Uganda

Background

Mustapha Jobarteh
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Uganda is a landlocked East African country situated on the equator, and derives its name from the kingdom of Buganda, which was one of the many large, centralised kingdoms that were formed on the land as early as 1200.[1] Neighbouring countries are Kenya to the east, South Sudan to the north, Rwanda and Tanzania to the south, and the Democratic Republic of the Congo (DR Congo) to the west. Uganda has a low-income economy, and it is a member of the East African Community (EAC), the Intergovernmental Authority on Development (IGAD), and the Common Market for Eastern and Southern Africa (COMESA).

Uganda is considered a democracy although its journey has been marred by military coups, political instability and unstable regimes since the abrogation of the 1962 constitution.[2] The 2005[3] constitutional amendment marked the beginning of multiparty democracy which replaced the ‘movement system’, where a candidate stands as an individual to be elected on personal merits and not as a member of a political party.[4]
The country has an independent judiciary provided for by the constitution, with the Supreme Court as the constitutional and final court of appeal. Accored limited jurisprudence on criminal and civil matters, the Magistrate Courts appeal to the High Court and the High Court to the Supreme Court. The current unicameral parliament consists of 556 members, of which there are 353 constituency representatives, 146 women representatives, 28 ex-officio members — who do not vote — and five representatives each for youth, workers, older persons and persons with disabilities. The Uganda Peoples’ Defence Force has 10 seats.[5]

The country has a total land area[6] of 241 038 km² with large freshwater bodies and wetlands. Its lakes include Lakes Victoria, Edward, Albert Kwania, Kygo, Kwania, Kojweri and Murlu. Uganda’s tropical climate means that average temperatures are warm and pleasant all year round, averaging 18°C to 28°C. The country has abundant natural resources and a variety of flora and fauna. In 2006, oil reserves were discovered on Lake Albert along Uganda’s western border with the DR Congo. Efforts to explore the reserves are bearing fruit, with the French company TotalEnergies and the China National Offshore Oil Corporation signing a US$10-billion agreement to develop the oilfields and ship the crude oil through a 1 400 km pipeline to the Tanga port in Tanzania.[7] The crude oil will be transported through the massive East African Crude Oil Pipeline Project (EACOP). However, efforts are being hindered as the European Union Parliament told France’s TotalEnergies to halt activities due to environmental concerns in 2022.[8]
National Development Plans

Chart 2: National development plan of Uganda

To attain long-term growth and development, the government of Uganda has pursued long-term economic planning since independence. During the first 10 years of independence (1962–1971) Uganda developed two medium-term plans which were interrupted by the ‘economic war’ plan in the 1970s. In the 1980s, the World Bank pioneered the Structural Adjustment Program and later the Economic Recovery Program in 1987. Between 1997 and 2008, the long-term planning framework for the government was the Poverty Eradication Action Plan.

Furthermore, in 1997 Vision 2025 was developed (Prosperous people, harmonious nation, beautiful country), followed by a draft Vision 2035 in 2007, which served as the country’s long-term development perspective plans. However, neither were operationalised due to the lack of appropriate institutional frameworks, and legal and policy matters. The Comprehensive National Development Planning Framework (CNDPF) was approved in 2007 and it laid the foundation for the development of a 30-year development plan that will be implemented through three ten-year implementation plans, six national development plans, local government plans, annual work plans and budgets.

These efforts culminated in the development of Vision 2040. The tagline of Vision 2040 is ‘A transformed Ugandan society from a peasant to a modern and prosperous country within 30 years,’ with the goal of achieving upper-middle-income status by 2040 with a GDP per capita target of US$9 500. Anchored on the principles of independence and sovereignty, democracy and the rule of law, knowledge and skills, and an effective regional partnership, the strategy for attaining Vision 2040 is based on harnessing the opportunities that exist in an ‘abundant labour force, minerals, oil and gas, agriculture,
tourism, knowledge and ICT [information and communications technology], industrialization, water resources, geographical location and trade to strengthen the fundamentals of human resources, transport infrastructure and services, energy, science, technology, engineering and innovation, urban development, land, and peace, security and defence.’[12] Vision 2040 is complemented by the Uganda Vision 2040 Spatial Framework.[13]

The country is now implementing its third National Development Plan (NDPIII), which aims to increase household incomes and improve the quality of life of Ugandans by means of resource-led industrialisation that boosts value addition in key growth opportunity areas of agriculture, tourism and minerals.[14] The NDPIII (2020/21–2024/25) seeks to attain industrialisation by expanding manufactured value and the share of total export as well as increasing locally produced manufactured goods. Private sector development and human capital development are key areas of intervention to build the educated, skilful and productive labour force that is to drive the industrialisation process.[15]

The NDPIII builds on the successes of the previous NDPI and NDPII, such as sustained peace, security and macroeconomic stability, more than doubling the GDP between the financial year 2010/11 and the financial year 2018/19, and increasing per capita GDP of US$70, despite the large population growth between 2015/16 and 2018/19. Uganda’s domestic revenue collection tripled between 2010/11 and 2018/19, and there was an increase electricity access, paved roads, remittances and exports during the same period. Similarly, the social sectors of education and health registered significant improvements during the implementation of NDPI and NDPII as is evident from the increased enrolment in business, technical and vocational training from 25 262 to 129 000 students between 2008 and 2017, and increased access and use of health services.[16]

Despite the progress registered, key challenges remain such as a large subsistence economy estimated to constitute 68.9% of households,[17] a large youth bulge at 78%, coupled with a mismatch between the skills required for labour markets and knowledge produced by training institutions. Uganda struggles with a high cost of electricity, limited access to and high cost of capital, wide regional disparities in poverty, low capacity and high prevalence of corruption, low educational quality, and the increase in non-communicable diseases. These development challenges are all recognised by NDPIII. Moreover, slow project implementation is a key concern as 20 of 42 NDPII projects were still at the feasibility stage or had not been started when the NDPIII was drawn up. The World Bank recognises that a less supportive external environment, reduced momentum for reforms, exogenous shocks such as drought, and a debt-financed public spending that crowds out the private sectors are key challenges to the Ugandan economy.[18] The invasion of Ukraine has affected Uganda, just like many African economies, causing rising commodity and food prices and the increased cost of fertiliser. As a result, real GDP growth is projected at 4.4%, which is below the recovery path of 4.7% in 2022.[19]
Endnotes

1. The World Factbook, Uganda
2. World Bank, Uganda Vision 2040
3. World Bank, Uganda Vision 2040
4. Nexus Commonwealth Network, Uganda
5. Parliament of the Republic of Uganda, Composition of Parliament
8. One News Page, Uganda furious at EU parliament censure of mega oil project, 16 September 2022
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About the authors

Mustapha Jobarteh joined the ISS in January 2022 as a Senior Researcher in the African Futures and Innovation programme in Pretoria. Before joining ISS, Mustapha was a senior lecturer and Head of the Department of Economics and Finance at the University of the Gambia and a research fellow with the Center for Policy, Research and Strategic Studies. His interests include macroeconomics, international trade and econometric modelling. Mustapha has a PhD in economics from Istanbul Medeniyet University, Istanbul, Turkey.

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