

**STRUCTURAL ADJUSTMENT
PARTICIPATORY REVIEW INITIATIVE
(SAPRI)**

**PROCEEDINGS OF THE 2ND NATIONAL
FORUM**

SHERATON HOTEL, KAMPALA

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TABLE OF CONTENTS

	Page No.
Executive Summary	i
SECTION I: INTRODUCTION	1
1.0 Introduction	2
1.1 Background	2
1.2 Objectives of the 2 nd National Forum	4
1.3 Target Group	4
SECTION II: PROCEEDINGS	5
2.0 INTRODUCTORY/OPENING REMARKS	6
2.1 Chairperson, Civil Society Steering Committee	6
2.2 Chairperson, National Steering Committee	6
2.3 Muriel Mafico (SAPRI Zimbabwe)	9
2.4 Emmanuel Akwetey (Africa Regional Centre, Ghana)	9
2.5 Margaret Kakande (GOU)	10
2.6 James Adams (WB Country Representative, Uganda)	10
2.7 Fred Kalibwani (Coordinator, National NGO Forum)	11
2.8 GOU (Minister of Finance , Planning & Economic Development)	11
3.0 PRESENTATION OF FINDINGS	12
3.1 Study I: The Different Perspectives on Poverty	12
3.2 Study II: The Privatisation Process & its Impact on Society	21
3.3 Study III: The Impact of Public Expenditure Management under SAPs on Basic Social Services – Health & Education	26
3.4 Study IV: The Impact of Liberalisation on Agricultural Production and Food Security	34
4.0 THE WAY FORWARD	40
4.1 Perspectives of the Uganda NGO Forum	40
4.2 Perspectives of the Civil Society Steering Committee	40
4.3 Perspectives of SAPRI Africa	41
4.4 Perspectives of SAPRIN	42
4.5 Perspectives of World Bank	43
4.6 Perspectives of the Government of Uganda	44
4.7 Perspectives of the National Civil Society Steering Committee	44
4.8 Emerging Issues	45
5.0 PLAY ON THE IMPACT OF SAPs – THE TWIN SEASONS	46
6.0 PRESS CONFERENCE	46

EXECUTIVE SUMMARY

From the time World Bank (WB) started promoting Structural Adjustment Programmes (SAPs) in the Third World, poverty and income inequality have intensified and societies have become increasingly polarized. The Structural Adjustment Review Initiative Network (SAPRIN) was initiated to assess the impact of SAPs within a tripartite partnership arrangement between WB, governments and civil society. The Structural Adjustment Review Initiative (SAPRI) is designed to generate recommendations aimed at improving future economic adjustment programmes and legitimizing the role of civil society in economic decision making. The initiative involved 8 participating countries namely Ghana, Mali, Uganda, Zimbabwe, Bangladesh, El Salvador, Equador and Hungary. The SAPRI process was launched by WB President, James Wolfensohn in 1997 while in Uganda it was launched during the 1st National Forum in 1998.

In Uganda, 5 areas of study were selected namely:

- The Impact of Public Expenditure Management on Basic Social Services - Health and Education.
- The Impact of Liberalisation on Agricultural Production and Food Security.
- The Different Perspectives on Poverty.
- The Privatisation Process and its Impact on Society.
- The Consequences of Civil Service Reform.

In March 2000, studies on 4 of the identified areas started. The 5th study, “The Consequences of Civil Service Reform”, was suspended due to lack of sufficient resources.

This report is a result of the deliberations of the 2nd National Forum at which discussions on the findings of those studies were held and recommendations made.

The overall objective of the 2nd National Forum held from 26th –28th February 2001 was to **“Provide the final public forum that would yield the final country analysis, findings and recommendations based on the proceedings of the 1st National Forum and field investigations.”** The meeting was convened by the Uganda National NGO Forum and participants numbering about 200 included the WB representatives, Government of Uganda (GOU) representatives, SAPRI representatives from national and regional offices, research institutions as well as civil several civil society organisations.

Officials from the Civil Society Steering Committee, SAPRI National Steering Committee, SAPRI Zimbabwe, SAPRI Africa Region, GOU, WB and Uganda National NGO Forum made introductory statements at the start of the meeting.

Study presentations were made by researchers on each of their respective study areas. After each presentation, participants discussed the findings and made recommendations as indicated under each study in the sections that follow.

Study I: The Different Perspectives on Poverty

Given that the social and political objectives of development are to increase the wellbeing of society as a whole, the findings on Uganda indicate that, under SAPs, there has been an increase in the incidence of poverty and social exclusion particularly among the poor. In addition, there are different perceptions of poverty and the means by which it can be alleviated, gender imbalances, lack of services and infrastructure, lack of “voice” in decision making and lack of social capital. The study attributes these findings to differences in methodology, concepts, definition of poverty as well as weaknesses in the policy framework for policy alleviation.

The study makes a number of recommendations. They include enhanced participation of recognized civil society institutions in the economic planning process, education of women on their rights on land, more flexibility for local Governments on the use of conditional funds to respond to priority needs of the poor and promotion of direct poverty alleviation interventions for all members of the household. It stresses that measures for raising production and income levels should not be at the expense of women, and that such measures should target vulnerable groups. Furthermore, there should be improved credit and social service delivery, cost relief on health related charges for the poor as well as improved quality of education under UPE. In conclusion, the study emphasizes that the issue is not about whether the policies made things better or worse, but about distribution (who has benefited and who has lost).

Several issues emerged from the presentation. Some of the parameters/indicators used for poverty in Uganda are less relevant for the poor. GOU has not improved the quality of education in UPE schools. While intake at primary level has increased, the poor cannot afford the high costs at secondary and tertiary education and the gap between the poor and the rich is widening. There is a feeling that if the education provided by UPE can't help people to be employed, what is its use? In addition, the study did not show that the system of education in Uganda is likely to create 2 classes of citizens-the majority poor and the minority well off. Furthermore, it was noted that GOU is powerful and so does not perceive poverty in the same way as the powerless poor in society.

After discussing the issues, various recommendations were made. There is need for legislation for equal access to productive resources and more programmes on adult education. There should also be effective measures for stopping corruption as fighting poverty cannot succeed under corruption. There should be consultations with all stakeholders before policies are made and officials at district level should be better educated for effective participation. It was also stressed that taxation should be restructured to favour the poor, security improved in all areas of the country, and positive attitudes towards work should be enhanced among children. The issue of foreign investors who employ foreigners even when skills are locally available should be addressed because it has exacerbated poverty. Civil society should ensure that the interests/true voices of the poor are represented by mobilising and facilitating the grassroots people to invest in productive enterprises.

The World Bank Country Programme Manager observed that there is need for insights on what civil society preferences are.

Study II: The Privatisation Process and its Impact on Society

The study findings show that while the privatisation process brought with it costs and benefits, it is difficult to ascribe them in totality to the privatisation process given that there were several forces at play. Given the appalling state of public enterprises at the time the privatisation process started, it was the most ideal choice for government.

Whereas the choice was ideal, the timing and sequencing of the exercise were not appropriate. There was slow evolution of appropriate policy and institutional framework within which the process would function and allow full public participation. In addition, there was inadequate commitment from some members of government and other institutions (such as cabinet, parliament and even DRIC) other than the President. The top-down approach used in the process (without involving workers) created uncertainty in the eyes of the public. There was inadequate public awareness about the essence of divestiture largely due to lack of transparency in the whole exercise.

After the presentation, concerns were raised as to why the privatisation process has not been welcome and yet it had huge political backing and good intentions. It was noted that there are contradictory processes in society that create new forms of poverty that must be addressed. It was further noted that the study did not explain how resources generated from privatisation were used to help the poor and that there are social and moral issues surrounding the privatisation process that are wrong to which WB is keeping a blind eye. Other concerns were that the study did not explain how gender considerations were taken into account, whether the debt emanating from the privatised enterprises reduced after sale or not and lack of input by workers in the process.

After discussions, it was recommended that there should be a recruitment policy for privatised firms and appropriate policies to address critical issues like UPE. There is need to explain how resources generated from the privatisation process will help the marginalised groups. In addition, there should be affirmative action for women for them to participate in purchasing enterprises. Labour laws and minimum wage need to be revised.

Study III: The Impact of Expenditure Management under SAPs on Basic Social Services-Health & Education

The study findings indicate that while some positive results were achieved from SAPs, most of the objectives were not achieved as shown by indicators such as the teacher/pupil ratio of 1: 100 and inadequate infrastructure, 30% of the population having access to safe water and national coverage of latrines at 60%.

The belief held at the time of introducing SAPs that public expenditure reform would lead to the restoration of price stability and improvement in the cost-effectiveness of the provision of social services has not necessarily been the case. There has been a decline in real wages of public service providers, a factor blamed for poor service delivery. Decentralisation has had dismal impact largely due to poor remuneration and poor structures of accountability. Besides, the districts are at different levels of development and needs. The removal of subsidies in the health sector and the introduction of user fees has increased the proportion of the population who cannot afford such services, and hence deterioration in social development.

After the presentation, several issues were raised. It was noted that the question should not be how many classrooms have been constructed under UPE but the number of children that continue with their education and receive appropriate education. People do not come to public health facilities because they can't find what they need from those facilities. In the same way, the able people do not take their children to UPE schools. The position of Government /Donors on user fees is not clear.

Participants pointed out that the failures of SAPs should not be justified on the grounds that the situation prior to SAPs was very bad. There should have been a wider perspective for alternatives that can help us get out of poverty. On the argument that civil society should be appreciative for having its voice heard, it was emphasized that the *space* now available to civil society was not given by WB/GOU "but has been fought for by civil society."

Participants noted that the study did not give a breakdown of figures on expenditure on social services, where the money has gone and does not interpret the analysis of huge expenditure versus modest impact. The report should explain why things are what they are and what should be done. It also did not show whether the role of women in delivery of social services has improved or not. There is a lot of inconsistency in the education policy (e.g. teachers are being retrenched while new ones are being recruited). Provision of public services is a primary responsibility of Government and should not be taken as a favour to the population. Civil society should be sensitised to contribute to the success of the policies and come out strongly to support government in designing the education policy. Government should have a strategy on how to run social services without donor support.

After discussing the raised issues, it was recommended that public spending in the health sector should be restructured to favour primary and preventive health care and that of higher education to favour the poor. Civil society should be strengthened to play an effective role in promoting transparency, public awareness and monitoring in public expenditure management. Maternal health care services should be enhanced to create accessibility for the poor.

Study IV: The Impact of Liberalisation on Agricultural Production and Food Security

The study findings indicate that while liberalisation led to increased agricultural production in some cases, the bulk of that production was a result of non-price factors that are not related to liberalisation. The returns from increased production did not lead to tangible improvements and there were differences in impact depending on regions, gender and socio-economic distributional characteristics. There was reduced food security resulting from the expansion of export crops. In conclusion, the study pointed out that liberalisation can stimulate production but it has limitations unless there are other attendant factors (e.g. good infrastructure, free flow of market information, security of land tenure).

After the presentation of the study findings, several issues were raised. Food security should be defined in broader terms since it is a major concern for civil society. Since non-price factors have major contributions on improved production, they should be incorporated in policy formulation. The study did not provide information on how liberalisation has improved the women's situation since there is evidence that women provide the labour and are still using a hand hoe method in agricultural production. In addition, international trade was noted to favour developed countries but the study did not show how Uganda benefits from this trade. Piecemeal implementation of SAPs may have contributed to the shortfalls under the programme. The methodology used during the study should look at how different people are affected by the liberalisation policy and food security measures. There is also need for policy to mainstream gender issues in agriculture and revisiting land policy. The study should also show the linkage between liberalisation and food production

After discussing the raised issues it was recommended that it is important to highlight which sectors lost/gained and why. Liberalisation and value added should be addressed. There are varieties of crops grown and animals reared which should have been highlighted in the document. There is need to highlight how modernisation of agriculture has been affected by liberalisation and vice versa and how extension services should be liberalised if farmers are willing to pay for the services. Government needs to protect farmers regarding "improved" seeds because some of them do not to germinate. In addition, study recommendations should be specifically targeted i.e. specify particular ministry responsible for particular tasks.

In order to have sustainability, Government should co-manage natural resources with the community and school syllabus should be revised to include liberalisation as a topic to capture issues on agriculture. Research findings by the National agricultural Research Organisation (NARO) should be disseminated and capacity built at district level. A policy should be put in place to ensure that every household has a garden for food crops as well as cash crops. Policy formulation should provide for credit to women farmers and Government should provide subsidies to farmers where necessary (e.g. advisory services and inputs). Government should provide funds for demonstration at the sub-county level

and research should be initiated and integrated as part of every programme. Research findings should be accessible and there should be access to information. Other recommendations were focussed on the facilitation of farmers to improve production at all times, storage facilities and marketing.

On the concern that expenditure on Agriculture by GOU is small, Margaret Kakande, (Government representative) commented that farming, which is the major activity in Uganda is practised on private basis, so there is no need for Government to play a direct role. She further commented that several studies conducted by government indicate that farmers prefer more funding for education and health than for farming. She clarified that government funds are spent on agricultural research and extension services to enhance productivity.

General Recommendations

It was recommended that there should be capacity building among district officials to enable them participate effectively in the process. In addition, partners should address the relationship between SAPs and external aid in order to reduce donor dependency.

General Comments: The South African Experience

A visiting team of South African observers pointed out that there are no easy solutions to certain situations, and often problems are perceived differently. It is important to keep baseline data and disseminate information. They mentioned land reform and land use policies as critical components when addressing SAPs related issues. They stressed that civil society plays a great role in influencing policies and their views should be integrated in policy designing. In Uganda where subsistence agriculture is predominant, food security needs to be ensured. Above all, there should be accountability and transparency.

Way Forward

The Chairman, Uganda National NGO Forum, Mr. Richard Nuwamanya) appreciated the role played by the NGO Forum and pointed out that civil society is an indispensable partner in fighting poverty in Uganda. He further pointed out that this participation is the bedrock for sustainable, people-centred development.

The Chairperson Civil Society Steering Committee, Mrs. Helen Wangusa, thanked participants for the capacity they demonstrated in participating in policy analysis. She pointed out that World Bank has experts and NGOs have ideas and stressed the need for local population's involvement in policy formulation, implementation, monitoring and evaluation as well as improving the research findings before the national report is submitted. Furthermore, there is need for research and economic literacy materials to build the capacity of civil society. Emphasis was put on enhancing regional ties and interaction with government and the need to strengthen gender relations analysis in these studies.

Dr. Emmanuel Akwetey, the Chairperson SAPRI Africa, reminded participants that SAPRI is a process intended to lead civil society into better partnership with government and multinational financial institutions like WB. He emphasized that civil society should utilise the availed opportunity and build capacity to get ready for the new roles that are emerging. This will require NGOs to shift from delivery of social services to building research capacity of local communities to enable them participate in the process effectively.

The Chairperson SAPRIIN, Muriel Mafico), said that in Uganda, unlike in Zimbabwe, the process has been truly tripartite. She pointed out that there is need for increased scope for dialogue, strengthened co-ordination among donors and increased accessibility to information that is appropriate for civil society. She also emphasized the crucial need for applied research and documentation if civil society is to be effective.

World Bank Uganda Programme Manager, Bob Blake, pointed out that the discussions were enriching and stimulating and there is no particular dispute on the content of the policies but there are concerns with implementation. He highlighted the need for complimentary policies such as land tenure, clear definition of food policy and greater consideration of gender dimensions. He also acknowledged that service delivery under the Poverty Eradication Action Plan (PEAP) is critically important. In addition, Mr. Blake noted that there were dilemmas in policy choice on the one hand and availing services to the poor on the other. Uganda remains a poor country by all standards and therefore the bottom-line is poverty eradication. In conclusion, he pointed out that in all these areas civil society has capacity to contribute in filling the existing gaps but the question is how the gaps will be filled. WB is ready to work with Government to facilitate the process.

The Government of Uganda representative, Mrs. Margaret Kakande, congratulated civil society for getting organised and for having a platform. She commented that in government there is need for partnership with civil society at all stages and that civil society has a challenge of engaging in policy formulation. She requested civil society to have empirical data in order to participate in dialogue with government as equal partners. She pointed out that government needs NGOs to do the monitoring. She requested participants to give constructive criticism and avoid opposing things simply because they are outside the system but to get actively involved. In conclusion she said that government is ready to work with civil society for positive change in society. She, therefore, requested civil society to submit policy recommendations that are relevant for policy improvement. She finally requested civil society to update their information since there is evidence that civil society and government statistics tend to differ on many occasions.

The National Civil Society Steering Committee Chairperson, Kevin Akoy Makokha, thanked participants for their active involvement in the SAPRI process. She pointed out that the SAPRI process has opened way for civil society for dialogue and thanked GOU

and World Bank for that opportunity. She reminded civil society to use the space effectively. She pointed out that while GOU and WB value empirical data, there are issues that cannot be quantified. She recommended inclusion of both qualitative and quantitative data in policy formulation, implementation, monitoring and evaluation. She further challenged civil society to get more coordinated and committed in order to access donor support. She requested GOU to involve other ministries so as to facilitate the SAPRI process.

6.0 PLAY ON THE IMPACT OF SAPs – THE TWIN SEASONS

As part of the proceedings of the 2nd National Forum, a local theatre group presented an illustrative play on the diverse social impact of SAPs in Uganda. The drama depicted various outcomes of SAPs highlighting problems such as loss of employment, break-up of families, school children drop-outs, involvement of girl-children in sex work/prostitution, lack of drugs/services at health centres, and other coping strategies such as fraud. The play also highlighted the effects of trade liberalization on local industry and displacement of local development priorities. Although the play appeared to have exaggerated the negative aspects of SAPs, much of it depicted the reality about the situation on the ground. The dramatic way in which the play was presented appeared to have a strong educative element for the illiterate groups in Uganda.

PRESS CONFERENCE

A press conference was held after the official closure of the SAPRI 2nd National Forum which highlighted the issues that had been addressed in order to improve the adverse effects of SAPs. The following officials participated in making comments and answering questions:

- Mr. Bob Blake (WB)
- Mrs Margaret Kakande (GOU)
- Ms. Kevin Makokha (NSC)
- Mrs. Helen Wangusa (CSSC)
- Ms. Muriel Mafico (SAPRI, Zimbabwe)
- Dr. Emmanuel Akwetey (Africa Regional Centre, Ghana)
- Mr. Richard Nuwamanya (NGO Forum)
- Mr. Vincent Edoku (Lead Facilitator/Master of Ceremonies)

Each of the members made brief statements highlighting the importance of transparency and mutual trust in partnerships; working together to assess the impact of SAPs and the consensus that the tripartite should work together; WB's commitment to the tripartite partnership and the opportunity created by the Forum to dialogue. It was also pointed out that GOU concern has been the need to know the views of the people and assess the performance of SAPs. It was reiterated that the biggest challenge has been to get civil society taking the lead in the exercise. SAPRI has offered the opportunity to discuss the divergent views held by stakeholders and for civil society to demonstrate their potential.

The press was asked to challenge policy makers to engage in issue-based discussions. It was emphasized that while there is space for dialogue in Uganda, it is still weak and needs to be nurtured and utilised. The challenge is that while Government and donors have efficient structures for dialogue, NGOs do not.

After the brief comments, questions were entertained from the press. Issues raised by the press included whether Uganda can sustain growth; negative impacts of SAPs and elections as well as the extent to which civil society can make a headway since WB seems to be trying one thing after another.

In response it was stressed that, in order to sustain growth, Government will have different options for equitable distribution of resources and money saved from HIPIC will be channelled into poverty reduction, infrastructure and social services. It was also reiterated that that issues raised on SAPs concerned implementation but not policy and that at the time of Uganda's 2nd HIPIC, issues were critically assessed and there was satisfaction that Uganda could continue borrowing. Shifting from SAPs to Poverty Eradication was not a recognition of SAPs failures but a high degree of confidence in GOU. The challenge is to improve Government systems for better impact.

On SAPs and elections, it was pointed that unlike politicians, NGOs think that there is hope to look for options out of the SAPs shortfalls. The concern in Uganda has been the focus on WB & GOU neglecting what civil society.

While WB Sponsored Policies can change, it was pointed out that biggest contribution from civil society is qualitative rather than quantitative because NGOs can reach grassroots. It was stressed that the issue is not *creating* wealth but *re-distributing* it and the role of civil society is to help achieve this. Furthermore, it was reiterated that Poverty Reduction is not a new idea at WB and is the common denominator in all development dialogue.

As to how far civil society can go, it was pointed out that Government has recognised that civil society can resist bad policies and subject policies to discussion as is witnessed by the fact that the NGO Forum has brought together divergent ideas.

SECTION I:

INTRODUCTION

1.0 INTRODUCTION

1.1 Background

From the time World Bank (WB) started promoting Structural Adjustment Programmes (SAPs) in the Third World in the 1980s, poverty and income inequality have intensified and societies have become increasingly polarized. These tensions have engendered internal conflicts, political instability and threats to regional security. Across the South, emerging market economics have become dependent upon speculative capital, leading to a series of financial crises that have necessitated bailouts by the International Community.

The Structural Adjustment Participatory Review International Network (SAPRIN) was initially organised around a major initiative taken with WB President, Jim Wolfensohn, to assess the impact of various adjustment measures on a range of population groups, economic as well as social sectors in the selected 8 countries. The initiative was a tripartite partnership of WB, Governments and civil society.

The Structural Adjustment Participatory Review Initiative (SAPRI) is designed to generate recommendations to WB and Governments for changes in future economic adjustment programmes and economic decision making processes. SAPRI is also aimed at legitimizing an active role of civil society in economic decision making and if successful to give greater flexibility to respond to the needs and properties of their own people rather than International Financial Creditors.

The purpose of SAPRI is to bring together WB, civil society organisations and Governments in a joint review of SAPs and explore new policy options. To begin with 8 countries are participating in the process, namely Ghana, Mali, Uganda, Zimbabwe, Bangladesh, El Salvador, Ecuador and Hungary. The manner in which each country and different population groups are affected by adjustments would be examined through

public fora and field investigation with the aim of promoting measures that narrow income differentials and encourage Governments to incorporate the views of civil society in policy decisions. The WB President, James Wolfensohn, launched the SAPRI process in July 1997 and the country exercise was launched in Uganda at the first National Forum.

The main objective of the 1st National Forum was to create awareness about SAPRI and get participant's views and recommendations on areas for investigation during field research. This first forum attracted 124 participants from all 20 SAPRI districts in Uganda, NGOs, Government, WB and IMF. Five areas of study were selected namely:

- The impact of Public Expenditure Management on Basic Social Services - Health and Education.
- The impact of liberalisation on Agricultural Production and food security .
- The different Perspective of poverty.
- Privatisation Process and its Impact on Society
- The Consequences of Civil Service Reform.

In March 2000, consultants were commissioned to undertake 4 of these studies. The fifth, "Consequences of Civil Service Reform", was suspended due to limited resources. All field investigations were to be carried out under the framework of a political economy approach, participatory research methodology and careful considerations of gender dimensions of SAPs.

This report is a result of the field investigation discussed at the 2nd National Forum. It contains recommendations for changes in economic programming and in the manner in which this programming is currently taking place.

1.2 Objectives of the 2nd National Forum

The overall objective of the 2nd National Forum is to **“Provide the final public forum that will yield the final country analysis, findings and recommendations based on the proceedings of the opening 1st National Forum and field investigations.”** The specific objectives of the 2nd National Forum are to:

- Provide an opportunity for civil society, WB and Government of Uganda (GOU) to discuss, distil and synthesize the findings and recommendations of the 4 studies commissioned by the SAPRI National Steering Committee.
- Provide a framework for the tripartite to generate the final country SAPRI report for submission to the regional and global secretariats.
- Provide final report opportunity for Civil Society representatives from the SAPRI districts to validate the study findings.
- Provide an opportunity for the tripartite to envision the post – SAPRI collaboration efforts and economic restructuring.
- Reinforce the partnership between civil society, WB and GOU in economic policy formulation, implementation, monitoring and evaluation.

1.3 Target Group

The forum targeted delegates from the following:

- SAPRI representatives.
- SAPRI Civil Society Steering Committee (CSSC).
- SAPRI National Steering Committee (NSC).
- GOU ministries representatives.
- SAPRI Africa Region.
- SAPRI Countries – Africa.
- Civil Society Organisations (CSOs).
- Research institutions.

SECTION II:

PROCEEDINGS

2.0 INTRODUCTORY/OPENING REMARKS

2.1 Chairperson, Civil Society Steering Committee (CSSC) – Helen Wangusa)

- In her brief remarks, Mrs. Wangusa welcomed and introduced key participants associated with the SAPRI process, District delegates and civil society institutions (NGOs/ CBOs) represented at the forum.
- She highlighted the objectives of the forum as stipulated in (1.2).

2.2 Chairperson, National Steering Committee (NSC) – Kevin Makokha

Ms. Makokha provided an update of the SAPRI process in Uganda and highlighted the following :

1995:

- Initial dialogue at international level between WB, NGOs/ Civil Society Organisations and Governments implementing SAPs.

1996:

- Agreement reached among tripartite to conduct a review of the impact of SAPs and several countries selected to participate in the study (Uganda, Ghana, Mali Zimbabwe, Ecuador, El Salvador and Bangladesh). Among other things, the selection criteria were based on consent from the respective Governments and track record in implementing SAPs.
- Development group on Alternative Policies (D-GAP) and American NGO, was selected to lead co-ordination at International level.

1997:

- Introduction of SAPRI in Uganda at a group of 32 CSOs by Helen Wangusa (African Women Economic Policy Network, AWEAPON), Tetteh Homeku (Third World Network , TWN) and Tony Avirgan (Development Group on Alternative Policies, D- GAP).
- Uganda NGO Forum selected National Lead Agency.
- National Steering Committee set up.

1997:

- International SAPRI launch.
- National publicity of SAPRI.

1998:

- First Uganda National Forum Held.
- Refining of study topics.
- Final selection of 5 studies.
- Economic literacy and radio programme conducted.

2000:

- Uganda National methodological workshop held.
- Field investigations commence in selected districts.
- Preliminary field reports submitted and interactions with researchers begin.
- National Economic Literacy workshop held at Colline Hotel, Mukono.
- Preliminary findings of all the 4 studies presented to participants from Districts, Government and WB.

2001:

- 2nd National Forum (Kampala).

The Chairperson, NSC, also gave highlights on the following:

Resources for the process

The process was jointly funded by Civil Society (CS) and WB. Skilled personnel came from members of the tripartite (GOU, WB & CS).

Way Forward

- Synthesis of country and regional reports.
- Tripartite workshop to share learning from SAPRI world-wide (April 2001 in Kampala).
- Synthesis of Global Report.
- 2nd Global Forum (July 200, in Washing DC).
- Using information from research processes.
- Using SAPRI experience to ensure meaningful engagement of Civil Society and policy makers at various levels.

Challenges

- Technical nature of economic policies and need to make the process as participatory as possible.
- Keeping pace of such a tripartite process with members from organisations of different types.
- Information flow, especially among civil society, is sometimes difficult.
- Sustained participation of CSOs in such a long and yet important policy dialogue initiatives.
- Limited exchange of information in the region.

Lessons

- There is a lot of room for dialogue among Governments, civil society and WB. Technical and methodological capacity building is key to meaningful engagement of civil society and policy makers at any level.

- A qualitative approach to analysis of impact of economic policies brings out important information that is complementary to information obtained from quantitative analysis.
- With proper facilitation everybody is capable of making meaningful discussions on economic policies and the way in which they affect their lives.

2.3 Muriel Mafico (SAPRI, Zimbabwe)

Highlighted the achievements of SAPRI since 1997. She stressed that unheard voices are finally being heard and reminded the participants that they carry a moral obligation in contributing to policy making.

2.4 Emmanuel Akwetey (Africa Regional Centre, Ghana)

- Pointed out the importance of the forum. Uganda is leading the holding of the 2nd National Forum in Africa in the process.
- While the tripartite does not necessarily agree on all the findings of the studies, the process is important for the participatory process of macro-economic policy making.
- SAPRI has changed the process of excluding civil society from participating in macro-economic policy making.
- Challenged civil society organisations to find a common point of agreement and to prepare for participating in the new approach of poverty reduction.

2.5 Margaret Kakande (GOU)

- By the time SAPRI came to Uganda, Government had started addressing the problem of massive poverty in Uganda by undertaking a participatory poverty assessment exercise.

- GOU looks forward to the recommendations of the forum to help in the poverty eradication programme.

2.6 James Adams (WB Country Representative)

- Poverty is now at the centre of WB concerns and has been the main issue of concern since 1995 in the context of Uganda.
- Participation is not a new concept in WB operations in Uganda . There has been active participation by civil society in the formulation of policies affecting education, health, etc.
- Uganda is an exception in Africa in this regard.
- The level of participation by civil society has improved the quality of government policy making .
- Uganda has provided an encouraging environment, but there is still a lot to be accomplished.
- Unlike other African countries, Uganda has moved towards discussion of programmes/projects from a macro-level to the sector level.
- The impact of policies has not been as substantial as anticipated. Expenses have risen but the quality of results is not commensurate. This is the concern of WB.
- Civil Society contributes to the assessment of what has happened.
- The use of analysis of what has happened should not be to force agreement. A more critical analysis of the situation is important in improving government policy performance.
- WB looks forward to the conclusions of the dialogue (support, criticisms) for constructive outcomes .

Mr. Adams stressed that the environment in Uganda has been extremely important.

2.7 Fred Kalibwani (Coordinator, National NGO Forum)

- Extended appreciation to all stakeholders for their contribution.

- Stressed that civil society has been given opportunity to evaluate policies designed for their own benefit. This is the biggest single benefit brought about of SAPRI.
- Extended appreciation to GOU and WB for opening up space for civil society to speak out .
- National NGO Forum is available to speak on behalf of civil society.

2.8 Speech by GOU Representative (Minister of Finance Planning and Economic Development)

In the Minister's opening speech, the following issues were highlighted:

- GOU recognises the importance of the need to build domestic consensus before policies that affect the livelihood of people are implemented.
- SAPs have been widely criticised on the grounds that they have failed to stem the gradual decline in the economic and social performance of the targeted countries - that instead of reducing poverty, in some cases it has been exacerbated and has widened the disparities between the various sections of society.
- Against this background, WB with its development partners decided to revisit the key parameters of the development paradigm. The consensus is now that poverty reduction should be the focus of our development efforts.
- Lack of involvement by the people in the formulation of policies that shape their livelihoods keeps them at a distance from these policies. Hence the policies are often referred to as "***World Bank policies***".
- The foresight of WB President, Mr. James Wolfensohn, to launch the tripartite process in 1997 was very opportune.
- WB has shifted its lending focus from SAPs/SACs arrangements to Poverty Reduction Strategy Programmes (PRSPs) to be financed under the Poverty Reduction Support Credits (PRSCs). The significant difference is that the formulation of poverty reduction programmes is highly participatory and financing is through budget support as opposed to project assistance under SAPs.

In conclusion, the Minister hoped that the study findings and recommendations of the 2nd National Forum will guide GOU and WB in the design of future programmes in a manner that is responsive to the voices of society.

3.0 PRESENTATION OF STUDY FINDINGS

3.1 Study I: The Different Perspectives on Poverty (By Dr. Nansozi Muwanga, Department of Political Science, Makerere University)

3.1.1 Summary of Key Study Findings

Political and social objectives of development are to increase the wellbeing of society as a whole. Economic policies, therefore, are expected to ensure that the different segments of the population have access to goods and services, and that the people are able to participate in decision-making processes irrespective of gender, age and location.

In that context, the key findings of this study indicate the following:

- There has been an increase in the incidence of poverty and social exclusion particularly among the poor.
- There are important differences in perceptions of poverty and the means by which it can be alleviated.
- There are gender imbalances, lack of services and infrastructure as well as lack of “voice” (political power) in decision making. These do not only exist but are on the increase.

Growing Gender Imbalances

Women and men’s roles in the economic and social domains are undergoing major transformations. The study reveals that women and men continue to perceive poverty

differently despite increasing enlightenment acquired by women. While several measures and legal reforms have been put in place to correct gender imbalances in terms of accessibility to productive resources and activities, such remedial initiatives though necessary have not been sufficient to eliminate gender differences. For instance, differences related to women's access and control over productive assets as well as the roles and responsibilities between men and women within households have not been eliminated.

While it is true that women and men have realized increases in incomes, the social and economic responsibilities in different communities have put women at a disadvantage. The increasing responsibilities of substituting government provision of services has disproportionately fallen on women who have to combine the traditional role of providing food for the family with that of earning cash to educate children, meet medical care costs or support out-of-work husbands/partners.

Lack of Services and Infrastructure

Lack of access to adequate services and poor infrastructure are perceived as a source of community and household poverty. Inaccessible health care (owing to cost), lack of access to quality education, lack of credit and extension services and poor infrastructure (roads) are all viewed as contributory factors to the cycle of poverty and vulnerability at the community and household levels.

Lack of "Voice"

Good governance is key to development and the participation ("voice") of different interests is an important component of good governance. Having a "voice" in decision-making promotes self-actualisation, harnesses effective policies and shapes the destiny of individuals and communities. Government policy reforms have included extensive

political and economic decentralisation thereby giving communities greater say in defining and planning for their needs.

The study reveals that barriers exist for full participation of some citizens particularly women, the very poor, the elderly and some ethnic groups. There is lack of information particularly concerning market policies, laws, credit facilities and development plans which distances them from government policy. In addition, lack of transparency and accountability of leaders present significant barriers to local participation in decision-making.

Lack of Social Capital

Social relations and networks are some of the strongest resources possessed by the poor. Some definitions of poverty relate to lack of “social cushioning” in times of adversity. Groups, organisations and respected local leaders are viewed as positive attributes for assisting local people improve their incomes and quality of life. The findings of this study reveal that these social networks have been undermined by poverty trends.

The highlighted issues emphasize the fact that it is not merely a difference in perceptions but a reflection of a fundamental dislocation between the intended benefits and actual benefits of the process.

The situation depicted by the findings is attributed to:

- Differences in the definition of poverty.
- Conceptual and methodological differences.
- Weaknesses in the policy framework for poverty alleviation.

3.1.2 Study Policy Recommendations

The policy implications highlighted and the recommendations that follow have been made basing on the observed differences in the definitions, conceptualisation and methods used to measure poverty.

- The planning process should enhance participation of recognised social institutions including local leaders and Local Councils (LCs) in poverty reduction interventions.
- Women should be educated on their rights over land.
- Local Governments should be given more flexibility on the use of conditional funds to respond to priority needs of the poor.
- Poverty eradication interventions should be directed at all members of the household including female members.
- Improved technologies and new methods of production aimed at raising income levels should not be at the expense of women by increasing their workload.
- Institute deliberate measures to target vulnerable groups who are often the poorest.
- Sensitization on HIV/AIDS related conditions and support particularly in rural and remote areas is necessary to enhance poverty alleviation measures.
- Health related charges and services delivery should be monitored with an aim of creating cost relief for the poor.
- Extend health care facilities, services and skilled workers to under-served areas.
- Improve quality of education under UPE and link it with access to further education as well as employment opportunities.
- Improve access to clean water.
- Improve credit facilities for the poor by establishing/supporting lending institutions that meet the needs of the poor particularly in rural areas.

3.1.3 Study Conclusions

The several policy implications emerging from the study highlight conceptual issues of defining, measuring and targeting poverty to implementation bottlenecks. Economic accomplishments of Government have not been sufficiently coherent in the sense that elements of poverty still exist. The key issues include:

- Lack of information.
- Lack of transparency and accountability.
- Corruption.

While statistical evidence suggests remarkable economic growth associated with the adjustment macro-economic policies, the resultant adverse effects on the poor show that the poverty situation is worsening. In the final analysis, the issue is not about whether adjustment policies made things better or worse but **“who has become better off and why?”** This implies that poverty must be conceived as an economic, political and social process whereby the three aspects reinforce each other to defy conventional approaches to poverty alleviation. Assumptions that only a small percentage of people are adversely affected by adjustment policies and can therefore be provided with **safety nets** masks the need for structural changes that go beyond financial provisions. This raises the need to revisit structural relations, distributional relationships and empowerment of people to participate in self-determined change and access to resources.

Box 1: Issues Raised on “The Different Perspectives on Poverty”

1. Some of the parameters used for poverty in Uganda are less relevant. More relevant examples include:
 - Reports left behind by pupils for failure of paying fees
 - Number of people who cannot afford a full dose of treatment at a health centre.
 - Number of patients who resort to drug shops for inability to afford doctors’ consultancy fees.
 - Number of debts left in shops by consumers.
 - The huge public debt.
 - Increase of sex workers.
 - Family break-ups.
 - Number of students at Universities who can’t sit exams due to failure to pay tuition fees.
2. GOU has not improved the quality of education in UPE schools other than constructing buildings. People with reasonable income have removed their children from UPE schools.
3. While intake at primary level has increased due to UPE, how will the poor afford the high costs at secondary & tertiary institutions?
4. How do we bridge the gap between the poor and the rich?
5. Did the researcher consider:
 - That the system of education in Uganda is likely to create 2 classes of citizens the majority poor and minority well off?
 - That **GOU is powerful** and so does not perceive poverty in the same way as the **powerless poor** in society?
6. UPE for what? If the education provided by UPE can’t help people to be employed, what is its use?

3.1.4 Comments by Researchers & Discussants on Participants' Reactions on "The Different Perspectives on Poverty"

1. Reactions from participants are pertinent and need to be addressed. They arise largely from differences in perception.
2. Prior to 1986, parents were largely responsible for education. The financially able have now moved their children to private schools in an effort to give their children a chance for the future. Those left in UPE schools are the less able, the poor.
3. GOU looks at more indicators than just income when dealing with poverty.
4. The aim of GOU is to enable everybody to know how to read and write, with a view to enhancing economic productivity.
5. GOU has a plan for Universal Secondary Education (USE).
6. The issue of creating a classed society might be good in economic terms. Without classes, there would be no need for striving.
7. The Ugandan society was already divided in classes of the poor and the rich before SAPs.

Box 2: Issues and Recommendations Emerging from Group Discussions on Poverty

- There should be legislation for equal opportunities to productive resources.
- More programmes on adult education should be conducted since many people (particularly women) are seen to be illiterate.
- Address the issue of corruption - fighting poverty cannot succeed under corruption.
- There should be consultations with all stakeholders before policies are made.
- Leaders at LC 5 level should be better educated, preferably with a minimum of ordinary level certificate on top of other capability considerations.
- Taxation should be restructured to favour the poor.
- Security is necessary to enable everybody engage in productive activities
- .
- Foreign investors are exacerbating poverty by employing foreigners even when the skills are locally available
- To what extent is civil society representing interests of the poor and incorporating them into the agenda? This is a challenge to civil society to ensure that these are the true voices of the people
- In case of Karamoja government should devise special measures for addressing poverty. Poverty eradication funds were taken by the leaders who put conditions like one should have a permanent building, own land etc. which poor people do not have. NGOs should have a role to play regarding poverty eradication programmes.
- NGOs should start a serious campaign to mobilise and facilitate people from the grassroots to invest in productive enterprises
- Poverty, to some extent is attitude towards work. Need to create awareness as NGOs among children to make them develop attitudes towards work.

Comments by Bob Blake (World Bank)

- The debate did not focus so much on principles – whether SAPs are good or not, but what priorities have been addressed. We need insights on what civil society preferences are.
- The issue is policy choice. If you choose one option you forego the other. E.g. issues raised under cost sharing are issues of priorities. Cost sharing obviously limits services but improves quality.
- Institutional set up has provided mechanisms (e.g. Uganda Debt Network). Civil society can use these mechanisms to ensure accountability.

3.2 Study II: The Privatisation Process and its Impact on Society

(By Dr. Ddumba-Ssentamu, Institute of Economics, Makerere University)

3.2.1 Summary of Key Study Findings

A number of findings emerge from this study:

- Although respondents appear to be generally well informed about the privatisation programme, they believe that the policy is not home-grown but foreign-induced.
- Evidence from the findings show that the privatisation programme reduced Government subsidies to public enterprises but a lot of money was spent on restructuring and preparing the enterprises for sale. In addition, a number of the enterprises were undervalued. This implies that, to some extent, GOU did not realise the objective of raising money from the sale of public enterprises.
- The findings suggest that GOU did not achieve its objective of minimizing asset stripping of the divested enterprises due to delays in concluding sale agreements which led to cash siphoning by employees who were unsure of their future.
- GOU has achieved its objective of raising tax revenue from the sold enterprises. However, the findings suggest that the revenue did not contribute significantly to social service delivery and infrastructure. Government expenditure on social services and infrastructure originated from foreign donors and not divestiture proceeds.
- The findings suggest that GOU achieved its objective of reducing direct role in the economy.
- Less has been achieved in reducing corruption. There is suspicion that corrupt officials and buyers hijacked the privatisation process.
- GOU did not achieve its objective of creating a property owning middle class in the privatisation process. No provision was made for an employee preference scheme for acquisition of ownership interest in state-owned enterprises on favourable terms.
- GOU achieved the objectives of efficiency, productivity and profitability in the privatisation process. Compared to the pre-privatisation period, there was an increase in capacity utilisation, sales revenue, and tax contribution to government, profitability, product quality and diversification. However, distribution of ownership left discontent.

- There is evidence that the private sector has not been significantly stimulated. The goal of establishing a well functioning private sector has been constrained by the absence of institutional mechanisms to provide an engine for the growth of the private sector.
- There is evidence of an improvement in employment levels during the privatisation period. The composition of the employment is, however, skewed in favour of male compared to female workers. At the same time, the findings indicate that female workers have increased in number compared to the pre-privatisation period. There was no evidence to attribute this to privatisation itself. It may possibly be attributed to factors beyond the outcomes of privatisation.
- There has been improved remuneration but there were signs of large discrepancies in its distribution between top management and other workers, which is a likely explanation of part of the social discontent.
- Education among workers has increased but largely as a result self desire to improve rather than as a result of privatised firms' policies.
- Job turn-over rates have increased particularly among lower cadre workers.
- People's welfare has to some extent improved as a result of increased productivity, output and a wider range of consumer goods. On the other hand, part of the population has been adversely affected by the privatisation process in the sense that increased pay has come with increased workload and other performance criteria that are detrimental to the workers' welfare.
- Workers' job security has reduced as their power to organise and dialogue with employers has seriously weakened.
- The findings indicate that that the privatisation process was poorly managed-there was lack of transparency, political interference, corruption and underhand dealings in some cases. There was speculative bidding leading to delays in award of tenders to deserving bidders. There is also evidence that the process was unfair and biased in favour of certain entities. Although government has documented the use of divestiture proceeds, there is suspicion that proceeds are mismanaged.

3.2.2 Study Policy Recommendations

In order for the exercise to succeed:

- There should be a favourable macro-economic environment.
- The timing and sequencing of the process should be appropriate.
- There should be well functioning capital markets. GOU should, the refore, ensure that capital markets are developed to mobilise savings and permit popular participation.
- There should be public education on the benefits of privatisation.
- There should be improved transparency.
- There should be government commitment with active involvement of cabinet and parliament.
- There is need for a bottom-up approach to allow enterprises prepare their own privatisation plans and facilitate civil society participation and commitment at all levels.
- Companies should be adequately prepared and made attractive for sale.
- Bureaucracy in the privatisation process should be kept to a minimum.

3.2.3 Study Conclusions

- The analysis shows that while the privatisation process brought with it costs and benefits, it is difficult to ascribe in totality the costs to the privatisation process given that there were several forces at play. Some of the causes of discontent are multifaceted and lie beyond the privatisation process itself.
- Given the appalling state of public enterprises at the time the privatisation process started, it was the most ideal choice for government.
- Whereas the choice was ideal, the timing and sequencing of the exercise were not proper. There was slow evolvement of appropriate policy and institutional framework within which the process would function and allow full public participation.

- In addition, there was inadequate commitment from some members of government and other institutions (such as cabinet, parliament and even DRIC) other than the President.
- The top-down approach used in the process(without involving workers) created uncertainty in the eyes of the public.
- There was inadequate public awareness about the essence of divestiture largely due to lack of transparency in the whole exercise.

Box 3: Issues Raised on “The Privatisation Process and its Impact on Society”

- Why has the privatisation process not been welcome and yet it had huge political backing and good intentions?
- There are contradictory processes in society that create new forms of poverty that must be addressed.
- The study did not explain how resources generated from privatisation were used to help the poor.
- There are social and moral issues surrounding the privatisation process that are wrong to which WB is keeping a blind eye.
- The study did not explain how gender considerations were taken into account.
- Has the debt emanating from the privatised enterprises reduced after sale or not?
- The privitisation exercise was undertaken without consideration of the workers who were in the privatised enterprises.

3.2.5 Comments by Researchers & Discussants on Participants’ Reactions on “The Privatisation Process and its Impact on Society.”

1. The main issue of concern is “Why privatise? What are the benefits and costs (to society)?”

- People did not participate due to poverty.
 - The study did not bring out the unequal distribution of income as a cost to society.
 - The impact of the use of averages in case of costs/benefits does not come out.
 - The analysis should have brought out the “before” and “after” scenarios. Lack of data did not allow the analysis of the “before” and “after” scenarios.
 - Where financial and capital markets are weak, privatisation should be avoided.
 - Privatisation should not be rushed for the sake of it.
 - Privatisation is not the only way to liberalise-e.g. contracting of services can be used.
 - There should be no discrimination in privatisation – affecting one sector while others are left out will not lead to full benefits. Otherwise, privatisation will cause more costs than benefits to society.
2. In order for privatisation to succeed, there should be sufficient communication with the public particularly on the use of proceeds. GOU has not used proceeds of privatisation to finance social services.
 3. The policy was good but poorly implemented.
 4. Women were more affected - no affirmative action in the whole process.
 5. There was no reduction on the drain on public funds - subsidies have not reduced.
 6. Employment in the private sector is a question of skills: Have the skills, get the job.
 7. There is need for transparency regarding privatisation proceeds.

Box 4: Issues and Recommendations Emerging from Group Discussions on Privatisation

- There is need to have a recruitment policy for privatised firms - jobs are advertised but people lack social networks to get the jobs. The study should provide a recommendation on recruitment
- Appropriate policies need to be put in place to address critical issues like UPE.
- There is need to explain how resources generated from the privatisation process will help the marginalised groups.
- There is need to have affirmative action for women - women need to be given the opportunity to participate in purchasing enterprises.
- Women's perceptions regarding poverty need to be taken on board.
- Labour laws and minimum wage need to be revised.
- Workers should participate in the decision-making process of their respective enterprises.

3.3 Study III: The Impact of Expenditure Management under SAPs on Basic Social Services-Health & Education (By Mr. Abel Ojjo, MSE Consultants)

3.3.1 Summary of Key Study Findings

The study findings indicate that while some positive results were achieved from SAPs, most of the objectives were not achieved. For example, while the implementation of Government policy on UPE is well intentioned, the quality of education has deteriorated remarkably with the teacher/pupil ratio at 1: 100 and inadequate infrastructure. Furthermore, the Primary Health Strategy (PHS) which Government is trying to implement is built on a very weak health system and is coming too late. The disease burden is still very high and is exacerbated by poverty, a very low doctor/patient ratio and uncoordinated research.

Other social indicators also depict a negative picture. Only 30% of the population have access to safe water and national coverage of latrines is only 60% and yet not equally distributed. The national extension service has broken down. Districts to which powers for employment of extension workers have been devolved have no capacity to employ and facilitate these workers. Additional key issues that stand out from the findings include the following:

Macro-economic Transformation

- There has been a sustainable increase in per capita GDP.
- Macro-economic stability has been achieved.
- Substantial decontrol has been achieved.
- Investor confidence rating has improved.

Civil Service Reform

- Size of the public sector has been reduced (downsizing the number of public servants).
- There has been no real rise in salaries to a living wage level as a result of savings from the reduction in the number of public servants.
- Social costs of retrenched public servants were modest but delays in payment of retrenchment packages coupled with low pensions caused severe hardship for retrenched public servants.

Rural Population

- The poor (majority of the population) got limited benefits since they live on subsistence. Cash crop liberalisation benefited a minority and decline in terms of trade continues to prevent the realisation of cash crop liberalisation.
- Rural incomes in real terms have fallen while the cost of services has increased beyond the means of the rural population.

Trends in Public Expenditure

- Public expenditure has increased.

- Expenditure on health and education has risen in real terms during the period of SAPs.
- Per capita increase in social spending was outweighed by increase in relative prices of health and education.
- There has been a rise in health facilities but their utilisation is limited by lack of complementary inputs like drugs, staff and funds.

Health Sector

- A significant number of people do not receive health services from public facilities while others do not receive from either the public or private facilities. Some of the poor find difficulty accessing services from public facilities because the drugs are not there or are inadequate or they cannot afford the user fees. They also cannot go to private facilities because of the high cost.
- Public spending in the health sector is higher in curative than preventive measures and yet it is in these facilities that cost sharing is most demanding.
- The poor and the rich use outpatient health facilities implying that subsidies in health care services benefit the rich.
- Maternity services are limited for the majority of the rural women.
- Cost sharing works well where incomes are reasonable and health services are well provided.
- Public service health facilities experience drug shortages and this is a disincentive to the accessibility of those facilities. In such cases cost-sharing bridges the gap.
- There is difficulty getting specialised health workers in public facilities (e.g. laboratory technicians, dental assistants, etc.) due to poor remuneration and facilitation.
- Health indicators are generally poor (health expenditure is skewed in favour of the rich; inadequate maternal care for rural/poor women; high costs of medical care).

Education

- Prior to SAPs, enrolment at Primary level had stagnated around 2.5 million pupils. The burden of education was born by the parent/guardian.
- UPE increased enrolment mainly from the poor. But the increase overwhelmed teachers and facilities resulting in poor quality indicators.
- Prior to 1997, only about 36% of public spending on primary schools reached the schools. Since 1997, there has been increasing public resources going to primary education (70% of discretionary recurrent expenditure) to cater for teachers, classrooms and textbooks. The teacher/pupil ratio is also gradually falling.
- Public sector secondary and tertiary education favours the high income groups due to the high cost. The poor, therefore, find it increasingly difficult to access high education.

Other Concerns on Health and Education

- Even with UPE in place, a number of disadvantaged pupils still cannot access formal education.
- Financial management at facility level (school, health facility) is still poor.
- The role of communities is not clearly defined and disseminated (especially what is expected of parents).
- The audit function at local government level is weak. Teachers' payroll and resources are not effectively managed.
- The cost of secondary education is high to the detriment poor sections of the population.

Decentralisation

- The policy has increased resources available at districts and facility levels.
- Staff levels at facilities (schools, health centres) are still low and other incentives for them to effectively provide services (such as housing) are not available or very poor.
- Participation in policy formulation at local government level is still low.
- The flow of funds from central government has improved but is still insufficient to meet government mandates at local government. Transparency in the flow is weak.

- There are wide variations in acceptability of user fees.

Conditionalities

- A number of conditionalities at the start of SAPRI were resented and partially implemented.
- Procurement conditionalities were found to be restrictive and held back the implementation of the programme.
- Adjustments have been made in conditionalities in recent years to improve outputs and outcomes of the programme and to ensure sustainability.

3.3.2 Study Policy Recommendations

- Restructure public spending in the health sector to favour primary and preventive health care.
- Allow increased participation of more stakeholders including civil society through policy dialogue. NGOs should take responsibility of monitoring the performance of the poor.
- Civil society should be strengthened to play an effective role in promoting transparency, public awareness and monitoring in public expenditure management.
- Public spending on secondary and tertiary education should be re-adjusted to increase accessibility for the poor.
- Staffing levels in schools and health centres should be re-adjusted to effectively utilize available resources.
- Maternal health care services should be enhanced to create accessibility for the poor.
- Public resources allocated to the two sectors should be better managed in order to improve quality and efficiency of social service delivery.

3.3.3 Study Conclusions

Basing on the findings of the study, the belief held at the time of introducing SAPs that public expenditure reform would lead to the restoration of price stability and improvement in the cost-effectiveness of the provision of social services has not necessarily been the case. There has been a decline in real wages of public service providers, a factor blamed for poor service delivery. Decentralisation has had dismal impact largely due to poor remuneration and poor structures of accountability. Besides, the districts are at different levels of development and needs. The removal of subsidies in the health sector and the introduction of user fees has increased the proportion of the population who cannot afford such services, and hence deterioration in social development.

Box 5: Issues Raised on “The Impact of Public Expenditure Management Under SAPs on Basic Social Services-Health & Education”

1. **UPE:** The question should not be “How many classrooms have been constructed.” GOU should be concerned with how many children are retained at school and how many receive appropriate services.
2. **Health & Education**
The study has not established why people do not come to public health facilities. It is because people can't find what they need from those facilities. This is the same with education (that is why the able do not take their children to UPE schools).
3. What is the position of GOU/Donors on user fees? This must be clear-there must be a more practical recommendation on user fees. People know that unless they pay, they will not get service from public facilities.
4. The argument that the situation prior to SAPs was very bad as a justification for the failures under SAPs does not solve the problems. There should have been a wider perspective for alternatives that can help us get out of poverty.
5. In reference to the suggestion that civil society should be appreciative for having its voice heard: The “space now available to civil society was not given by WB/GOU but has been fought for by civil society.”
6. There have been too many reforms in many sectors and this is likely to overshadow any impacts that might have resulted.
7. The study did not give a breakdown of figures on expenditure on social services and where the money has gone.

3.3.4 Comments by Researchers & Discussants on Participants’ Reactions on Public Expenditure Management on Basic Social Services (Health & Education)

1. There has been increased expenditure on public services but less tangible impact.
2. Where user fees have been applied, it was for cost recovery.
3. Corruption is a key element affecting public expenditure.

Box 6: Issues and Recommendations Emerging from Group Discussions on Public Expenditure

1. Why have social indicators e.g. on health, not improved despite increased government expenditure? Probably government should improve on manpower and its facilitation.
2. Civil society should be sensitised to make contributions to the success of the policies, but not to leave the government take sole responsibility.
3. The health part of the study presentation was left open- ended
4. Civil society should sensitise parents to contribute to the success of UPE.
5. There is a lot of inconsistency in the education policy. It was observed that teachers are retrenched every other day, which has caused insecurity among teachers while new teachers are being recruited.
6. Civil society should come out strongly to support government in designing the education policy.
7. The role of civil society in monitoring public expenditure should be strongly considered.
8. Does GOU have a strategy on how to run social services without donor support?
9. The report does not interpret the analysis of huge expenditure and modest impact. The report should explain why things are what they are and what should be done.

3.4 Study IV: The Impact of Liberalisation on Agricultural Production and Food Security (By Dr. Nyangabyaki Bazaara, Centre for Basic Research, Kampala)

3.4.1 Summary of Key Study findings

The study findings indicate that:

Liberalisation led to increased agricultural production some cases

- Broadly speaking, there was increased production of some crops such as coffee during the liberalisation period.
- However, there are indications that the bulk of that production was a result of non-price factors that are not related to liberalisation such as the return of peace and security after civil instability coupled with improved infrastructure. Increases related to price factors were observed in the case of maize.

There were improved returns to farmers

- The returns, however, did not lead to tangible improvements due to the fact that each farmer produced very small quantities.

There were differentials in impact

- There were differences in impact depending on regions, gender and socio-economic distributional characteristics. Farmers have unequal access to productive resources and therefore unequal benefits from the higher prices.

There was reduced food security

- The expansion of crops for export led to less food crops being grown and hence reduced food security given that there is no security of land tenure in some areas and that there was no transformation of the technological base. The relative increase in cash crops did not generate sufficient cash to afford the households greater food security.

3.4.2 Study Recommendations

The study proposes the following in order to benefit the farmer, improve gender relations and food security:

- Improve rural transport and infrastructure (e.g. roads, markets, etc.)
- Improve rural farmers access to information and improved agricultural technology.
- Improve access to agricultural resources (e.g. credit) particularly for women.
- Improve land tenure security through land reform particularly to favour women and poor farmers.
- Improve food storage information and technologies.

3.4.3 Study Conclusions

Liberalisation can stimulate production but it has limitations. There must be other attendant factors (e.g. good infrastructure, free flow of market information, security of land tenure, etc.) in order for improved production to take place. While there have been increases in the production of some crops, there was little to prove that the increases were a result of liberalisation. There is more evidence to suggest that non-price factors were responsible where output increases were realised. Even in such cases, there was no tangible evidence to show that the farmers' welfare had improved. There was a decline in food security as the tendency to produce for sale led the farmers to substitute resources away from production for home consumption.

Box 7: Issues Raised on “The Impact of Liberalisation on Agricultural Production and Food Security”

- There is need to define food security in broader terms since it is a major concern for civil society.
- The paper talks about peace, security, coffee/banana improvement programmes, and improved infrastructure, among others, as major factors contributing to improved production. There is therefore need to be flexible in policy formulation to be able to identify such non-price factors together with the people and incorporate them in the policies.
- The study should provide information on whether liberalisation has improved the women’s situation since there is evidence that women provide the labour and are still using a hand hoe.
- There is evidence that international trade favours developed countries. The study should provide information on how Uganda benefits from this trade.
- We need a policy regarding the prices of cotton and coffee, which are going down.
- Piecemeal implementation of SAPs was not beneficial. Civil society needs to be proactive to see that such policies are implemented properly.
- A policy needs to be put in place to mainstream gender issues.
- There should be a linkage between liberalisation and food production
- There is need to revisit the land policy.

Box 8: Emerging Issues and Recommendations on Agriculture and Food Security

- The methodology used during the study should look at how different people are affected by the liberalisation policy. It should also look at food security measures.
- There should be access to information.
- Important to highlight which sectors lost/gained and why.
- Liberalisation and value added should be addressed.
- There are varieties of crops grown by farmers and these should have been highlighted in the document. Animal rearing should also be highlighted.
- Preservation methods for animal products should be highlighted.
- There is need to highlight how modernisation of agriculture has been affected by liberalisation and vice versa.
- Extension services should be liberalised if farmers are willing to pay for the services.
- Government needs to protect farmers regarding improved seeds because some seeds do not germinate and yet are regarded as improved seeds.
- Recommendations should be specifically targeted i.e. specify particular ministry responsible for particular tasks.
- Government should co-manage natural resources with the community.
- School syllabus should be revised to include liberalisation as a topic to capture issues on agriculture.
- Build capacity at district level.
- Disseminate research findings by NARO.
- A policy should be put in place to ensure that every household has a garden for food crops as well as cash crops.
- Formulate a land use policy and provide for women's access to land.
- Formulate a policy to provide credit to women farmers.
- Government should provide subsidies to farmers where necessary e.g. advisory services, inputs.
- Revive the old system of granaries/storage facilities.
- Farmers need to be trained in crop production and marketing
- Government should have or provide funds for demonstration at the sub-county level
- Government should budget for adequate funds and allocate them to the agriculture sector.
- Civil Society should sensitise people
- Activities of civil society should be co-ordinated.
- Research should be initiated and integrated as part of every programme but not to be considered as a separate component.

Box 9: Additional comments/recommendations made after group presentations

- On the complaint that expenditure on Agriculture by GOU is small, Margaret Kakande, (Government representative) pointed out that farming, which is the major activity in Uganda is practised on private basis. Therefore, Government has no direct role to play. She further commented that several studies conducted by government indicate that farmers interviewed prefer more funding for education and health than for farming. She clarified that government funds are spent on agricultural research and extension services to enhance productivity.
- Farmers should be encouraged to grow crops they can store.
- Market for products: There is need to have more roads so that more people are reached.
- Functional Adult Literacy programmes should be introduced especially for women.
- Granaries should be constructed at the sub-counties.
- Policy making should involve the participation of all stakeholders but not government alone.
- A policy on irrigation should be designed to enhance food security.
- Land use issues should be revisited in the land bill.
- Government should protect farmers against harmful agro-chemicals.
- Government should protect farmers against the use of seeds that do not germinate (*which may probably be genetically modified*).
- There is need to have food security policies alongside liberalisation policies.
- There is evidence that while some lost others gained during the implementation of the liberalisation policy. However, there are those that neither lost nor gained. Therefore there is need for coping strategies.

Box 10: General Comments Emerging after Discussions - The South African Experience

South African visitors shared the following views:

- It is important to keep baseline data.
- There are no easy solutions to certain situations, and often problems are perceived differently.
- Marginalised groups also exist in South Africa (the women, elderly, disabled, etc.).
- There is a need to have land reform and land use policies.
- Many people do not have access to information. It is therefore important to disseminate information.
- Civil society plays a greater role in influencing policies. They should, therefore, be integrated in policy dialogue.
- In Uganda where subsistence agriculture is predominant, food security needs to be ensured. South Africa also has many people practising subsistence agriculture despite having a large commercial agricultural sector.
- There is need for accountability and transparency.
- The Ugandan experience has provided important lessons on local participation in policy making.

4.0 THE WAY FORWARD

4.1 Perspectives of the Uganda NGO Forum (Chairman, Uganda National NGO Forum, Mr. Richard Nuwamanya)

He appreciated the role played by the NGO Forum. He commented that civil society is an indispensable partner in the SAPRI process that plays an important role in fighting poverty in Uganda. He further pointed out this participation is the bedrock for sustainable, people-centred development. He commended the NGO Forum for the good work. On education, Mr. Nuwamanya pointed out that this is a crucial area, which had been discussed in-depth earlier (8th-9th January 2001) to generate civil society's contribution to the Education Bill 2000.

In his concluding remarks, he thanked the tripartite for their active participation in the SAPRI process. He reminded participants that on 25th April 2001, the Uganda National NGO Forum would convene a general meeting to discuss further the role of civil society and elect new members.

Perspective of the Civil Society Steering Committee (By Helen Wangusa, Chairperson Civil Society Steering Committee)

Helen Wangusa thanked participants for the capacity they demonstrated in participating in policy analysis. She pointed out that World Bank has experts and NGOs have ideas. She highlighted the following as a way forward:

- Participants need to continue contributing their views to the NGO forum.
- Researchers need to return to the districts where studies were done and share findings with a view to improving on the findings before the national report is submitted.
- There is need to ensure that the local population is involved in policy formulation, implementation, monitoring and evaluation.
- There is need to produce economic literacy materials/resources (possibly an economic literacy manual) to build capacity of civil society to enable them fully support the SAPRI process.
- There are research gaps that need to be filled.

- Co-ordination with other SAPRI countries should be enhanced since we have many issues of common concern.
- There is need for regional ties with e.g. Kenya, Tanzania since issues discussed here affect boarder relationships.
- Interaction with government should be enhanced.
- There is need to have a strong analysis of gender relations in these studies as well as strengthen our understanding of research methodologies.

Perspective of SAPRI Africa (Chairperson, SAPRI Africa, Dr. Akwetey Emmanuel),

He reminded participants that SAPRI is a process intended to lead civil society into better partnership with government and multinational financial institutions like the World Bank. He pointed out that development policy choices were made without involving civil society. But in this era of democratisation that culture of governance is changing. He further pointed out that civil society should get more involved in the decision making process, implementation and monitoring of policies, since SAPRI has provided an important opening.

He emphasised the need for capacity building of civil society as there is evidence that new roles are emerging and there is need to be prepared for them. He commented that in the past political parties were thought to be the key actors for public awareness/mobilisation but in a market economy the challenge now lies with civil society. This will require NGOs to shift from delivery of social services to building research capacity of local communities to enable them participate in the process effectively. SAPRI provides the platform.

Dr. Akwetey requested civil society to work together in promoting development of both their respective countries and the continent (Africa) at large. In conclusion, he requested the Uganda National NGO Forum to form a small committee comprising of the researchers, discussants and others with capacity to critically analyse the research reports

before the country report is produced for the Global Forum. He also encouraged researchers to critically analyse their reports before submission.

Perspectives of SAPRIN (Chairperson SAPRIN, Muriel Mafico)

She reiterated that in Uganda unlike Zimbabwe, the process has been truly tripartite. She however raised the following comments:

- People have limited participation due to lack of access to information. Even when it is accessible it is packaged in a way that civil society cannot use due to the technical language used.
- There is need for sustained dialogue and scaling it up to include other ministries.
- Civil society should reach out to those people that have not been reached to have a broader participation.
- The challenge of engaging in research is crucial for civil society. Advocacy cannot be effective without researched data (and not just desk research).
- Co-ordination should be strengthened among donors and there is need to involve other funding partners.
- There is need to document.

World Bank Perspective (Programme Manager, World Bank Uganda, Bob Blake)

Bob Blake pointed out that the discussions were enriching and stimulating. He, however, raised the following as crucial areas in the SAPRI process:

- In principal, there is no particular dispute but there are concerns on implementation (e. g. corruption and lack of transparency) that should be addressed.
- There is need for a retrenchment policy – how was it carried out?

- There is need to have complimentary policies like the land tenure.
- There is need to define food security and carry out further research in the area.
- Gender dimensions need to be addressed further.
- In Public Expenditure, there is need to acknowledge that service delivery in the Poverty Eradication Action Plan (PEAP) is critically important.
- There were dilemmas in policy choice e.g. cost sharing, - on the one hand, mobilise resources to make services available, and the other hand, avail services to the poor. The discussions showed maturity.
- Other trade-offs: e.g. for UPE, government should dialogue with civil society. As for World Bank, the quantity objective is critical.
- Poverty is multi-dimensional. Despite various definitions Uganda remains a poor country. The bottom-line is, therefore, poverty eradication.
- Civil society should be involved at different levels (policy formulation, implementation and monitoring). NGOs are involved at implementation level.
- In monitoring, NGOs may be able to offer better services. There is potential to be exploited by the NGOs e.g. the Uganda Debt Network which monitors government spending. There is therefore evidence that NGOs can provide useful monitoring services on expenditure delivery.

In conclusion, he pointed out that in all these areas civil society has capacity to fill the gap. The question is, “How will it be filled?” The World Bank is ready to work with Government to facilitate the process.

Perspective of the Government of Uganda (Margaret Kakande)

The representative of Government of Uganda congratulated civil society for getting organised and for having a platform. She reiterated that in government there is need for partnership with civil society at all stages and pointed out that civil society has a challenge of engaging in policy formulation. She, therefore, requested civil society to have empirical data if they are to participate with government as equal partners. She

further pointed out that a number of organisations have the capacity to deliver services and government has engaged them. She however requested NGOs to deliver services without corruption. Regarding monitoring and evaluation she pointed out that government needs NGOs to do the monitoring. She requested participants to stop opposing things simply because they are outside the system but to get actively involved.

In her conclusion she commented that government is ready to work with civil society to see improved change in society. She, therefore, requested civil society to submit policy recommendations that are relevant for policy improvement. She finally requested civil society to update their information since there has been evidence that civil society and government statistics tend to differ on many occasions.

Perspective of the National Civil Society Steering Committee (Chairperson, Kevin Akoy Makokha)

She thanked participants for their active involvement in the SAPRI process. She commented that the design of economic policies has been between government technocrats and World Bank without civil society. She pointed out that SAPRI process has opened way for civil society to participate with government. She thanked the government for creating space for dialogue. She also thanked the World Bank for accepting to participate in the SAPRI process. She reminded civil society to use the space effectively. She further commented that emphasis on participation does not necessarily mean that one should take up all the voices. There will always be points of disagreement but there should be agreement on how to come to consensus.

Regarding empirical data, she pointed out that while the Government of Uganda and World Bank value empirical data, there are issues that cannot be quantified. She recommended inclusion of both qualitative and quantitative data in policy formulation, implementation, monitoring and evaluation. Although this was seen as a challenge, NGOs were requested to accept the responsibility.

She further pointed out that donors in Uganda are highly organised. Every major government sector has to have a sector plan and all donors know how much to put in. Civil society is now challenged to work to access these resources only if the NGOs are co-ordinated and committed. She requested the government to include other ministries so as to facilitate the SAPRI process.

As a way forward, she reminded civil society that, as we demand participation, the mission and vision is to fight poverty. She therefore requested civil society to participate effectively and continue with policy dialogue.

Emerging Issues

- It was pointed out that at district level partnership is not strong. It is therefore necessary to strengthen it as well as building the capacity of the district officials.
- SAPs have had a direct relationship with external aid. In an effort to reduce donor dependency partners should bring out this issue. And as the process continues are we aiming at reducing or enhancing donor dependency?
- Importance of involving local people in efforts tailored towards their own development. It is also important to build local capacities since they have a role to play in promoting their own development. There is need to train them in their roles and responsibilities.

5.0 PLAY ON THE IMPACT OF SAPs – THE TWIN SEASONS

As part of the proceedings of 2nd National Forum, a local theatre group presented an illustrative play on the diverse social impact of SAPs in Uganda. The drama depicted various outcomes of SAPs highlighting problems such as loss of employment, break-up of families, school children drop-outs, involvement of girl-children in sex work/prostitution, lack of drugs/services at health centres, and other coping strategies such as fraud. The play also highlighted the effects of trade liberalization on local industry and displacement of local development priorities. Although the play appeared to

have exaggerated the negative aspects of SAPs, much of it depicted the reality about the situation on the ground. The dramatic way in which the play was presented appeared to have a strong educative element for the illiterate groups in Uganda.

6.0 PRESS CONFERENCE

A press conference was held after the official closure of the SAPRI 2nd National Forum which highlighted the issues that had been addressed in order to improve the adverse effects of SAPs.