half of the year. At the beginning of 2015, the trend was continuing, with the BoU struggling to absorb excess liquidity. \$1 would buy UGX 2,861 on 30 January 2015, having trespassed the psychological barrier of UGX 2,800.

The real effective exchange rate index (2010=100) of the UGX for 2013 was 110.9, worse than the 102.8 average, but not much different from its 108.9 in 2012. These figures show some measure of dwindling international competitiveness.

After adopting economic liberalization and market-friendly policies toward the end of the 1980s, Uganda’s government implemented a consistent stability policy. The World Bank testified that the country “established a strong record of prudent macroeconomic management and structural reform.”

The third review under the current IMF’s Policy Support Instrument, completed in December 2014, judged the macroeconomic outlook as favorable. Financing of part of the budget by development partners continued, though to a lesser degree than envisaged due to cuts by some donors. Budget donor financing was projected to be equivalent to 20% of total budget resources for the 2013-2014 financial year, and 18.2% for the 2014-2015 budget.

Anti-inflation /
forex policy

8

Macrostability

8

For the 2013-2014 financial year, the budget deficit (excluding grants) stood at 5.9% of GDP.

The \$1.9 billion current account deficit in 2013 showed a minor improvement over the revised 2011 figure of \$2.1 billion, but also a slight slump compared to the \$1.6 billion in 2012.

Public debt in 2013 came to 41.1% of GDP, down from 43% in 2012 and 45.3% in 2011. The total external debt in 2013 amounted to \$4.3 billion (up from \$3.7 billion in 2012 and \$3.2 billion in 2011). Cash deficit improved to 2.5% of GDP in 2012, previously at 3.9% both in 2011 and 2010. Higher cash deficits in 2012 were recorded for Tanzania (7.2%), Rwanda (4%) and Kenya (3.9%). General government final consumption expenditure in 2013 was equivalent to 8.3% of GDP, having stood at 8% and 9.8% in 2012 and 2011 respectively. The 2013 rate was well below the average of the countries examined (14.7%). Total 2013 reserves in current US dollars were \$3.3 billion, up from \$3.1 billion and \$2.6 billion in 2012 and 2011. All these indicators point to constant solid macroeconomic management and policy pursued by the government and the central bank.

9 | Private Property

The “right to own property either individually or in association with others” is laid down in the constitution (Article 26) and in relevant laws. Courts and procedures are well established though not always very effective. Subject to Article 26, “the entire property in, and the control of, all minerals and petroleum in, on or under, any land or waters in Uganda are vested in the government,” as stipulated by a 2005 constitutional amendment.

There is no discrimination against foreign nationals, except restrictions concerning the ownership of land.

43 days are needed to register property, which is below the average (47 days) of the countries covered by the survey for 2014. But the number of procedures to be carried out (11) is almost double the average (6), an indication of various bureaucratic traditions still in place.

Uganda is a member of the World Intellectual Property Organization (WIPO) and the African Regional Intellectual Property Organization (ARIPO). The standard treaties and regulations covering trademarks, copyrights and patents are in place, but implementation remains weak.

Land disputes are fairly common in Uganda and reflect legal inconsistencies as well as different local concepts of landownership. The Land Amendment Act of 2010 was supposed to provide more security to tenants and at the same time safeguard the

Property rights
5

interest of owners; so far, it has proved only a limited success. The “national land policy,” published in February 2013, stated that the origin of conflict over land could often be traced to colonial policy.

With the discovery of oil and other natural resources, additional conflicts over land have already begun. The conflict lines run between local citizens, clans and ethnic groups, as well as between the Bunyoro king and the central government. Conflicts originate from worries about exercising the right to property and questions of compensation. While there is legislation covering the acquisition of property, fraud cases are frequent and often go unpunished due to the weakness of the judicial system and the fact that court cases entail high costs.

Doing Business 2015, the World Bank flagship report released at the end of October 2014, which surveys reforms intended to make it easier “to do business,” ranked Uganda only 150th out of 189 economies. However, it was credited for a number of measures, such as the introduction of a new restructuring procedure for insolvent but viable companies and the easing of trade across borders by allowing web-based documentation.

After economic liberalization, the private sector has become the main driver of the economy; as such, it is fully accepted by all political actors. The legal framework for its operation is in place though there are sometimes deficiencies when it comes to its application.

Privatization of most parastatals was effected, though at times under opaque circumstances and largely without contributing to the creation of new employment opportunities. State-owned enterprises still operate in some sectors like electricity and transport, but do not have a monopoly position; partly government is just a shareholder. Administrative hurdles an entrepreneur must navigate when registering a new firm involve 15 different procedures (more than double the average number of seven, according to the World Bank). The 32 days involved also surpass the survey average of 23 days.

The government is aware that a good number of laws and regulations are outdated and that they might inhibit new ventures. In 2012, a review of business licenses established an inventory of almost 800 such licenses, slightly more than half of them issued by central government institutions, the remainder being authored by local governments. Also identified were 87 laws and 174 regulations, the majority of which had been in place before the 1991 liberalization of the economy. The government adopted the findings and, as recommended, embarked on the elimination of 27 dispensable business licenses. On 11 June 2013, it launched an e-licensing business portal, which providing information on the particular licenses that may be needed. The government intends to reform the licensing regime, which would entail an openness to automation processes.

Private enterprise
8

10 | Welfare Regime

The provision of quality, cost-free nationwide health services is an essential task for government, at least according to official rhetoric. In fact, the issue of health provision serves as a most striking illustration of the gap between official language and reality. Service Delivery Indicators published by the World Bank revealed major knowledge gaps among health workers as well as a high incidence of absenteeism. Rural health centers are commonly understaffed and either do not have or do not dispense the proper medication. People must seek out church-run clinics, private practitioners or visit traditional herbalists, sometimes even sorcerers. The provision of antiretroviral (ARV) drugs for people living with AIDS is not very reliable; ARV programs almost in their entirety were left to funding by donors.

Public expenditure on health in 2012 amounted to a meager 1.9% of GDP (with the average for countries surveyed by the World Development Indicators 2014 at 3.3%), less than in previous years. So far, the government has not been able to establish a viable health financing system. Nevertheless, over the years, life expectancy at birth has steadily increased, but at 58.6 years (2012), it is significantly below the development indicator average of 68.1 years.

Modern social safety networks are able to reach only a fraction of the population. Most people still have to rely on traditional structures, mainly their extended family and the local community. With traditional systems increasingly becoming unable to cover the needs of the elderly, new avenues are being explored. In 2011, a pilot transfer program (Social Assistance Grants for Empowerment, SAGE) was started in 14 districts, under which small cash grants are given to the elderly and other particularly vulnerable groups. The program had a bumpy start and doubts persist about its sustainability. However, there is also lobbying for rolling out the SAGE Senior Citizens Grants to the whole country; the Parliamentary Forum on Social Protection was launched in early 2014.

In view of high population growth, the traditional systems are overstretched as is. The annual growth rate of the population from 2002 to 2014 stands at 3.03% while the total fertility rate is 6.2 children; both factors result in a very high dependency ratio, i.e. the number of people a wage earner must support.

Those who cannot rely on family structures usually have no social safety net.

Civil servants receive pensions, whereas private sector employees (jointly with their employers) mandatorily contribute to the National Social Security Fund (NSSF) for their retirement pay. However, the NSSF has been rife with corruption, and therefore does not enjoy much confidence from its contributors.

Social safety nets
3

“Equality and freedom from discrimination” are guaranteed by the constitution (Article 21), which even provides for positive discrimination. The rights of women, enshrined in Article 33, explicitly allow for “affirmative action for the purpose of redressing the imbalances created by history, tradition or custom.”

Equal opportunity
6

In practice, though, girls are often taken out of school after only a few years, depriving them of further opportunities. In urban public life, however, women are visible. In the ninth parliament, elected in 2011, 35% of the members were women, an increase of 5% over the eighth parliament. In May 2011, the ninth parliament chose a female speaker for the first time, Rebecca Kadaga. Most female members of parliament were elected to seats reserved for women, and each of the special interest groups had two women among their representatives. But only a few female candidates actually won in their regular constituencies, a fact that attracts criticism.

A number of women occupied prominent positions in government (such as Minister for Finance, Planning and Economic Development, Minister for Trade and Industry or Minister for Energy and Minerals). Rural women, however, are discriminated when it comes to property or land rights. For years, domestic violence was not seen as a problem deserving much attention, but in 2010, the Domestic Violence Act and the Prohibition of Female Genital Mutilation Act were signed into law. However, implementation remains a challenge, as domestic violence and marital rape are seen as private affairs to be handled within the family.

A proposed Domestic Relations Bill faced stiff opposition from the Muslim community; a Marriage and Divorce Bill (for non-Muslims) is under discussion.

In 2013, women constituted 49% of the total labor force.

Equality of opportunity is also compromised by political affiliation, leading to considerable disadvantage for adherents to the opposition. LGBTI individuals receive equal treatment only when they are prepared to hide their sexual orientation.

Historical disparities between regions and social groups are strong enough to somewhat influence an individual’s chances in life. The introduction of free primary and secondary education has allowed the participation of hitherto neglected large sections of the population. Nevertheless, access to higher education and ultimately job opportunities tends to become more difficult due to the poor quality of government schools, which results in the best opportunities being given to pupils whose parents can afford to pay for private educational institutions. Thus, with the growth of the relatively prosperous urban middle class since the 1990s, tendencies toward social exclusion and self-recruitment within social classes appear to be on the increase.

11 | Economic Performance

During the review period, Uganda benefitted from the macroeconomic policies carried out by the government, assisted by multilateral donors and other development partners.

Output strength
7

For some time, Uganda's GDP grew continuously, with above-average rates for Sub-Saharan Africa. Resilience was shown even "in the face of consecutive exogenous shocks, including the secondary effects of the global economic crisis," as pointed out by the World Bank. But in 2011 and 2012, growth rates slumped, and GDP growth receded to 3.2% in financial year (FY) 2011/12. In FY 2013/14, however, a robust 5.2% real GDP growth was experienced, and for FY 2014/15 the government has projected that growth will reach 6.1%, with the stated aim of restoring a growth rate of 7% per annum in the medium range.

In 2013, the per capita GDP based on purchasing power parity was \$1,413 (in current international dollars), showing a steady though not dramatic increase over the years (\$1,358 in 2012, \$1,334 in 2011). Uganda lagged behind Kenya (\$2,795 in 2013), Tanzania (\$1,775) and Rwanda (\$1,473).

In 2013, GDP at purchaser's prices stood at \$21.4 billion, up from \$20 billion in 2012 and \$15.4 billion in 2011. Inflation as measured by the consumer price index was 5.5% in 2013, down from 14% in 2012 and 18.7% in 2011. FDI in 2013 reached 5.6% of GDP, a decrease over the 2012 and 2011 figures of 6% and 5.8%. In 2013, Uganda's current account balance was negative by \$1.9 billion, after recording \$1.6 billion in 2012 and \$2.1 billion in 2011. Its public debt in 2013 was 41.1% of GDP, a decrease from 43% in 2012 and 45.3% in 2011. Cash deficit in 2012 was 2.5% of GDP, after a figure of 3.9% recorded in the two previous years. In this respect, Uganda performed better in 2012 than Tanzania, Rwanda and Kenya.

Tax revenue reached 13% of GDP in 2012 (16.1% in 2011, 12% in 2010). In 2013, gross capital formation reached 24.1% of GDP, insignificantly less than in 2012 (24.6%) and 2011 (25%).

By and large, the indicators confirm that the economy has regained momentum, thus allowing for a positive assessment of its output strength.

12 | Sustainability

Uganda has a tradition of protecting distinctive features of its natural environment. Its 12 national parks and three active game reserves are also valuable assets for the tourism industry. Since oil was discovered in Murchison Falls, the decision on exploration and production activities in this park is still outstanding.

Environmental
policy
5

Designated forest reserves comprised 1.3 million hectares in 2005, almost all of it belonging to the Central Forest Reserves and thus not administered locally. By 2010, only 2.6 million hectares of forest land were left, a 46.9% reduction since 1990. Former forestland has been put to other, largely agricultural uses; charcoal and firewood consumption has also taken its toll on the environment. A sizeable part of Mabira Forest, the last remaining tropical rain forest in East Africa, was cleared to make space for sugarcane plantations.

Government has issued a number of environmental regulations, and there is a growing degree of environmental consciousness in parts of the civil society and within the media. As is the case with many other laws and regulations, implementation remains lacking.

At the same time, the local population, which is not always addressed in a way that would make people favorably inclined to join and benefit from protection efforts, exerts frequent pressure to use protected land deemed suitable for cultivation or animal husbandry. In the Mount Elgon area, continued local deforestation repeatedly led to landslides.

In general, the government tends to prioritize perceived economic needs over environmental concerns. It is telling that for the targets of the two MDGs aimed at reversing the loss of environmental resources and reducing biodiversity loss (7.A and 7.B, part of Goal 7 “Ensure environmental sustainability”), only “slow” progress could be recorded.

The country is affected by unpredictable weather phenomena (often considered effects of global climate change) in the form of irregular rainfall, resulting in some areas either in drought or flooding accompanied by landslides. In view of the biodiversity value of the Albertine Graben, oil exploration and future oil production is not only of political and social relevance but also gave rise to serious environmental concerns.

Ugandans hold formal education in high esteem. They see it as the avenue for personal advancement and largely associated education with white-collar jobs. Primary and secondary education is free, which in principle is a historic achievement of Museveni's government. But the expansion of the education sector took place at the expense of quality insofar as infrastructure and manpower are concerned, apart from the fact that parents still have to cover incidental costs like teaching materials or school uniforms. The dropout rate of pupils is high; teacher absenteeism is frequent. Parents with the financial ability to do so prefer to send their children to private schools, even at the primary level. Public expenditure on education in 2012 amounted to 3.3% of GDP.

The adult literacy rate is recorded as being 73.2%, with the male rate of 82.6% significantly higher than the female rate of 64.6%. The ratio of female-to-male enrollment is 83.3% at the secondary level and only 26.9% at the tertiary level. In principle, primary education reaches all girls and boys, but course completion and full attendance for either students or teachers cannot be taken for granted. The gross enrollment ratio is 27.6% for the secondary level and 9.1% for the tertiary level.

The former Makerere College, founded in Kampala in 1922, was once the center of higher learning for the whole of British-controlled East Africa. There is now a wide variety of tertiary educational institutions registered by the National Council for Higher Education (NCHE), which functions as the regulator of higher education. There are six public universities, the most recent addition being Muni University in Arua, established in 2013. Furthermore, the NCHE lists 32 private universities, some of them with religious affiliations. In addition, there is a variety of agricultural, business and technical training institutions; many of them are expensive, less respected and therefore less frequented than other higher education institutions. The quality of some of the private universities and other bodies is doubtful, since their material and staff foundations are weak. Due to administrative and institutional failures, even the reputation of Makerere University suffered severely.

Two major deficiencies of the education sector are the lack of instruction for blue-collar work and the neglect of vocational training, both resulting from a disrespect for manual work and reflecting a bias in favor of higher learning.

Expenditures for research and development in 2010 amounted to 0.56% of GDP (after 0.41 % in 2009 and 0.33% in 2008), below the 0.65% average for the countries for which figures are available (World Development Indicators 2014). Modern research and development facilities are still rare. Most research is conducted thanks to external funding and by in consultation with international organizations or donor institutions. The output frequently fails to measure up to international standards.

Transformation Management

I. Level of Difficulty

Since its inception in 1971, Uganda has been on the UN list of the world's 48 Least Developed Countries. It also is a landlocked country, and its remoteness makes it dependent on transit routes either through Kenya or Tanzania for trade. Though "gifted by nature" (as marketers boast) and having recorded notable progress in pursuing MDG Goal 1 ("Eradicate extreme poverty and hunger"), the rural population, which in 2013 comprised 83.6% of the national total, continues to depend largely on subsistence or semi-subsistence agriculture. The formalized industrial sector remains small; vocational training is not a priority. The largest part of the work force is therefore untrained and hardly skilled.

In view of population growth, it is unlikely that these proportions will change soon; between the censuses of 2002 and 2014, the annual population growth rate was 3.03%. Uganda, after Niger and together with Chad, has the youngest population worldwide; this results in a high dependency ratio, burdening the breadwinners of individual households. The total fertility rate is also among the world's highest, at 6.2 children per woman.

After the internationally applauded, exemplary successes Uganda made in its fight against the AIDS pandemic, HIV prevalence has increased again in recent years. The rate, which early in the 1990s peaked at 18%, fell to 6.4% in 2004 and 2005, but has increased in 2012 to an estimated 7.2% for those between ages 15 and 49. The prevalence among women has always been higher than among men. As a cause of mortality, however, AIDS by far is surpassed by malaria. This tropical disease poses dangers especially for children under five years old, and government effected a large-scale, countrywide distribution of treated mosquito nets (which were not always readily accepted, especially in the rural areas, and occasionally put to other uses).

Infrastructure deficiencies are gradually being overcome. The road network has improved to some extent but is still insufficient. Education and health infrastructure, as stated before, do not sufficiently reach the grassroots level. Electricity supply, a necessity for industry and a welcome boon for a growing number of households, even outside the urban areas, has become a bit more regular, but is still unstable and remains a privilege for the relatively wealthy parts of society. Even more importantly, the same applies to the supply of safe drinking water and the provision of proper sanitation.

Structural
constraints
7

There is a multitude of conventional civil society traditions, if one takes customary self-help schemes or church activities into account. In the more modern sense of the term, civic engagement is a relatively new and mainly urban phenomenon, but it is spreading. There are numerous NGOs dealing with various issues; much of this commitment is likely to have its substratum in foreign funding.

Civil society traditions

5

In 2011, an organized campaign of public protest over social and political issues took shape. It was, if not inspired, certainly used by the main opposition party to promote its agenda. The government ruthlessly suppressed street protests and banned various activities. The campaign died down, though not completely; new forms of social protest, some by unemployed youth, emerged, and a number of NGOs have taken different forms of action, such as the promotion of public awareness. This reflects the growing dissatisfaction, particularly among the country's educated and professional groups, with the pervasive corruption and the discomfort caused by the shroud covering much of the country's oil policy.

More traditional forms of mobilization are present as well. This social capital bears fruit in local neighborhood activities or in assertions of group identity.

In general, however, most citizens are not willing or able to actively participate in the political process through civil society engagement. In many quarters, an apolitical attitude is widespread, particularly among the urban poor (who have neither the time nor means to engage) and the urban middle class (who feel they have too much to lose if they rile the government).

The country had been plagued by violent conflict for a long time. The threat posed by the LRA is a matter of the past as far as Ugandan territory is concerned, and despite occasional warnings by the state there seems to be no nascent armed insurrection anywhere on Ugandan soil. However, the external menace of terrorism lurks in the form the al-Shabaab network, due to the UPDF's leading role in robust peacekeeping in Somalia, and there are the risks of a spillover of conflicts in the east of the Democratic Republic of the Congo and in South Sudan. The ADF rebel movement reappeared, but its operations remained confined to eastern Congo; there are fears that the ADF may attempt terrorist acts in Uganda.

Conflict intensity

6

Despite confrontation between the government and the various opposition groups, all the politically relevant actors accept the framework provided by the 1995 constitution and the institutions it created, notably parliament and the judiciary, as means of solving conflicts with arms. However, there are strong demands for electoral reforms that would enable a genuinely "level playing field." After the 2011 elections, a wave of public protest, fueled mainly by dissatisfaction over deteriorating living conditions, took a violent turn, resulting in a number of deaths following crackdowns by security forces. Since then, the socioeconomic situation improved and protests

have relented, though not disappeared completely. Rough treatment by the police is still experienced by demonstrators and journalists.

Ethnic tensions are present, but are mostly limited to local issues. To some extent, they reflect cleavages between center and periphery or conflicts over resources, mainly land. Cultural institutions seem not always to have played a positive role and ethnic tensions at the local level have been instrumentalized by the government to strengthen its own position.

Relations between Buganda, Uganda's heartland, and the other parts of the country are of enduring national importance. The necessary balance between justified local demands and the needs of the state as a whole has not yet been reached, mainly due the insistence of the king to wield political power.

II. Management Performance

14 | Steering Capability

Time and again, President Museveni emphasizes his determination to bring to fruition his "vision" for the country – to change Uganda from a peasant society to a middle-income country within 30 years. The design is laid out in the National Development Plan (NDP), a well-prepared and comprehensive document initiated in April 2010. The NDP was intended to cover a five-year period but extended by one year. NDP II is supposed to be launched before mid-2016 after having gone through a broad consultative process involving stakeholders at different levels.

The focus on poverty reduction was extended to the even more ambitious goal of structural transformation, reorienting the development agenda toward long-term structural change involving the unfolding of productive forces and leading to wealth creation. This concept is spelled out in "Vision 2040," a program presented by Museveni on 18 April 2013 and intended to put into practice the tenet of "building an independent, integrated and self-sustaining national economy," which was spelled out in the 1985 NRM Ten-point Program. Museveni was bold enough to predict that Uganda "will become a lower middle-income country by 2017 and an upper middle-income country by 2032." In the document emphasizes the contribution of the private sector. The core projects include the rollout of ICT as well as science and technology; one nuclear and several hydroelectric power plants are intended to be built.

The mechanisms for the formulation and application of appropriate policies – including the National Planning Authority – exist and are operational. Though the NDP goals occasionally are put in jeopardy by the de facto short-term orientation of

Question
Score

Prioritization
7

many policy measures, the costs of corruption are likely to constitute a bigger hindrance to achieving objectives. Roadblocks occur not only in the shape of the diversion of funds but also as aid cuts by foreign donors in response. Moreover, most development agendas and plans are just too ambitious.

The president continues to emphasize his view of economic modernization, seeing the export of raw materials as both a cause and a symptom of “backwardness.”

Economic strategic priorities and their implementation by the government and auxiliary bodies mostly are in line with market-oriented policies. However, the progress toward fully democratic structures is much more in doubt; indeed, it recently seems to be regressing.

By and large, the government is able to implement its own policies, but sometimes lacks the political will and commitment to do so. A contributing factor to Uganda’s general ability to implement is that, despite the decay experienced for many years, it still has a professional civil service whose main limitation remains pervasive corruption. Depicting himself as the major driver of reform, the president puts stumbling blocks in the way of progress in certain respects. Despite his focus on modernization, his political style frequently reveals rather old-school authoritarian attitudes and is also marred by his unwillingness to accept his role as a civilian leader.

Implementation
7

For many years, the government’s perception that the rate of population increase could lead to the dismantlement of all economic progress was not shared by the president and thus lacked his support. The president tended to believe that a larger population would benefit Uganda. Surprisingly, he appears to have somewhat changed this attitude of late.

The government and the ruling party are exceedingly pragmatic when it comes to economic and fiscal policy. Their original ideological orientation and policy (“building an independent, integrated and self-sustaining national economy” and “following an economic strategy of mixed economy” as enshrined in the 1985 NRM Ten-point Program), quickly gave way to heeding the advice of the international financial institutions and other development partners. The measures they recommended were usually implemented in a competent way. However, independent consulting by academic experts and those in the field was not given much attention.

Policy learning
7

In the political realm, advice from international donors, national academics or NGOs was only barely welcome. However, the president and the government demonstrated high flexibility in the emotional and highly charged debate on homosexuality legislation. Aware of the risks in Uganda’s relations to Western donors, they were able to shelve the issue for some time, but parliament eventually caught them unawares and passed a harsh bill on the subject, which was ultimately nullified by the constitutional court.

In its first two decades, the NRM followed the path of establishing a “no-party democracy,” finding expression in the “movement system,” an innovation at the time; indeed, this policy fostered stability, although predominantly through a tight control of society at large. Internal demands and donor pressure ultimately led to the return to multiparty dispensation. Despite the NRM paying lip service to multiparty democracy, its acceptance remains low. Leanings toward a patrimonial system and a winner-takes-all attitude are deeply rooted.

15 | Resource Efficiency

When he came to power in 1986, guerilla leader Museveni sought to integrate other fighting forces into his army. He formed a broad-based government including other political groups, which was necessary to make up for the weakness of his own military and political base. Though doubtful elements were included as well, the concept largely proved successful and can be seen as a precondition for the transformation processes that followed. It was a way of buying and sustaining long-term support. This is reflected by the cabinet’s grossly overblown size of about 80 people. In addition, there are roughly 100 well-paid presidential advisors, whose functions remain obscure. Furthermore, the president appoints Resident District Commissioners (RDCs), who interfere habitually with the running of affairs of the elected local governments. Heavy overstaffing in the political sphere constitutes a considerable strain on the financial resources of the state. At the same time, essential services like healthcare, education and the judiciary remain significantly understaffed and underfinanced, while security agencies – from the military to the various intelligence services – receive generous financial support.

The total number of districts amounts to 111 (the capital having a special status), an increase from 33 in 1986 when Museveni took power. The initial purpose of a decentralized system – the guarantee of service delivery and accountability – appears to have been lost in the process.

Financial discipline sometimes takes a back seat to political considerations, yet budget planning and implementation at the national level appear to be transparent and control mechanisms are in place. The central government’s budget for the financial year 2014-2015, as it read in June 2014, foresaw expenditure to the tune of UGX 15 trillion (on budget day approximately equivalent to \$5.9 billion). Ugandan public debt is relatively low at about 40% of GDP, while external debt in 2013 amounted to \$4.3 billion. Total central government debt stood at UGX 17.7 trillion by the end of 2013 (according to OECD, African Central Government Debt. Statistical Yearbook 2003-2013), which was worth about \$6.9 billion at the time.

On the local level, insight into the budgeting process is very limited. The procedures of awarding tenders and recruiting personnel appear rather opaque and may be driven

Efficient use of
assets

5

more by personal or political preferences rather than value-for-money considerations, qualifications, effectiveness or efficiency.

The remains of professionalism in the civil service are somewhat compromised by political interference at various levels and by the occurrence of corruption.

Ugandan politics are characterized by a strong president who has to balance the diverse interests represented within the ruling party. In the end, however, the president is the one who calls the shots and, though sometimes with considerable difficulty, is able to keep the parliament in line. The vice-president and the cabinet do not have much of a role of their own. More important is the government's informal hub of power, made up by the top army brass.

The powerful position the constitution accords to the president and the way the incumbent exercises his role serve as a guarantee that friction within the government is not detrimental and that conflicting lines of action taken by different branches or departments do not become destructive. For the day-to-day running of public affairs, in their fields of competence the finance ministry and the BoU are well suited for their tasks and play a useful coordinating role.

The constitution stipulates that one of the "duties of a citizen" (Article 17) is "to combat corruption and misuse or wastage of public property." The Auditor-General (Article 163) is charged with auditing and reporting "on the public accounts of Uganda and of all public offices." A separate Inspectorate of Government is given wide powers "in respect of cases involving corruption, abuse of authority or of public office" (Article 230). It also is intended to enforce the regulations contained in the Leadership Code Act. A division of the high court is operating as the arm of the judiciary for combating corruption. The parliament's Public Accounts Committee, headed by an opposition member, has the mandate to examine government expenditure. Public procurement is regulated. In principle, adequate legal instruments and institutional mechanisms to deal with fraud in its different forms are in place. Corruption is a major topic of public debate.

In daily life, ordinary Ugandans often have to pay bribes even to see the completion of simple administrative acts. The more prominent corruption cases make national and even international headlines; former Vice-President Gilbert Bukenya was once detained in prison for a week (and allegedly freed thanks to political maneuvering by the Catholic archbishop). Most officials implicated in corruption cases, however, do not face any charges and, if dismissed, may resurface in yet another influential position.

Ordinary Ugandans take corruption for granted, and they pay its price in terms of cash and poor public services. They are definitely weary of corruption, but there also is a tendency to claim that justice in corruption cases is meted out selectively and to rally around those found guilty, on the assumption that the guilty party was somehow victimized.

Policy
coordination
7

Anti-corruption
policy
4

16 | Consensus-Building

Multiparty democracy has again taken root. On the surface, there is overall consensus on the value of democracy and democratic procedures. How deeply these beliefs are entrenched is sometimes open to doubt. NRM stalwarts do not always appear to have a deep understanding of the division of powers, and at times there is a tendency by the president to show disrespect for parliamentary proceedings when the expected results are not easily forthcoming. As utterances by the former main opposition presidential candidate illustrate, the ranks of the government's opponents do not appear solely to comprise "flawless democrats."

Consensus on goals
7

There is broad agreement between all relevant actors over the goals of development. At the same time, the market economy and market mechanisms are generally accepted as the avenue to achieve these goals. There is occasional nostalgia for elements of the former mixed economy, with its important parastatals. In fact, some privatization measures led to the deterioration of public services, including the decline of public transport facilities.

A good number of at least potentially anti-democratic actors were absorbed into the broad-based government through co-optation, removal or other arrangements after the NRM took power in 1986. Though not in the legal sense, the most important holder of veto power is the army. It exerts its influence through the 10 specially elected army members of parliament, but more so in informal ways. President Museveni's political re-insurance continues to lie in the armed forces, particularly in the Special Forces Command headed by his son. As the commander-in-chief, the president's attachment to the army is purposely demonstrated by him donning a military uniform or even combat fatigues during public functions.

Anti-democratic
actors
6

The potentially anti-democratic forces centered around the king of Buganda and other traditional leaders in various parts of the country are officially outside the government, but have some influence in society.

Given the cultural and religious diversity of the country and the multitude of conflicts it has experienced, Uganda was mostly successful in recent years at containing the effects of societal cleavages. The end of the LRA threat in the north led to a lessening of internal tensions and allowed the president to make political headway even there, though a strong feeling of marginalization still persists among northerners. The government has attempted, albeit with varying sincerity and mixed success, to take measures for the rehabilitation of the formerly violence-ridden areas, including Karamoja. Tensions with the traditionalist elements in Buganda are not yet overcome, but their clout is confined to their home region.

Cleavage /
conflict
management
5

Organized protest by unemployed youth, a new phenomenon, indicates widening social cleavages. It still is limited but has the potential to increase. Industrial action by workers plays no significant role, given the weakness of the unions.

Ethnic conflicts (often clashes over resources) mostly are defused by government interventions which achieve a sometimes fragile compromise. The government is at times criticized for having exacerbated ethnic conflicts.

In general, different religions do not only co-exist but even cooperate in various institutions. Recently, however, a trend of fueling divergences has been noted, which has thus far found expression mainly in churches and mosques, but has not yet reached the political stage. Observers state that within the religious communities rhetoric against other faiths sometimes reaches the level of hate speech.

There was some minimum political exchange, supported by international donors, between political actors of the NRM and the opposition parties, but this had little effect.

The president holds a fairly traditional understanding of non-state actors in society. He interacts with businesspeople, listens to religious or cultural leaders and consults with his fellow soldiers. He is less inclined toward an exchange with the more modern elements of society.

Civil society
participation
6

Agenda setting and decision-making over major issues at least in the initial stages is done in the inner circles of power, which includes the army and the NRM leadership, without much attention to the views of NGOs, academia or media. At the same time, government is keen to involve various civil society actors in development issues, inviting their commitment and participation, yet is less prone to heed civil society concerns over human rights or political topics. At times, the government even delegitimizes claims by civil society organizations to be part of the agenda setting and policy-formulation process.

Ugandans maintain conflicting and selective memories of their past, such as the atrocities committed against the local population by the army under the Obote II government. Excesses committed by “rogue elements” of his army were at long last publicly acknowledged by President Museveni in January 2014. Yet there are indicators suggesting that some of the actions were planned and coordinated by high-ranking officers, which renders the remark an understatement. Either way, so-called “rogue elements” remain part of the military, as no vetting process has been executed.

Reconciliation
5

The activities of the LRA itself cut deep wounds into Acholi society, which will take a long time to mend. One method of healing is traditional reconciliation (e.g. the ‘mato oput’ ceremony). Since 1997, peace-building efforts have been relentlessly brought forward by the Acholi Religious Leaders Peace Initiative (ARLPI). The amnesty granted by the Amnesty Act, which came into force in early 2000, to all

rebels who had taken up weapons against the government since 1986, extended to more than 26,000 people, the largest numbers of whom were former LRA fighters.

While the Amnesty Act and non-governmental initiatives like the ARLPI played a positive role, there was no effort on the side of the government to establish a truth and reconciliation commission, despite calls to this effect from civil society actors.

17 | International Cooperation

Despite growing apprehension over corruption, donor density remains high. There are international multilateral and bilateral donors as well as a multitude of NGOs active in the field. The country has been open to suggestions put forward by donors and adopted many policy measures prescribed by the international financial institutions. The IMF continues to provide advice and monitoring, while regularly carrying out reviews under the Policy Support Instrument (PSI), a mechanism under which the IMF collaborates in the design of economic programs and also does the monitoring. The third review under the current PSI was completed in December 2014, with the IMF Executive Board judging the macroeconomic outlook as favorable and supported “by sound policy implementation.”

The NDP, aiming to prepare the rise of Uganda to the level of a middle-income country in just three decades, provides the roadmap. The inputs required are agreed upon with donors. However, the NDP appears highly ambitious and there is widespread doubt that even the rather humble objectives outlined in the plan will be reached.

The share of the national budget financed by development partners has receded. This reflects donor misgivings about rampant corruption and the homosexuality legislation.

Uganda used to be considered a trustworthy and committed partner as far as its pursuit of economic transformation and reforms is concerned. This image has been tarnished by several corruption scandals, which led to the partial suspension of aid. On the positive side, it should be noted that the 2012 unearthing of donor funds theft, which occurred in the prime minister’s office, was the result of an investigation by the auditor-general.

Donors established an Accountability Working Group with a focus on monitoring corruption issues, while some European countries crafted the Democratic Governance Facility, which is steered by a board that includes renowned Ugandans. One recent British initiative is the SUGAR (Strengthening Uganda’s Anti-Corruption Response) program. Government is thus engaged in a dialogue on corruption with its development partners. This gained tangible results, among them the increase in funding by some accountability institutions. Nonetheless, the question resurfaces

Effective use of support

7

Credibility

6

time and again, as to whether there is genuine political will to combat corruption in all parts and echelons of government.

Due to frailties such as infringements on the freedom of assembly and the anti-homosexuality law, international confidence in Uganda's democratization process appears to be on the decline.

Uganda pursues intense cooperation with most of its direct neighbors. Despite occasional controversies, relations are good. This applies to its fellow East African Community (EAC) members of Kenya, Rwanda and Tanzania, as well as to South Sudan, which intends to join the EAC. Relations with the Democratic Republic of the Congo are more strained, but President Museveni performed a mediating role between Kinshasa and the M23 Congolese rebel group and facilitated the Kampala Dialogue, resulting in the signing of an agreement between both sides, which was fulfilled only partially.

Much more intense and problematic is Uganda's role in South Sudan. In mid-December 2013, after violent conflicts broke out in Juba, Uganda immediately sent soldiers to protect and repatriate the numerous Ugandan traders. This was the start of an at first thinly veiled, then officially proclaimed military intervention. The UPDF became part of South Sudan government operations against opponents of the current president and his faction. This was done despite opposition to unilateral action by the Intergovernmental Authority on Development (IGAD), which took a mediating role in the South Sudan internal conflict.

The emphasis the NRM from its beginnings had put on Pan-Africanism, regional integration and international cooperation has not been discarded. Uganda is a respected member of the African Union, IGAD, the Non-aligned Movement and the United Nations. It is also a member of the Commonwealth and the Organization of Islamic Cooperation, having begun its membership in 1974 during the rule of Idi Amin. In 2013, President Museveni concurrently served as the chairman of the EAC Summit, COMESA and the International Conference on the Great Lakes Region of Africa (ICGLR). Foreign Minister Sam Kutesa was elected president of the 69th session (2014/15) of the United Nations General Assembly.

In international peacekeeping efforts, Uganda has taken the lead in Somalia, the UPDF contingent providing the bulk of the AU Mission (AMISOM). Ugandan involvement with AMISOM also demonstrates the country's close political and military links with the United States.

Regional
cooperation

7

Strategic Outlook

Uganda underwent substantial transformation during the past two and a half decades. The overall framework needed to consolidate democracy and a market economy is now in place; it may require occasional adaptation, but neither a wholesale revision nor a re-launch. All too often, the problems are implementation and the incongruence of words and deeds. The ultimate source of power remains the army. Without prejudice to Uganda's obligation to maintain a viable defense posture, the introduction of effective parliamentary control over the armed forces is overdue. Fully implementing the constitutional provision that makes the army "subordinate to the civilian authority" (Article 208) is also a necessity in view of achieving an orderly transition once the incumbent president – who in all probability will begin a new five-year term in 2016 – leaves office. The special parliamentary representation of the army (as well as of other specifically designated groups) is outdated.

Unraveling the intertwinement of the ruling party with state administration is a precondition for the development of a viable multiparty democracy (it should be noted that the opposition also falls short in terms of flawless democratic virtue). Methods for balancing the powers of the national center and local governments, as well as capacitating the latter, must be formulated while remaining wary of the political dominance of one part of the country.

An area of major concern to ordinary Ugandans as well as to the donor community is ubiquitous corruption. The legal instruments are largely there, yet the strengthening of existing mechanisms and a generally coherent approach are indispensable. What counts most is political will and the determination to act, irrespective of the persons involved. Apart from the necessary enforcement at all levels, anti-corruption measures should also address the problems of capital flight and tax evasion.

In terms of human rights, the laws and relevant supervisory organs are also in place. Recent legislation must be scrutinized with respect to human rights. The police needs clearer guidance and more training on how to deal appropriately with legitimate protest while not neglecting its duty to maintain public order. Furthermore, the militarization of the police must be stopped and undone. More attention must be given to the economic rights enshrined in the constitution, including "safe and healthy conditions" for laborers. Overcoming the cleavages in society requires the enhancement of efforts to reduce the structural disparities between, broadly speaking, the north and the south of the country, as well as special attention given to the rebuilding of Acholiland. The worrying situation of unemployed and underemployed youth should be addressed.

Apart from the consistently high population growth straining the country's resources, major stumbling blocks on the way to becoming a middle-income country include deficiencies in access to water and sanitation facilities, the deplorable state of health services, the dearth of systematic support for the promotion and modernization of smallholder and medium-sized agriculture and the poor quality of formal education provided by the state. The government's disregard for vocational

training must also be addressed. All these areas (including the unmet demand for reproductive health services) are open for cooperation between Uganda and its development partners.

There are high hopes attached to the expected revenue from oil extraction, which is supposed to finance much of the country's future needs, hence the urgent need to rein in the various and always legitimate business interests involved; international advice could be helpful to avoid the "resource curse."