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Beyond the poverty agenda? Insights from the new politics of development in Uganda

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What is Chronic Poverty?

The distinguishing feature of chronic poverty is extended duration in absolute poverty.

Therefore, chronically poor people always, or usually, live below a poverty line, which is normally defined in terms of a money indicator (e.g. consumption, income, etc.), but could also be defined in terms of wider or subjective aspects of deprivation.

This is different from the transitorily poor, who move in and out of poverty, or only occasionally fall below the poverty line.

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Abstract

The politics of international development has shifted significantly in recent years, with important implications for the future of the poverty agenda. In the case of Uganda, the particular forms of politics that underpinned the poverty agenda were displaced during the mid-2000s by a new set of drivers conducive to a more ambitious programme of growth and structural transformation. The discovery of potentially significant levels of oil wealth, the growing influence of new donors, and the return of multi-party politics all served to embolden the President's long-held ambitions of seeking to emulate the East Asian miracles, an ambition largely encapsulated in the new National Development Plan (NDP). The NDP process was clearly controlled by the government but also reflects the influence of new thinking and new instruments being promoted by international financial institutions seeking to retain relevance to development policy-making in the global south. The NDP agenda suggests a strategy that moves beyond the Post Washington Consensus and which could result in larger and more sustainable levels of poverty reduction over the long-term. However, the actual mechanisms through which the intended economic growth and structural transformation leads to a progressive distribution of the benefits (e.g. through employment or social protection) remain largely absent. The arrival of oil wealth over the next few years may help to resource the ambitious investments proposed within the NDP, but may also undermine more labour-intensive sectors of the economy and deepen existing governance problems. As things stand, Uganda lacks the type of developmental state required to realise the NDP agenda, suggesting that it may be some time yet before the laudable ambitions of the NDP gain traction beyond the inner circles of policy-making.

Keywords: Uganda, economic growth, structural transformation, policy

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Executive summary

The politics of development in Uganda has changed significantly in recent years, catalysing a move away from a poverty agenda towards a focus on growth and structural transformation. The underlying drivers of this shift include Uganda's declining reliance on traditional sources of aid, the return of multi-party politics, and the discovery of large oil reserves. These have significantly altered the relational basis of development policy-making in Uganda, between government and donors, and also between the 'finance ministry' and 'civil society' tendencies. The National Development Plan (NDP) reflects and captures these shifts and exhibits significant differences to the earlier Poverty Eradication Action Plans (PEAP), in terms of both content and process. The NDP has already gained some traction in terms of sectoral alignment and budgetary allocations, with the 2011-12 Budget, further reducing the share of the budget for Poverty Action Fund allocations alongside large increases for infrastructure and energy.

The move from a focus on poverty reduction towards an agenda of economic productivity and structural transformation could be seen as constituting a shift away from previous donor-driven paradigms in favour of something more akin to a 'Southern Consensus' (Gore, 2000). In a symbolic shift, the landmark PEAP aim of reducing poverty to 10 percent of the population by 2017 has been replaced by the target of becoming a middle-income country by the same year. In essence, the NDP can be read as a form of preparation for the expected arrival of serious levels oil exploitation from 2015 onwards, the aim being to prepare the infrastructural and human resource capacities required to ensure that the oil reserves are fully exploited. In many ways this shift towards structural transformation offers a welcome move beyond an often unambitious poverty agenda, and holds the promise of more sustainable poverty reduction over the long-run. However, far more needs to be done to identify the distributional implications of this renewed project of modernisation, particularly regarding employment creation, agricultural modernisation, social protection and addressing regional inequalities. The apparent shift away from neoliberalism has not yet been replaced by a clear position on the respective roles of the public and private sector.

The process of producing the NDP was also markedly different to that employed for the PEAP, particularly in terms of the reduced role of donors, civil society organisations and the Ministry of Finance, which had previously formed the 'iron-triangle' through which poverty reduction strategy papers were produced both in Uganda and more broadly (Gould, 2005). This significantly displaced the actors and relationships that had helped keep poverty reduction a central part of the agenda. The shift in responsibility for development planning from the Ministry of Finance, Planning and Economic Development (MFPED) to the National Planning Authority (NPA) reflected in part a desire amongst politicians, and the executive in particular, to take greater control over the development policy agenda, a feature that has become increasingly apparent within government across a range of budgetary and policy processes since the return of multi-party politics in 2006. NPA clearly saw the production of the NDP as a patriotic duty and the President repeatedly stated that this was a Ugandan plan that donors could support if they so wished. However, and despite evidence of growing levels of national ownership and also control (Whitfield, 2009) over the policy agenda in Uganda, it is also clear that certain donors remain influential as brokers of development knowledge and have devised new ways of ensuring surveillance and oversight functions. For example, the NDP was sent for a Joint Staffs Assessment at the International Monetary Fund (IMF) and World Bank, and the Government also sought to finalise the latest Policy Support Instrument review by the IMF, *before* the NDP was submitted to the national parliament.

Overall, the relational basis for establishing development policy in Uganda has shifted, and appears to herald something of a new politics of development in Uganda. This is informed by a Presidential effort to triangulate his own ideological and political imperatives with those required to help sustain and develop Uganda's economy in a new era. Whereas the poverty agenda clearly suited the executive for much of the late 1990s and early 2000s, particularly given the heavy reliance on support from 'traditional' donors and the election gains from populist give-aways in education and health, the current rhetoric of 'modernisation' now fits clearly with the agenda of those who are now providing the most significant sources of financial support and investment, most notably China but also other countries and companies looking to invest in the exploitation of oil and the infrastructural development associated with this. The electoral implications of the modernisation agenda are less clear. However, the NDP agenda strongly informed the NRM manifesto for the 2011 elections and is certainly better aligned with the President's long-standing vision of achieving modernity for Uganda than the poverty agenda ever was.

It is too soon to say whether or not the NDP agenda can be successfully implemented in Uganda. Although the relational basis of the poverty agenda has been dismantled, the relationships required to give form to the new agenda have yet to be fully developed. In terms of resources, the ambitious investments outlined in the NDP will push the Government of Uganda (GoU) to explore alternative forms of financing relating to oil, 'non-traditional' donors and the private sector, adding further fuel to the debate that has defined the NDP process, namely that between those pushing for large-scale investments now and those more directly concerned with preserving macroeconomic stability and avoiding indebtedness. However, the most significant constraint in realising the NDP is the absence of the type of developmental state that has historically been associated with driving such transformations. Key factors here include the character of elites and intra-elite relations; the related levels of state capacity and commitment to deliver development; and the uneven consequences of 'democratisation' for development and public accountability. It is not clear which particular forms of capitalist accumulation will emerge around oil in Uganda over the next five to ten years, nor whether the type of political order that will be required to sustain them and make them'work' (Ferguson, 2006) will be significantly different from the forms of politics that currently prevail in Uganda (Tripp, 2010). At present, there are few signs that responsible and sustainable forms of exploitation will emerge or that oil revenues will be well-governed in the national interest. As such, it may be some time before the laudable ambitions of the NDP gain traction beyond the inner circles of policy-making in Uganda.

1 Introduction

The politics of development has undergone significant shifts during the first decade of the 21st century. The moment of Poverty Reduction and its emphasis on increased social spending to help meet the Millennium Development Goals, which from 1999 appeared to join, if not fully displace the market-driven neoliberalism of the structural adjustment in a new Post Washington Consensus, now seems to have given way to a more ambitious development agenda aimed at structural transformation based on heavy investments in 'productive' sectors, such as infrastructure. In a speech at Georgetown University in September 2010 the President of the World Bank noted that 'As economic tectonic plates have shifted, paradigms must shift too…This is no longer about the Washington Consensus (but about) securing transformation'. The Bank now promotes a 'new structural economics' (Lin, 2010), promising a more ambitious development agenda that is more carefully tailored and contextualised to the specific characteristics of particular countries.[1] Driven in part by its own diagnostic work within the Commission on Growth and Development, which revealed that the none of the successful growth stories of recent times had adhered to the narrative proclaimed within neoliberalism (World Bank, 2008), the Bank seems to be responding to the declining relevance of its erstwhile paradigm in the face of real world changes such as the financial crisis of 2008 and shifting patterns of global wealth and power, most notably towards the new Asian drivers of China and India. This has loosened the influence of those 'traditional donors' most clearly aligned with the poverty agenda and introduced new flows of finance for alternative development strategies, particularly in developing countries with new found stocks of natural resources.

Indeed, this transformative development agenda appears to have gained more genuine traction at the national level than did its predecessor despite the rhetoric of 'ownership' that accompanied the poverty reduction strategy paper (PRSP) experiment, the emblematic global modality of the poverty agenda. PRSPs have been increasingly rejected by governments in developing countries in favour of a return to a national development planning approach, a shift that encompasses Asia (e.g. Cambodia), Latin America (e.g. Nicaragua, Bolivia) and Africa (e.g. Malawi, Uganda and Zambia). Even where the language of PRSPs remains in place, as in Ghana, the language has changed to 'Growth and Poverty Reduction Strategy', with the emphasis firmly on achieving middle-income status within a set period of time rather than simply alleviating poverty.

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[1] This is somewhat reminiscent of the politics of succession at the Vatican, whereby an incumbent can not overturn the rulings set in place by an immediate predecessor. Here, the Bank's current leadership team of President Robert Zoellick and Chief Economist Justin Lin have preferred to critique the Washington Consensus and avoid the trickier issue of whether their new agenda marks a significant advance on the Post-Washington consensus heralded by the earlier reform-minded team of James Wolfensohn and Joseph Stiglitz.

In an important book on the politics of aid in Africa, Lindsay Whitfield notes that the international and ideological conditions are increasingly in place for a new, more autonomous approach development policy to take hold within Africa. As well as the financial crisis, Whitfield notes that the leftist-wave in Latin America has also helped shift the grounds away from the free-market ideals of neoliberalism and also from the political relations that have been implied within the global project of neoliberalism, most notably between transnational corporations and national governments. However, by and large she concludes that '…these trends have not yet made their mark in terms of inspiring governments' development plans, strategies, or public policies in the other country cases of this study'. Although some governments,

> 'have started kicking against the limited vision of the Millennium Development Goals, the narrow poverty focus on PRSPs, and to some extent aid-funded growth, and some are clearly looking outside Africa for ideological inspiration, we are yet to see much action' (Whitfield, 2009: 367).

This paper explores whether Uganda's National Development Plan marks a first step towards such action. Uganda, considered the showcase of liberalisation under the Washington Consensus and then of poverty reduction under the Post Washington Consensus, offers telling insights into this changing politics of development. Launched in April 2010, Uganda's new five year National Development Plan (NDP), has no reference to the term 'poverty' and focuses instead on the new buzzwords of 'transformation' and 'prosperity'. At the launch of the NDP, President Museveni claimed ownership of the Plan and invited development partners to contribute but not direct it. This raises a number of questions of relevance within and beyond Uganda. To what extent is Uganda showcasing a new and distinctive development paradigm? What forms politics and political economy have underpinned this apparent shift and what does this reveal about who owns the new development agenda? What are the implications for poverty reduction? And can such an agenda can be implemented?

In considering the new politics of development through a case study of Uganda's NDP, this paper argues that the underlying national and global politics of development has shifted significantly, in ways that have undermined the key relationships that underpinned the poverty agenda in Uganda and given impetus to a new agenda of transformation. Although this agenda is more clearly owned and controlled by the government of Uganda, the international financial (IFIs) remain influential (Shepard and Leitner, 2011). The new focus on structural transformation should hold out the prospect of more sustainable forms of poverty reduction over the long-run. However, the distributive aspects of this new agenda remain poorly articulated, particularly in terms of employment and agriculture, and the forthcoming flow of oil offers significant challenges as well as opportunities for such an agenda, particularly in terms of labour-intensive growth and the governance problems associated with oil wealth. Critically, the relationships and capacities required to fully implement the new agenda have yet to be developed, most notably in terms of resource mobilisation, intra-elite relationships and developmental statism. It is far from clear as to which forms of capital accumulation and political order will prevail in Uganda over the mid-long term, nor how long the politics that underpin the new agenda will remain in place.

The paper proceeds as follows. Section 2 briefly outlines the politics that underpinned the poverty agenda in Uganda from around 1996 until the mid-2000s, before identifying a number of key changes in the politics of development that converged around 2005-06. Section 3 details the process through which the NDP was produced, highlighting the continuities and discontinuities with the usual PEAP-process, and assesses the influence of the Plan over subsequent budgetary allocations. Section 4 discusses whether the NDP agenda can be considered to be pro-poor and whether it reflects a paradigmatic shift within development thinking. Section 5 explores the question of who controls the new development agenda in Uganda, and whether this new development agenda is likely to be implemented, before Section 6 concludes.

The evidence for this paper draws on successive research trips to Uganda between 2005 and 2011, the most recent being in May to June 2010, February 2011 and June 2011. The research included over 80 interviews with key informants from amongst all institutional stakeholders, including government, donor agencies, civil society (including non-governmental organisations or NGOs, media and academics), parliamentarians and local government officials. These visits were largely timed to fit with key moments in the NDP process, including the first meetings of the PEAP revision process in 2007, the shift from Ministry of Finance to the National Planning Authority in 2008, the launch of the NDP in the spring of 2010, the 2011 elections and both the 2010-11 and 2011-12 budget speeches. This enabled direct insights into the process as it unfolded (e.g. participation in the first planning meeting after the NDP launch in May 2010) and when events were still fresh in respondents minds. Successive drafts of this paper were then circulated amongst insiders to the process in order to ensure as much accuracy as possible, and a seminar held in Kampala in June 2011 to disseminate findings and gain feedback.[2]

[2] However, given the range of competing perspectives gathered here along with inevitable issues of researcher bias, the authorial judgement calls made here may leave some dissatisfied with the account presented here. All comments welcome.

2 The shifting politics of development in Uganda: from 1996 to the 2006 watershed

2.1 The politics of the poverty agenda: 1996-the mid-2000s

The celebration of Uganda's apparent 'ownership' of the international poverty agenda has generally focused on the country's Poverty Eradication Action Plan (PEAP), the Ugandan forerunner of the PRSP experiment, which sought to place a focus on poverty at the heart of government policy-making. Measures were taken alongside the PEAP to promote and protect pro-poor expenditures in the budgetary process (Foster and Mijumbi, 2001), most notably through the Poverty Action Fund which effectively ring-fenced finance from debt-relief for key areas of government expenditure, namely for education, health, water and sanitation, agriculture and rural roads. Expenditure in education and health rose significantly from 18 percent to 35 percent of the budget between 1997 to 2005. Following on from Uganda's success during the 1990s in significantly reducing poverty and vulnerability, most notably through the liberalisation of coffee and also the strong role played by the President in reducing the prevalence of HIV-AIDs (Putzel, 2004), Uganda seemed to be an example of pro-poor politics in action.

However, the story was never this straightforward, not least in its the apparent air-brushing of the long-running civil conflict in the North and the government's complicity with this (Branch, 2005). It has become increasingly apparent that the consensus around poverty reduction in Uganda that developed in the late 1990s was only held together by a particular set of political and political economy circumstances, operating at and across global and national levels. Uganda's high-level of indebtedness and dependence on foreign aid was critical here. The fact that around half of the entire budget was externally financed during much of the 1990s meant that donors wielded a large influence over the government's policy direction, particularly the World Bank and DFID who were both the most powerful donors in Uganda at the time and the most enthusiastic promoters of the new poverty agenda (Hulme, 2010). At the same time, donors were looking for a success story which could be used to justify their new (and expensive) approach, and were willing to overlook the government's tendencies in other areas, most notably the opposition to multi-party politics, growing levels of corruption and military involvement in the Congo. This symbiotic relationship was re-enforced following the 9/11 bombings in 2001, whereupon President Museveni repositioned his struggle against rebels in northern Uganda as part of the global 'war on terror', receiving significantly increased support from USAID in return (Hickey, 2003: 38).

This largely donor-driven agenda[3] was picked up strongly by the two other sides of what Jeremy Gould (2005) has referred to as the 'iron triangle' or PRSP processes, namely the Ministry of Finance and non-governmental organisations. Donors had long concentrated their efforts on building up capacity and commitment levels within Uganda's Ministry of Finance, Planning and Economic Development (MFPED), and a key cohort of bureaucrats bought strongly into the associated reforms (Mugambe, 2010), from the integration of poverty diagnostics into policy-making via the Economic and Policy Research Department and Poverty Monitoring and Analysis Unit through to the protection of poverty-related expenditures in budgetary processes. The 'voices of the poor' were brought directly within MFPED the form of Uganda's Participatory Poverty Assessment (UPPAP), while civil society organisations were heavily involved not only in UPPAP, but also in PEAP consultations and the sector working groups established to lead on policy-making.

As always, domestic politics played a key role in shaping development policy and the Presidential and no-party parliamentary elections of 1996 and 2001 provided timely incentives for the executive to introduce populist reforms couched in the language of poverty reduction. The most notable of these were the introduction of Universal Primary Education after the 1996 elections and the abolishment of user fees in health around the 2001 polls, both of which resulted from grassroots campaigning and presidential initiative rather than through formal PEAP consultations. Such radical reforms were further enabled by the largely untrammelled policy-making powers offered by the no-party, and increasingly presidentialised system.

This is not to say that the drivers of the poverty agenda in Uganda were entirely instrumental and self-interested. It is possible to identify an ideological commitment to poverty reduction amongst several key stakeholders, including donors, NGOs and the government. In particular, the National Resistance Movement had long articulated a strong vision of development as located within a broader agenda of nation-rebuilding (Piron with Norton, 2004). However, it was also notable that by the early 2000s, there was a growing divergence between what donors understood to be the poverty agenda and the President's more ambitious agenda of 'modernisation' (Hickey, 2005).

The multi-levelled political and political economy drivers of the poverty agenda converged into a tangible form on the ground in Uganda through specific *relationships* between key policy actors, including those between the President and key international donors, politicians and technocrats, state and civil society. Uganda clearly emerges here as a 'governance'

3 Although it used to suit government and donors alike to portray the PEAP as an domestically-driven venture, this has long been questioned and senior government officials now openly admit that the process was largely donor-driven in the initial stages, with the government only taking control towards establishment of the third PEAP around 2003-04 (Interviews with author in Kampala, February 2011).

state (Harrison, 2004) within which global players and non-state actors play key roles in nominally domestic policy processes, making it less useful to refer to the relative power of internal and external actors than to examine their cross-cutting relationships. Amongst the most notable of these relationships was the one established across what Ravi Kanbur (2001) has described as the ‘Finance Ministry’ and ‘Civil Society’ policy tendencies.[4] This was signified most clearly by housing of UPPAP within an influential unit of the MFPED and the influential role of poverty-focused donors and NGOs within sector working groups and PEAP consultations, all of which helped gain the commitment of key officials within MFPED to the poverty agenda.

This relationship, which helped give form to the Post Washington Consensus on the ground, seemed to hold for as long as both sides were able to claim significant successes, whether in terms of increased expenditure in the social sectors or actual poverty reduction on the ground. However, since the mid-2000s, and 2006 in particular, the political and political economy conditions that underpinned these relationships in Uganda and more broadly, have shifted significantly. This has in turn altered the relational basis of development policy-making and helped shift both the politics and substance of the development agenda in Uganda in a new and potentially paradigm-shifting direction. These shifts, many of which were apparent since the early 2000s, came to the fore most visibly from 2005-06.

2.2 A transition period: the PEAP runs out of steam

By the time the PEAP was undergoing its third iteration (2004-07), there were already signs that it was running out of the political steam that had been fuelling its predominant position in Uganda, and also to identify a drift away from a focus on poverty within the development policy agenda (Hickey, 2005). Successive Presidential statements during the early 2000s revealed a growing level of dissatisfaction with the PEAP process and agenda, which was seen as dominated by donors, technocrats and civil society consultations failing to produce the types of structural transformation. Such concerns were given further momentum by the release of official government data in 2005 that showed reduced rates of economic growth and poverty reduction. Inequality, as measured by the Gini coefficient index, was also seen to increase from 0.35 in 1997/8 to 0.43 in 2003 following reductions in agricultural production (APRM, 2009:122). Although it was later discovered that the disappointing growth figures were largely erroneous (due to a problem with the national accounts), the initial sense that a

[4] Following Kanbur (2001), the ‘Finance Ministry tendency’ in Uganda during this period included some who work in MFPED and for the international financial institutions, officials in the Bank of Uganda, and private sector pressure groups, while the ‘Civil Society tendency’ consisted of analysts and advocates in NGOs, officials in social sector ministries and some departments within MFPED, and some who worked in UN agencies, bilateral and multilateral donors (Hickey, 2005: 1002). The former tended to approach development from a growth-first, neoliberal perspective whereas the latter tended to emphasise human and social aspects of development. The changing nature of these tendencies in the light of an altered political context will be returned to below.

change of policy direction was required had become etched within the mindsets of leading technocrats and politicians alike (Interview data, May-June 2010). The results of the National Household Survey for 2005, which seemed to show that growth was the key driver of whatever poverty reduction had occurred was also influential, increasing the sense that the focus on social sector expenditure within PEAP was somehow missing the point and strengthening the rationale for a stronger focus on growth and investment in infrastructure. Indeed, the high rates of economic growth throughout most of the 1990s and early 2000s had by now helped create its own case for such investments, with increased levels of road-wearing traffic and the larger number of businesses needing improved energy and transport infrastructure to continue growing (Interview with senior MFPED official, February 2011).

As such, and although efforts were made to try and ensure that the third PEAP overcame critical problems around implementation and links to the budgetary process (Canagarajah and van Diesen, 2006: 658), and also to include a stronger focus on the productive sectors (Mugambe, 2010: 167), this was to little avail. As noted by an influential insider within MFPED, '…the impact of budget allocations diminished with each iteration of the PEAP. As a result, less attention has been paid to the instrument by government institutions' (Mugambe, 2010: 170). Political actors were less engaged in the review process for the third PEAP, and with both the process and the product largely dominated by technocrats within MFPED the Plan lacked the populist flavour of its predecessors (Canagarajah and van Diesen, 2006). The President initially refused to sign it, claiming it should have a stronger focus on raising incomes via microfinance initiatives (Interview with MFPED official, September 2008).

Although a growing disenchantment with the PEAP process and agenda was clearly identifiable by around 2004-05, this would not gain programmatic coherence until the third PEAP had run its course and would come up for review in 2006-07. By then, the underlying politics and political economy of development in Uganda would have shifted more definitively, most notably around events during the pivotal year of 2006, in ways that would see a fuller unravelling of the poverty agenda. They key shifts here included the return of multi-party politics, a steady decline in Uganda's reliance on foreign aid, the discovery of large oil reserves and the growing interest of rising powers, particularly China.

2.3 From poverty to Prosperity for All under multi-party politics

The return of multi-party politics to Uganda in 2005, ahead of elections in 2006, brought increased incentives for the executive and Movement to more broadly to re-engage with development policy as a means of mobilising electoral support.[5] Returning to their constituencies to campaign, politicians were regaled with tails of failed service delivery by their constituents (Interviews with government officials, February 2011). Tasked with mounting an official campaign as a political party rather than a 'movement', the NRM came up with a manifesto that articulated a vision of development that was strikingly different to that espoused by the PEAP. The language here was of 'Prosperity for All', rather than mere poverty reduction, and the means of achieving it would no longer be through the laborious process of allocating budgetary resources to pro-poor sectors of public expenditure but through more direct measures, most notably through the new programmes of microfinance and support for productive farmers.

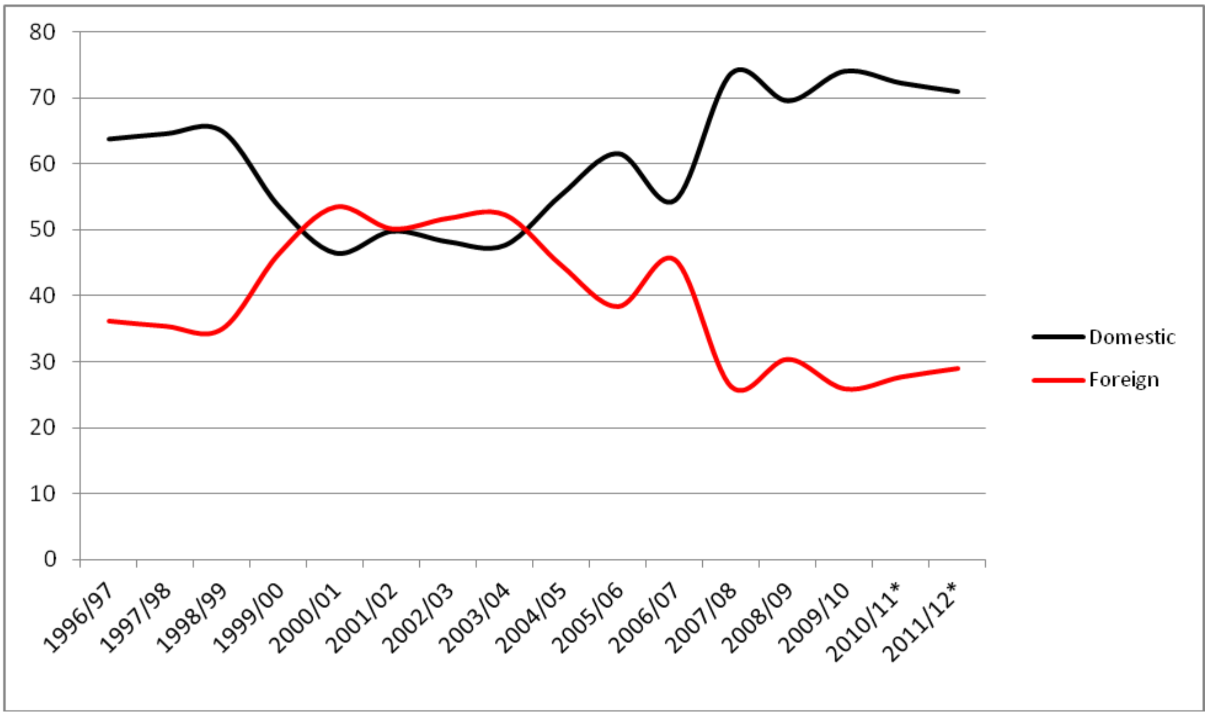
However patchily implemented on the ground (Interviews with agricultural sector experts, May 2010), Prosperity for All (or *Bonna Baggagawale*), signalled an important shift away from a focus on poverty reduction within Uganda's development policy agenda. This was picked up in successive Background to the Budget Papers from 2006 onwards, each of which has stressed the themes of productivity and prosperity, just as poverty eradication provided the discursive framing for most Budget Papers during the late 1990s and early 2000s. A frequent refrain from government officials during meetings at this time was that 'we've had enough of looking at poverty', with one saying 'forget about the poor, we need growth first' (Interview with donor official, September 2008). The shift was not merely discursive, and according to one MFPED source, 'Budget patterns have shifted towards priorities outlined in the NRM Manifesto rather than PEAP, which has struggled to remain relevant' (Interview, September 2008).

[5] See Makara *et al.,* (2009) for an insightful discussion of this process and the reasons behind it. The fuller impacts of multi-party politics on development policy in Uganda are the subject of a separate paper currently under development.

2.4 The new international political economy of aid, debt and development

The year 2006 also marked a series of important shifts in Uganda's political economy of development, most notably its graduation away from highly-indebted poor country (HIPC) status, the discovery of significant oil reserves and a declining reliance on international aid. Indeed, as indicated in Figure 1 below, Uganda has reversed its level of reliance on aid and is set to further increase the extent to which the budget is funded from domestic revenues in the future.

Figure 1: Domestic/foreign shares of Uganda's budget



*Sources: 2003/4 (BTTB 2009/10); 2004/5-2006/7 (BTTB 2010/11); 2007/08-20010/11 (BTTB 2011:43); 2011/12 (Budget Speech 2011). *= Budget*

Much of this has been made possible by the discovery of large oil reserves and inflow of investment, current and potential, that this has brought. The identification of untapped oil reserves in the Albertine area in the early 2000s attracted the interest of several new players, including China, Libya and Iran, as well as oil companies from France, Britain and Ireland. In 2001 China '….agreed to commence drilling for oil on Lake Albert in western Uganda and extended grants and free loans, including for the building of a $40 million food research facility' (Lee, 2007: 29-30). However, it was only in 2006 that estimates revealed up to two billion barrels of oil were available for exploitation. 2006 was also the year of the Sino-Africa pact that saw the GoU sign six agreements around key areas of the economy, including: trade, investment, water conservation, agriculture, infrastructure, telecommunications, energy, textiles, human resource development and agro-processing. In October 2010, Tullow

Oil (one of the two main companies involved in exploiting Uganda's reserves) was given the go-ahead to sell rights to the China National Offshore Oil Corporation (CNOOC, and also the French company TOTAL) in a deal worth $1.45bn (Wall Street Journal, 19/10/2010).

This marks quite a steep trajectory of involvement for China in Uganda. Although involved since 1962, China's interest in Uganda only became significant in the 2000s. By 2010 China had become the lead investor in Uganda with a hand in most key sectors, although according to a recent report from the Uganda Investment Authority (New Vision, 20/10/2010) it is only approaching dominance in some of these (manufacturing and increasingly construction, roads and oil).[6] Nonetheless, China's involvement in several mega-projects, from the Namboole Stadium to the new $25 million office block for the President and Prime Minister, has given it a high profile. In terms of development assistance, it is difficult to track China's aid contributions, not least because it is not a member of OECD-DAC and does not attend joint donor meetings. However, China does appear to be following the approach it has employed elsewhere (Brautigam, 2009; Power and Mohan, 2010), whereby aid is given for mainly 'productive' activities in relation to infrastructural development and business, with relatively few conditions attached beyond an apparent preference for the use of labour and materials imported from China (EPRC, 2007: 21). However, government bureaucrats remain wary of accepting too much finance from China, particularly in terms of the risk of returning to a state of indebtedness and around projects that are more supply- than demand-led (Interviews June 2010, February 2011, June 2011).

From a rather slow start, then, China has developed a growing interest in Uganda and is poised to play an influential role in shaping its development thinking and trajectory over the next few years. In particular, it has converged with other shifts in the political economy of development in Uganda in ways that have encouraged the President to renew his long-term interest in development as a project of structural transformation for Uganda, rather than one of mere 'welfarism'. In this somewhat chicken-and-egg situation, one senior source within MFPED judges that the arrival of funding for infrastructure development probably arrived before any ideological or policy shift in this direction (Interview, February 2011).

[6] In 2006-7, Britain established 20 projects in the country with a total planned investment of 267 million U. S. dollars, creating 3,958 jobs. China invested 213 million dollars on 40 projects with planned employment of 6,117 (EPRC, 2007).

3 Uganda's National Development Plan: the long road from inception to budgetary influence

The year 2006 therefore marked an important point at which political and political economy factors switched more decisively in favour of a new direction of travel for development policy in Uganda, bringing together the required incentives and resources to move from the poverty agenda towards a different and as yet not fully specified approach. The opportunity for this to take shape was offered by usual revision process that arrived towards the last year of the third PEAP in 2006-07. This section details the process through which what came to be known as the National Development Plan was conceived and launched, with a particular focus on the emergence of new sets of relationships between key players within the development policy process.

3.1 From PEAP review to the NDP

In 2007 a UK consultancy firm was commissioned by the Office of the Prime Minister (OPM) to undertake an evaluation of the whole PEAP experiment. As usual, a PEAP Revision Task Force was established within MFPED's Economic Policy and Research Department (EPRD). This brought together the three key stakeholders in the process, namely MFPED, OPM (for monitoring and evaluation purposes) and the National Planning Authority (NPA). In an early sign of where institutional responsibility for the new plan would lie, the first three meetings, held over a four-day period in July 2007, all took place in NPA's offices.

The 2006 elections had minded the President to use a longer planning cycle than allowed for within the three-year PEAP cycle to deal with the long-term challenges of securing transformation. This was officially confirmed during a parliamentary debate in 2007, after which Cabinet decided to return to national development planning, to be produced for the next five, ten and thirty year time-spans. The first concept note to use the term 'National Development Plan', produced in September 2007, also reflected the shift in political discourse away from poverty, referring directly to 'prosperity' in its title. As one key MFPED official noted at the time, 'What drives this Ministry is what the NRM Caucus is asking the Minister to address' (Interview, September 2008).[7] However, the process envisaged was largely the same, albeit with a stronger focus on the role of local government in setting priorities. The concept noted stated that the key inputs would be working papers to be produced by sector working groups, each with its usual inclusion of donors and civil society organisations. The NDP Secretariat started consultations in late 2007, initially with local governments and sector working groups and then also with donors and civil society.

[7] The Minister in question was Dr Ezra Suruma, a member of the President's inner circle and a key architect of the PFA approach in the 2006 Manifesto.

However, this fully consultative mode, strongly reminiscent of the PEAP process, was rejected by MFPED's Permanent Secretary, who directed the Task Force to go down an alternative route based identify the key drivers of growth and using a similar macroeconomic modelling process to that employed by the World Bank. A key concern was to identify what would happen to growth and employment under different scenarios, with one paper commissioned on the trade-offs between growth, poverty reduction and employment. This meant that the analytical basis for the new plan would be significantly different from the poverty diagnostics which informed the PEAP. No new round of UPPAP would be commissioned and the Poverty Status Reports had been discontinued since 2005. The Poverty Monitoring and Analysis Unit, having had its main source of funding removed by DFID, had been reformed by the government into a domestically-funded inspectorate named Budgetary Monitoring and Accountability Unit (Interviews, MFPED officials 2007, 2008).

Spearheaded within MFPED, the modelling process took around four or five months to complete, with the resulting paper sent to Cabinet for a decision on which model should be pursued. The model was then sent out to government sectors with clear stipulations for them to fit their sector plans clearly within the main macroeconomic model. MFPED identified people to write these plans, using fewer consultants than usual and relying instead on government technocrats. When the process was officially launched in November 2007, civil society organisations were only belatedly invited to be involved while a small selection of donors (including the Bank, DFID and UNDP) received their invite for this Monday launch only on the previous Friday. Donor officials report being given an explicit message that 'donors are not invited' to contribute to the NDP (Interview with donor official, September 2008).

However, and although others have also noted that that donors were excluded in the initial stages of formulating the NDP and as a consequence became hesitant to channel funds as general budget support (Kjaer and Muhumuza, 2009), this does not convey the strong sense in which some international agencies, particularly the IFIs, remained quietly influential. For example, the World Bank was consulted on the macro-economic modelling method employed here, which borrowed heavily from the Bank's own approach albeit with some important revisions. More important still was the release in September 2007 of the World Bank's *Country Memorandum* paper for Uganda. Concerned that growth was dipping, the *Memo* focused on identifying and overcoming the 'binding constraints' to growth, with a particular focus on reversing the apparent slow down of structural transformation (World Bank, 2007). The *Memo* also highlighted the continued high level of population growth, linking this directly to problems of growing youth unemployment and the need for a stronger policy focus on employment creation, particularly through a focus on infrastructure and industrialisation. The IMF also released a report around this time which stressed the extent to which Uganda had failed to achieve structural transformation and sought to identify the steps required to moving towards industrialisation (Selassie, 2008). These reports, and the Bank's *Memo* in particular, were closely examined within government, and were influential in the dramatic increase of funding for roads in the next Budget (2008-09); according to a senior source in MFPED's Treasury department, 'the work done by the World Bank, that Country Memo…after that study, that work that influenced us to shift resources…'. As discussed in Section 4 below, these inputs from the 'knowledge broker' IFIs would also closely shape the strategic direction of National Development Plan itself.

3.2 The National Planning Authority takes over

Moving through 2008 it was clear that the NDP process was struggling rather than sailing along, while the PEAP Evaluation had also been delayed. The tripartite agreement seemed to create a leadership vacuum, not least because of the longstanding struggle between MFPED and NPA. Although NPA had been formally established as part of the 1995 Constitution with a remit over national planning, it did not come into being until 2002 and was not thought capable of leading the PEAP process. However, and 'While MFPED delayed its establishment for as long as it could, Parliament ensured it (the NPA) became an institutional reality' (Whitworth and Williamson, 2010: 24). With parliamentarians pushing for NPA to take up its constitutional mandate, and MFPED increasingly stretched to the limits of its own considerable capacity by the range of tasks it had accumulated over since the early 1990s, MFPED eventually agreed that NPA should take up leadership of the process. NPA remained under the jurisdiction of MFPED, a fuller separation between the functions of planning and budgeting ruled out on the basis of Uganda's previous experience with this approach (Whitworth and Williamson, 2010). In order to help bridge the capacity gap, MFPED's EPRD provided technical backstopping services to NPA and its erstwhile Commissioner was appointed as the new Executive Director of NPA in February 2009.

So, although MFPED remained a pervasive influence, NPA was now in control of co-ordinating the process. This institutional shift would play an important role in the process, providing a new space within which to consider a more ambitious and politically-attuned approach to development policy making. This shift was further underlined in June 2008 when the results of the PEAP Evaluation was finally delivered. Amidst its wide-ranging findings and recommendations was a strong emphasis on government taking greater responsibility for ensuring the delivery of services and for technocrats to be sensitive to the needs of the politicians when drawing up their plan (OPM, 2008), lest they produce 'a technically sound document that cannot be implemented' (Interview with government technocrat, September 2008). The presentation of the PEAP Evaluation to Cabinet in mid-2008 helped to reignite executive level interest in development planning.

3.3 The NDP process takes shape

In late 2008 the NPA established a Core Technical Committee to co-ordinate and drive the NDP process. The Committee consisted of representatives from the three co-ordinating bodies (NPA, MFPED and OPM), along with one representative each from the key umbrella associations of the private sector and civil society. Other members were co-opted from the Economic Policy and Research Centre, Bank of Uganda and other specialised sectors. Consultations began in December 2008, although with one NPA official arguing that 'We have this problem: we consult too much' (Interview, May 2010), the process was markedly less inclusive than with the PEAP. There was instead an early focus on lesson-learning from successful post-war developers such as Malaysia, Korea and China as a means of identifying a new strategic approach to development in Uganda. Literature reviews were undertaken and visiting experts were invited to talk through these experiences with NPA officials (with financial support form Japan and other donors).[8] The key findings, namely that such countries had never adopted a fully neoliberal approach and had relied heavily on a centrally-controlled approach to planning, played an influential role in NPA's approach.[9]

Task Forces composed primarily of government officials were established for key sectors and charged with producing thematic papers. This was supposed to mark a break with the more donor-driven and consultative Sector Working Groups, an aim only partially achieved. The NDP process did not always dovetail well with the strategic planning processes within each sector, some of which were in mid-cycle. NPA's newcomer status also made it difficult to mobilise sectors into action, although (with some help from MFPED), most sectors did eventually produce papers that then formed the basis of the draft NDP chapters.[10] Consultations were undertaken with local governments in early 2009, with NPA issuing tight guidelines to try and avoid stimulating lengthy wish-lists. A survey was distributed to each

[8] This reflected a broader move whereby, 'The experience of East Asia and the idea of the developmental state have made inroads in the thinking among African intellectuals, economists, technocrats, and politicians' (Whitfield, 2009: 367).

[9] NPA also looked back to Uganda's earlier experience with national development planning, which had gone through two five-year cycles before President Amin chose to ignore Uganda's third Plan from around 1971. This revealed the strong role that government had taken in planning and building public infrastructure, particularly the major referral hospitals and roads developed under President Obote's first term in office during the 1960s.

[10] There was a close correspondence between the NDP process and the production of a new sector strategy for agriculture, with members of the Agriculture Taskforce claiming to write what would become the NDP chapter on Agriculture 'word for word'. The Education Sector Working Group, on the other hand, was mid-way through their planning cycle when the NDP processes started to engage with the sectors, and had already aligned their strategic goals with meeting the related agendas of Education for All and MDGs which Uganda had already signed-up to. Faced with pressure from NPA to align their strategy with NDP priorities, the education strategy was given what one insider referred to as an 'NDP flavour', with some adjustments towards NDP priorities (e.g. increased investment in vocational skills and at the tertiary level). This was considered somewhat marginal given that a good deal of the education budget was already scheduled for existing commitments (Interviews with leading sector experts, 2008, 2010).

district along with visits by NPA officials, although the time allowed for this data-gathering was minimal[11] and it is not clear how these results were analysed or fed into the Plan itself. Three workshops were held with parliamentarians and the political parties were called for a meeting to discuss the NDP in November 2009. NPA also claims that the two key parliamentary sub-committees charged with oversight of planning and economy development were also consulted, although this is disputed by some members of parliament.

Although a small number of civil society representatives were included in the Taskforces, NGO representatives bemoaned the lack of communication from NPA as to whether or not their inputs were being used (Interviews with NGO leaders 2008, 2011). Frustrated at their apparent lack of influence within the core of the process, a small group of NGO leaders produced their own report entitled *Unlocking Uganda's Development Potential* in July 2009. However, the report was poorly distributed, and those involved saw little evidence of any influence on the NDP (Interviews with NGO leaders 2008, 2010, 2011). By contrast, private sector representatives report that the priorities emerging during the NDP process, particularly the tilt towards infrastructure closely captured the submissions they made during the process around reducing the costs of doing business in Uganda and also the seven key priorities outlined in the Private Sector Foundation's own strategic report (Interviews, June 2010).

Donors were not given the same free rein to participate as in the early PEAP processes, and the core government players clearly saw this as a national duty. This was reflected in the key role played by an informal gathering organised by the NPA Chairman known as the 'Patriotic Club'. The Patriotic Club, which often met at the NPA headquarters after office hours, involved erstwhile ministers, researchers and civil servants debating and working over long hours to help get the draft Plan into shape. NPA nonetheless sought advice from those with specific sectoral expertise in relevant areas. On request, donors did help to fund two international consultants to help with the final drafting of the report, although their eventual inputs were described as minimal by others directly involved. The majority of the writing was done by Ugandan sector experts along with two other Ugandan nationals, particularly an academic based at EPRC.

[11] From interviews with officials in two districts, Busia and Kamuli, undertaken by Badru Bukenya in March 2011.

3.4 Towards the NDP Launch

Despite NPA consciously playing towards the NRMO themes of prosperity and transformation, the NDP process was not attract the level of Presidential interest required to push the NDP process forward as a political priority. In October 2009, however, OPM helped facilitate a Cabinet retreat where a preliminary version of the NDP was presented. This helped secure a high level of political engagement, including from the President, who challenged NPA to produce a clearer-costed and detailed set of interventions. The first full draft was produced in December 2009 for a second Cabinet retreat before broader consultations were held with parliament, the private sector foundation, civil society and donors. The level of Presidential involvement appeared to increase markedly now, with one insider claiming that ‘He was really driving the process’ after this point (Interviews, May-June 2010). With the 2011 elections now more fully in view, executive interest picked-up. At least three meetings were then held at the Presidency with NPA officials along with several other bilateral meetings and telephone calls with the NPA Chairman. Museveni is said to have provided many hand-written comments on the draft, including offering strong encouragement for NPA to move beyond a free market approach to one based more clearly on government intervention. The President also pushed NPA to produce a stronger evidence base, particularly regarding the impact of the energy and infrastructure sectors on the economy and the most effective modes of sequencing interventions in these sectors.

However, the ambitious public investments outlined in the first fully-costed Plan raised alarm bells once presented to the Bank of Uganda, parts of the Ministry of Finance and also the IMF. If fully funded, the draft NDP would leave government with a budget deficit of around 14 percent, an anathema to the Finance Ministry tendency in Uganda which had long prided itself having hardwired macroeconomic stability and fiscal prudence into government since 1992 (Tumusiime-Mutebile, 2010: 42).[12] In negotiations, the NPA used the language of a Marshall Plan-style ‘big push’ to advance the case for investment in strategic areas. However, with Uganda not long graduated from HIPC status, there was little appetite for increased borrowing as a means of covering this deficit, and the Governor of the Bank of Uganda remained steadfast.[13] The Bank of Uganda was also concerned that government lacked the capacity to absorb such high disbursements, and drew attention to the failure of the roads sector to spend even a third of the extra funds allotted to it during 2008-09 (see

[12] The current Governor of BoU notes that the NRM did not become committed to fiscal discipline until 1992, when Museveni was persuaded of this through use of a military metaphor, thereafter proclaiming that ‘inflation is indiscipline’ and giving the Ministry of Finance strong powers to enforce fiscal discipline across spending ministries (Tumusiime-Mutebile, 2010: 42). Uganda also introduced a monthly cash budget at this stage, with the aim of ensuring that the government must never spend money it did not have (*ibid*: 50-1).

[13] The regional context was a further factor here, given the East Africa Community stipulation that member countries should strive to maintain a deficit of only five percent or lower, a goal shared by the IMF in its Policy Support Instrument agreement with Uganda (see below).

Figure 3). Following tough discussions, it was agreed that the NDP could be funded to a level that would involve a budget deficit of between six to seven percent, to be achieved in part by rolling over some programmes into the next cycle. Despite this deal, the struggle between those prioritising large investments on the one hand and macroeconomic stability on the other would rumble on.

The final stages of producing the NDP reflected the continued tensions between internal and external influences on development policy-making in Uganda. By a mixture of accident (e.g. unexpected delays) and design, the timing of the NDP launch was more closely linked to the imperatives of external actors rather than key national policy processes. By the time the NDP was ready for launch in April 2010, having gained Cabinet approval in February, the Budget Framework Paper had already been produced two months earlier, leaving little opportunity for the NDP to a serious influence on government operations in its first year. On the other hand, the final stages of the process dovetailed neatly with the timetables of the IFIs, most notably with the World Bank's production of its new Country Assistance Strategy, which was released in May 2010, and also the IMF's review of Uganda's Policy Support Instrument (PSI).[14] Given that a successful PSI review sends a favourable signal regarding the investment climate in Uganda to international investors and donors alike, the government was keen to get this in place and saw IFI-approval of the NDP as helping this process. Although no longer a HIPC country, then, and despite ostensibly attempting to break free from the PRSP model of doing business, Uganda still chose to submit its draft Plan for a Joint Staffs Assessment in February, before it had even been shown to Parliament.[15] Once the government had received approval for the NDP from the Joint Staffs Assessment at the end of March (IMF/WB 2010), and with future borrowing needs likely secured through the new PSI agreement (also approved in-country in March and later confirmed at an IMF Board meeting on 12 May), the launch date for the NDP was set for Monday 19 April 2010.

According to one senior NPA official, the Constitutional requirement to present the Plan to parliament 'had escaped us, kind of… one of our Board members discovered this clause while drafting it a week or two before the launch, otherwise we would have done it before' (Interview, May 2010). In the event, the Plan was submitted to the Parliamentary Finance Committee on Tuesday 13 April, less than a week before the planned launch, with instructions to have feedback for the House on Thursday 15 April. This was despite the fact

[14] According to the IMF, 'The Policy Support Instrument (PSI) supports low-income countries that do not want—or need—Fund financial assistance but seek to consolidate their economic performance with IMF monitoring and support (IMF PSI Factsheet).

[15] Completed on 31 March 2010, the JSA was broadly positive, praising the overall focus on structural transformation within strict macroeconomic constraints, while raising concerns that weak governance and exogenous shocks may knock the plan off course (IMF/WB 2010). It was formally approved in Washington in May 2010.

that the House would be in recess on Wednesday 14 April, as the main opposition party had already arranged a delegates conference.[16] Although parliament rejected the NDP,[17] the launch went ahead as planned, boycotted by the main opposition party but attended by other leading political opponents.

The launch was presided over by the Minister of Planning, with the President as guest of honour. Donors and diplomats were invited along with some civil society representatives. In his speech, the President strongly welcomed the Plan, and also asserted the extent to which it should be seen as homegrown. According to one national newspaper 'Museveni cautioned donors against directing government on how to develop the country, saying 'We invited development partners to feed into the plan so that they don't (direct)' ('Museveni Outlines Five Year Master Plan', The New Vision, 19 April 2010). The Minister of Planning repeatedly referred to the Plan's close links to the incumbent President, stating more than once that 'Mr President, this is your vision' (Interview with participant, June 2010). The NDP was eventually signed off by Parliament in November 2010,[18] and although little progress had been made by then in terms of implementation, the Plan regained political impetus in relation to the February 2011 elections, particularly once the manifestoes were written and the campaigns began in late 2010. Claims by some within NPA that the NRM manifesto is 'the same thing' as the NDP (Interviews February 2011) overstates the case somewhat, but there is a strong resonance between the two documents. Some NDP commitments, particularly around roads, employment creation and improved levels of service delivery, also featured strongly in the President's campaign speeches. The next section analyses the content of the NDP approach to development in relation to the foregoing poverty agenda and also examines its influence on successive budgetary allocations.

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[16] A leading member of the main opposition party, the Forum for Democratic Change, described the NDP as a pigeonhole document, with reference to earlier moments in Ugandan political history where Milton Obote would re-write the Constitution, merely placing copies in the pigeon-holes of MPs and having it promulgated immediately (Interview, May 2010).

[17] Interviews (May-June 2010); Daily Monitor report 22 April 2010.

[18] The Finance Committee presented the Plan to the floor of the house just before the Christmas recess and right in the middle of a major debate about high level corruption relating to the misuse of CHOGM (Interview with Parliamentary Officer, February 2011).

4 The NDP Agenda: towards a new paradigm of development?

> 'This is a paradigm shift, absolutely…PEAP was about poverty this one brings in economic growth, employment, skills development, productivity, value addition…' (NPA Executive Director, Interview with author June 2010)

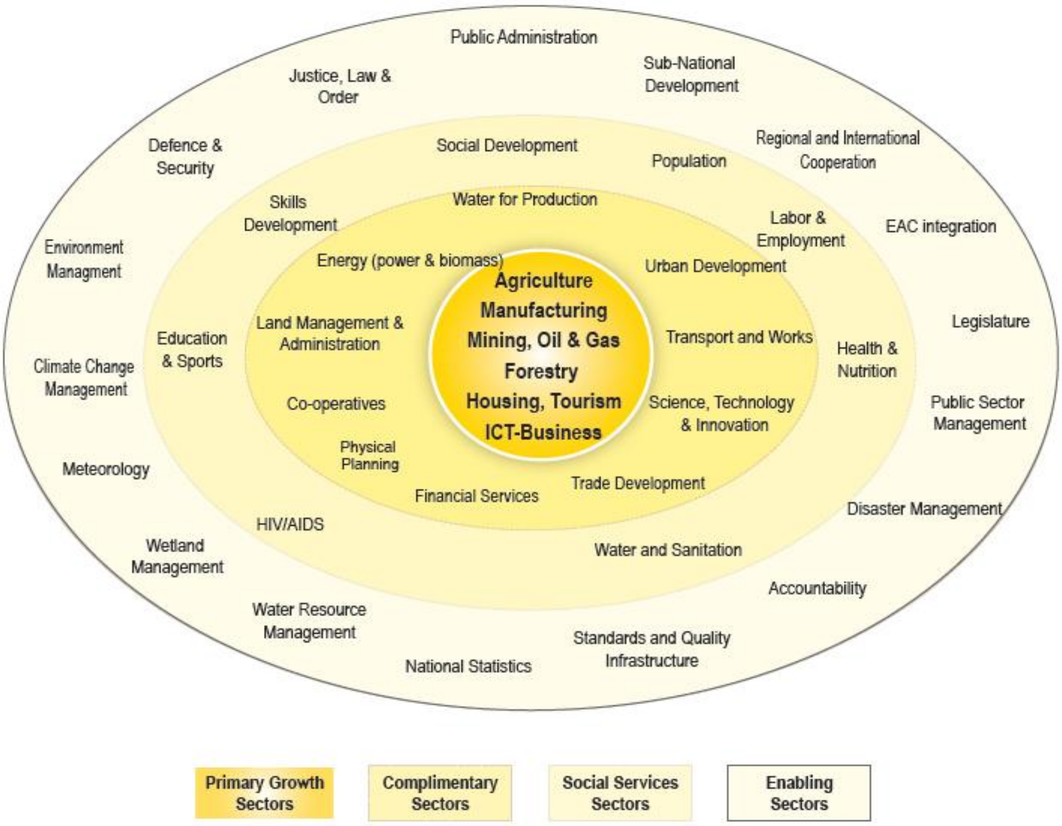
This section briefly sets out the NDP agenda, assesses the extent to which it has influenced recent budgetary allocations to date and then seeks to unpack some of the implications for poverty reduction in Uganda. This is closely related to the claim made above on the question of whether the NDP reflects a new paradigmatic approach to development in Uganda. In particular, does the NDP mark a shift away from the Post Washington Consensus towards a 'Southern Consensus' (Gore, 2000)?

4.1 The NDP's development agenda

The NDP Vision is of A Transformed Ugandan Society from a Peasant to a Modern and Prosperous Society in 30 Years, while its Thematic focus is on Growth, Employment and Socio-Economic Transformation for Prosperity. Talk of 'poverty reduction' is dismissed here, perhaps as too limited an aim for a country with oil wealth on the horizon; indeed, the NDP can be read as a means of upgrading the country's infrastructure to ensure that the oil reserves are fully exploited when they come on stream around 2015. In an emblematic move, the much-quoted PEAP goal of reducing the proportion of Uganda's population living in poverty to ten percent by 2017 is replaced by the aim of ensuring middle-income status for the country by the same date (Republic of Uganda, 2010).

The NDP proposes an alternative conceptualisation to the PEAP of how development should unfold in Uganda. As indicated in Figure 2 below, the focus is on how to support to the productive sectors of the economy, conceived here as the 'yolk' of Uganda's development egg. This includes but goes beyond agriculture to identify new areas of Uganda's political economy, most notably mining, oil and gas, and also higher-value activities including manufacturing and information and communication technologies. Whereas the previous PEAP was organised around pillars, which implied a semblance of equality between, for example, the pillar focused on growth and raising incomes and the pillar focused on quality of life, the hierarchical ordering of concerns is made much clearer here. This is particularly notable in the downgrading of the social sectors (key PAF areas such as 'water and sanitation', 'health and nutrition' and 'education and sports' are found only in the third layer of the egg), in favour of those more directly associated with production and employment, and the NDP includes a long list of mega-projects, particularly in roads and energy. Importantly, there are also explicit efforts to 'upgrade' the policy focus within most sectors, as with the shift within the education sector from a focus on primary to a stronger focus on tertiary education, and away from small-scale production to agro-processing in agriculture.

Figure 2: the NDP concept of development



Source: Republic of Uganda (2010)

Although the NDP arrived too late to formally influence the 2010-11 Budget, a number of NDP priorities were featured and the President referred directly to the NDP towards the end of his budget speech in June 2010. A concerted effort was then made by NPA and MFPED to ensure that the Plan was tightly integrated within the budget for 2011-12 the following year. Ministries and local government received clear written guidance from MFPED about aligning their budget framework papers with NDP priorities. NPA also attended the MFPED-led workshops with local governments to guide them on priorities, later verifying that the local government BFPs were aligned with NDP priorities.[19] The process was characterised in the

[19] The final stages of establishing the overall 2011-12 Budget Framework Paper coincided with the closing stages of the election campaign ahead of polling day on 18 February. Given the extent of overlap between the NDP and the NRM Manifesto, and with polls showing a likely victory for the incumbent President, it seems likely that this gave further impetus to ensuring that the NDP would have a strong influence on the budget.

early stages by the re-emergence of a debate that in many ways defined the NDP process, around the apparent contradiction between the large investments envisaged in the NDP and need to stay within the resource envelop as determined within the Medium Term Expenditure Framework (MTEF) ceilings.[20] Such struggles are not new, and also characterised the PEAP era of development policy to some extent, as with the conflict over whether to accept money from the Global Health Fund in 2002 (Hickey, 2005: 1002-3). However, whereas such struggles could previously be characterised in terms of disagreements between the Finance Ministry and Civil Society tendencies, the current struggle around NDP priorities is more complex and suggests new dividing lines are currently defining policy discussions in government. Here the debate is largely *within* the Finance Ministry tendency, albeit one redefined by the emergence of a stronger 'Planning' tendency therein. Here the NPA has found allies within MFPED, particularly within Investments and Budgets, and also higher up within the Treasury.[21] Advocates of maintaining tight MTEF ceilings include some of the Macroeconomic Group within MFPED, the Bank of Uganda and the IMF. Although never formally resolved, it is apparent from the allocations for 2011-12 (see Figure 3 below), that a number of NDP priorities were allocated funds above and beyond the proposed MTEF ceilings for that particular sector.

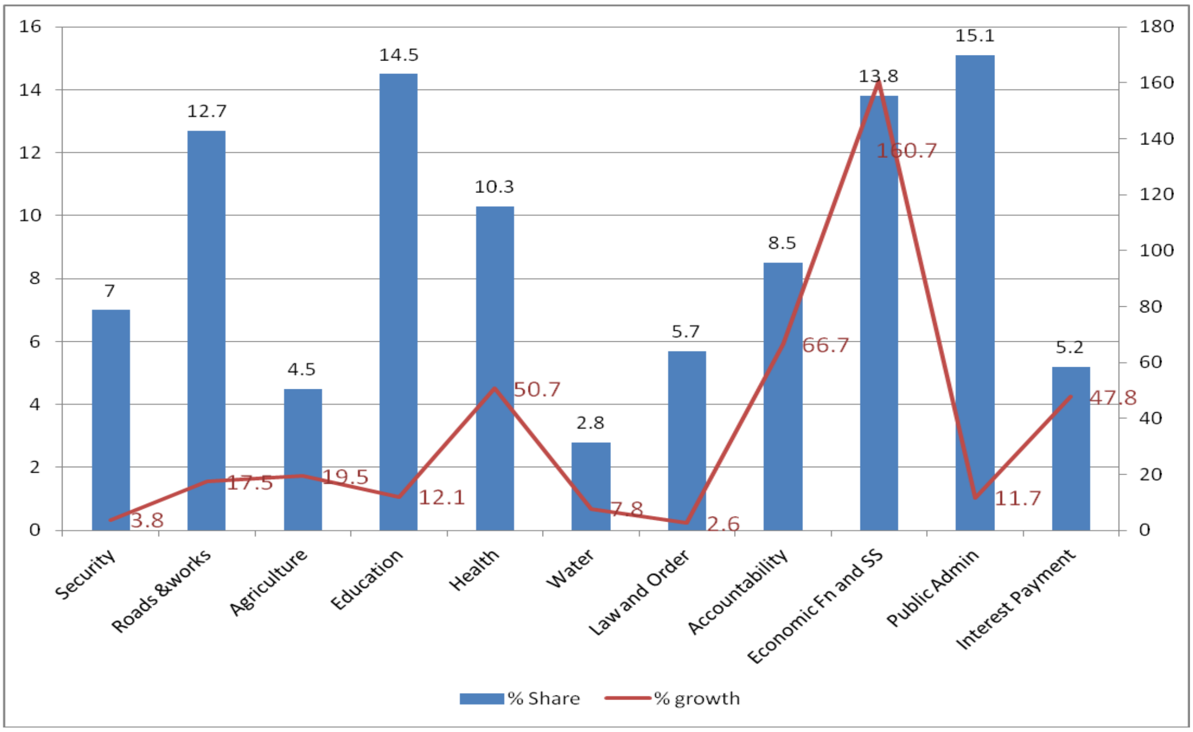
The budget speech delivered to Parliament in June 2011 did generally reflect NDP priorities. There was a strong emphasis on investments in infrastructure, particularly energy and roads which together received over a quarter of the overall settlement. The Energy & Mineral Development sector received a 160 percent increased in its allocation to move to the third largest part of the budget at 13.8 percent, while Works and Transport received its fourth successive significant annual increase since 2008-9, with a further 17.5 percent annual rise to claim 12.8 percent of budget (see Figure 3). The declining fortunes of PAF allocations since 2008-9 was further underlined, falling from 12.1 percent of the overall budget in 2010-11 to 9.7 percent in 2011-12. However, there were also some apparent inconsistencies. Although the NDP emphasises the importance of modernising the agriculture sector, this sector continues to struggle to attract government funding with a mere 4.5 percent of the budget. Despite its elevation to the yolk of the egg, Information and Communications Technology, seen as a force for modernisation and greater efficiency across sectors, actually received a declining proportion. Finally, the strong sense that NDP priorities would only be realised if standards of service delivery and public service in general were greatly improved

[20] Since being introduced gradually over the 1990s and with more direct effects since 1997 (Whitworth and Williamson 2010: 16), the MTEF has taken on iconic status as the means by which macroeconomic stability is maintained within the budgetary process.

[21] NPA also encouraged sectors to increase their claims within budget framework papers in a bid to try and push their agenda and make the case for extending investments beyond the resource envelop. After being requested to double their proposed budget by an NPA official, one sector expert reportedly asked NPA to present the document which had apparently over-ruled the need to stay within MTEF ceilings (Interview, February 2011).

only seemed to shape the budget to an extent. On the one hand, spending on the Accountability sector went up by 66.7 percent and efforts were made to move budget away from consumption (e.g. non-salary emoluments, media advertising etc). However, the notorious public administration sector retained the largest single portion of the budget at 15.1 percent.

Figure 3: 2011-12 Budget allocations per sector



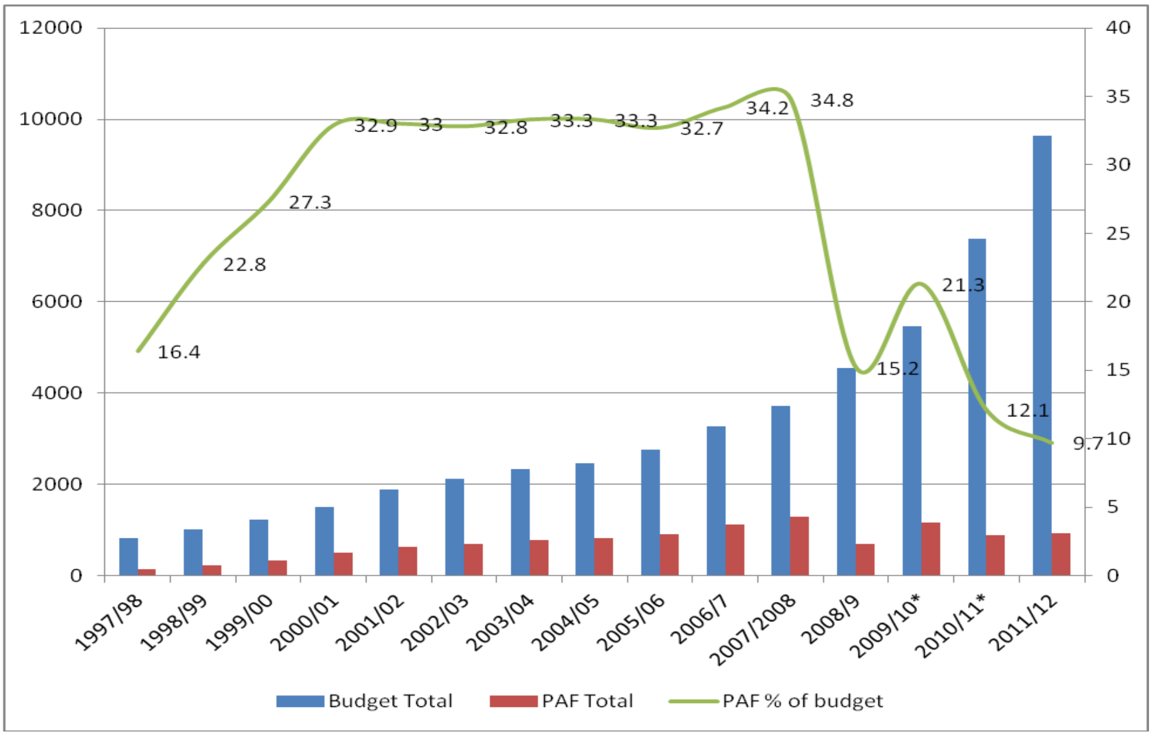
Source: Background to the Budget, 2011-12

4.2 How pro-poor is the NDP?

> '…The NDP broadens the strategic focus of the authorities from 'poverty reduction' to 'structural transformation' in order to raise growth and living standards…(it) aims at fostering skilled employment growth and a sectoral shift to higher value-added activities (IMF/WB 2010)

It is too early to gain a definitive sense of the implications the NDP may have for poverty reduction, including over what timeframe. Although budgetary allocations have shifted, NDP priorities have yet to be implemented on the ground and, by their nature, it will be several years before many of these (e.g. major hydroelectricity projects, roads, bridges) will be developed let alone have an impact on living standards. Nonetheless, it is possible to assess the strategic direction proposed by the NDP in terms of the character of poverty in Uganda and what is generally known about pro-poor growth and development in this context and more broadly.

Figure 4: Budget priorities shift away from PAF areas



Sources: 1997/98 - 2005/06 (PEAP evaluation: Poverty Status Report 2005); 2006/7-10 (Budget Performance Report); 2010-11: National Budget Framework Paper 10/11-14/15; 2011-12: National Budget Framework Paper 11/12-15/15

NB: Figures for 2008-9 exclude donor funding.

According to the above quote from the Joint Staffs Assessment, and also the NPA Chairman, 'the difference between the PEAPs and the NDP is the balance between poverty reduction and development' (Interview, June 2010). One of the key indicators of this relative shift is the declining relative importance given to PAF expenditures. Figure 4 reveals that PAF's share of the total budget has plummeted from a high of nearly 35 percent in 2007-08 to its current level of 9.7 percent. It is important to note that this fall needs to account for the removal of some items from 2009-10 onwards that used to be considered as PAF (expenditure such as salaries in education and health were removed, see MFPED 2008), which led to a de facto reduction in PAF allocations. Nonetheless, in a context of increased fiscal space, the Government has clearly decided not to deepen its commitment to PAF areas but to shift the emphasis elsewhere. Levels of expenditure in health and education will remain significant, but what is notable here is that most of this will be in relation to earlier commitments and recurrent expenditure, that is, through a residual rather than a renewed focus on these sectors.

This does not necessarily mean that Uganda's new policy direction is definitively less 'pro-poor' than the one it is steadily displacing. It has become increasingly clear that agriculture and infrastructure have been subject to low levels of investment in Africa for over two decades, and numerous studies emphasise their significance of 'pro-growth', in Uganda and beyond (e.g. Besley and Cord, 2007). More generally, there is also plenty of evidence to suggest that structural transformation of the economy, involving a broad shift from agricultural to manufacturing, labour-intensive forms of production and progressive moves up the value chain in terms of the goods being produced for export markets offers a sustainable route to large-scale poverty over the long-run (Khan, 2005). [22] In a powerful critique not only of the Washington Consensus but also its PWC successor, Charles Gore (2000) identified a 'Southern Consensus' that better reflected the postwar development successes experienced in East Asia and Latin America. A cursory examination of the key tenets of this broad approach, set out in Box 1 below, reveals the extent of the divergence between what history suggests has been successful for developing countries in achieving progress and the prescriptions laid out first under structural adjustment programmes and then under PRSPs.[23]

Box 1: The Southern Consensus

1. Strategic integration into global economy

2. Growth and structural change by 'productive development policy'
   - Fiscal discipline
   - Full capital & human employment
   - Human capital formation

3. A developmental state linking government and business co-operation
   - State facilitation of private sector-led development
   - State role in overcoming technology imperfections

4. The managing of distribution and growth to ensure productive employment e.g. agrarian reform

5. Regional integration and co-operation

Gore (2000)

[22] As noted some years ago in relation to Uganda, '…the current poverty agenda may be distracting attention from other development strategies that might be required to attack long-term, structural forms of poverty' (Hickey, 2005: 1005, also Bryceson and Bank, 2001).

[23] As Sumner (2006) has noted, most PRSPs reflect either a Washington or Post Washington Consensus on economic policy – none could be said to reflect Gore's 'southern consensus'.

The NDP agenda bears a striking resemblance to this Southern Consensus, particularly the clear shift to a focus on employment, state facilitation of private sector-led development and also on regional integration through a strong recognition of the importance of the East African Community (Republic of Uganda, 2010). Although fiscal discipline has been tested of late, particularly during the election year of 2011, the underlying commitment seems to remain in place.

However, there are important gaps elsewhere, perhaps most strikingly in a lack of attention to human capital formation; the limited role envisaged for the state in terms of closing the technology gap; and the absence of a clear strategy around how the state will seek to manage growth and (re)distribution. Indeed, it is very difficult to identify clear examples of how the overall vision of transformation has been thought through in distributive terms, whether over the short- or long-term, and with particular reference to the critical areas of agriculture, employment, social protection and spatial inequality.

4.2.1 Agriculture

As the NDP recognises, a majority of poor Ugandans still rely heavily on the agricultural sector to generate income, and agriculture retains a place at the core of the NDP strategy. However, whereas the pro-poor growth that Uganda experienced during the 1990s was based largely around the increased gains experienced by small-holders (predominantly in the coffee sector, *Kappel et al.,* 2005), the focus here has shifted towards a focus on farmers with larger land holdings. The intention is to re-order the political economy of agriculture on a wider scale, including a focus on agricultural zoning to gain economies of scale around specific commodities, which can then support agricultural trade and agro-processing in a more sustainable manner. Efforts will be made to select and intervene in strategic commodities, as determined according to available export markets in the country and region more broadly.[24]

However, agriculture remains subject to under-investment and continues to lack a clear policy direction. In addition to capping expenditure for the sector at less than five percent in the 2011-12 Budget, the same Budget announced a tax-reduction on hoes, which hardly reflects a drive to modernise the sector. Civil society critics consider it ‘a tragedy that a sector that employs over 70 percent of Ugandans gets only approximately five percent budget allocation’ (UNGF, 2009:15), particularly when regional bodies such as the EAC and AU advocate budgetary allocations of around 15 percent of the national budget for agriculture (c.f. APRM, 2009:142). There is a clear lack of government confidence in the sector, which

[24] One of the key architects of the original PMA and a lead player in establishing the new agricultural strategy pronounced himself ‘Very happy with the shift to modernization’, suggesting that ‘we should never have gone with the poverty thing, the emotional thing. We know those uncles and sisters are back there (in rural areas) but we cannot let them drive the development agenda’ (Interview, June 2010).

has experienced an apparent freefall in terms of its contribution to GDP over the past twenty years.

However, the constraints facing agricultural modernisation clearly exceed the issue of finance alone. For example, most observers concur that little can happen without a radical change in land policy, with commercialisation highly unlikely in a context where the average landholding is 2.5 hectares (Interview with senior MFPED Advisor, June 2011). Land reform remains critical to poverty reduction in Uganda (Krishna *et al.,* 2006),[25] and the experience of countries that have achieved structural transformation reveals the need for government to appropriate and distribute key resources such as land for productive purposes (Gore, 2000; Khan, 2005). However, the government in Uganda has generally lacked the political will to push through such reforms, and. where it has tried, has generally failed to appropriate land for higher-value economic activities.[26]

4.2.2 Employment

As such, the exit routes from agriculture into agro-processing in Uganda (let alone the urban-based manufacturing sector), remain limited. A leading expert in the agricultural sector notes that, 'The employment links are not very explicit as an objective in the agricultural strategy for the NDP (Interview, June 2010), while a contributor to the NDP's diagnostic basis admits that 'the projects that will create employment are not thought through in the Plan' (Interview, February 2011). This problem is strongly reflected in the Budget 2011-12, wherein the relatively strong focus on employment is nonetheless limited to stand-alone schemes and projects (e.g. around skills and subsidies) rather than at the strategic level of promoting labour-intensive forms of growth in particular sectors.[27]

This has serious implications for the whole NDP agenda in Uganda. According to one official within MFPED,

> 'a major factor driving the modernization agenda in Uganda (is) the pressure from growing youth unemployment. This perhaps more than anything else explains the pressure on government to focus on job creation through creating new sources of economic growth. Hence the thrust of investment in energy, roads, ICT, agriculture etc' (Personal communication, February 2011).

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[25] Krishna *et al.,* (2006: 365) argue that 'More focus on land-based policies for supporting escape will also be of considerable utility. Nearly 70 percent of all households escaping poverty over the past 25 years were assisted in this transition by increased incomes derived from commercial cropping and diversification on agricultural land'.

[26] An example here is the failure of the government-backed bid by the Madivani sugar corporation to develop a major agro-processing plantation in the north.

[27] Since the release of the NDP, MFPED has commissioned a paper on employment creation.

However, Uganda has yet to plot a coherent way forward here. Most investment in recent years has been in sectors that are capital- rather than labour-intensive sectors (e.g. telecommunications, banking) with much slower job-creation in large-scale agriculture or manufacturing (World Bank, 2007), a trend that looks set to continue with the current move into oil production.

4.2.3 Social protection

Where capital-intensive strategies become the preferred mode of development, this arguably places a higher burden on the state to redistribute wealth through the fiscal system and seek to maintain social stability amidst high-levels of unemployment in this way (as, for example, in South Africa). However, there is very little indication that the government in Uganda is planning significant investment in social protection. Although the NDP does contain four pages on social protection and two (related) cash-transfer programmes are currently being rolled out, these remain heavily reliant on donor funding and expertise, and levels of government funding and ownership (outside of the committed but structurally weak Ministry of Gender, Labour and Social Development) remains minimal. Indeed, the Social Development sector's projected share of the budget is set to decline rather than increase over the period of the current MTEF (MFPED, 2011:60). It is therefore unclear as to what provision will be available for those unable to gain a foothold in whatever employment opportunities do emerge through the new policy direction mapped out by the NDP.

4.2.4 Spatial inequality

The apparent failure within the NDP to make the links between its overall strategy and the most pressing problems of impoverishment in Uganda is further evidenced in its approach to spatial inequality. Despite the post-conflict dividend currently benefiting Northern Uganda, poverty in the country remains heavily regionalised, with the North and East experiencing the severest and most long-run problems with poverty (CPRC-Uganda, 2005; Nandy, 2008; World Bank, 2007). The problems facing those trying to escape poverty differ markedly between regions, suggesting a strong case for a regionally differentiated policy approach (Krishna *et al*., 2006). The NDP does propose some 'affirmative action' for these regions, including a restated commitment to the Post-Conflict Recovery and Development Programme for the north, an initiative that took well over a year to get off the ground since being established in 2008.[28] However, much of the Plan tends to blame the poor of these regions for their poverty, with attention drawn to the cultural rather than the political economy aspects of under-development in these regions (e.g. Republic of Uganda, 2010). This ideological bias towards a residualist reading of poverty has led to inappropriate policy

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[28] A recent internal evaluation, the results of which were discussed in Kampala in June 2011, led to calls for the PRDP to be rolled-over beyond its current end date in 2012.

solutions for the north in the past (Golooba-Mutebi and Hickey, 2010), a problem that looks set to be repeated here, with the main focus falling on localised economic activities for the north (Republic of Uganda, 2010: 360-9), rather than any serious attempt to rebalance the political economy of the country and work out an integrated development strategy that joins the north up with national and regional level infrastructures and markets.[29]

4.3 A paradigm shift?

In terms of marking a paradigmatic shift, the NDP certainly marks a distinctive turn away from a poverty agenda, at least in its PRSP-guise and associated emphasis on social sector investments. However, does it mark a new paradigmatic direction for development in Uganda or simply a return to the growth-based focus of neoliberalism (Sheppard and Leitner, 2010)? Despite some initial rhetoric from MFPED officials about this being a 'growth, growth, growth' agenda (Interviews, 2008), what is being advanced here (in theory at least) is not a return to the free market growth paradigm of the 1980s but to a distinctly productivist agenda that has more in common with Gore's (2000) 'Southern Consensus'. The insistence on market liberalisation within the Washington Consensus not only ignored the importance of investing in infrastructure to at least a similar extent as occurred within the poverty agenda, but also tended to encourage rentier forms of capitalism that further undermined the productive base of the economy.[30]

However, although the NDP is certainly seeking to move Uganda towards a more productive political economy of development, its failure to articulate a coherent strategic way forward in terms of both growth and redistribution is a serious flaw and reduces its claims to offer a distinctive paradigmatic approach. Although there are signs under the 'quasi-government' approach advocated within the NDP that a more active role for the state is being envisaged, what this means in practice has yet to be articulated.[31] As a senior advisor at the Bank of Uganda notes, a stronger role for the state has been accepted, even within the finance ministry tendency, because 'jobs and structural transformation can't work through a neoliberal approach. But what is lacking (in the NDP) is a realistic roadmap.' (Interview, February 2011). It is this failure that raises doubts as to whether or not the NDP reflects a

[29] However, NPA is undertaking 'spatial planning', with a view to gaining a more regionally-attuned perspective (NPA Interviews, 2011). However, the objective at present is not to directly target the spatial inequalities that underpin poverty but to identify the comparative advantage of each region in terms of productivity and growth, and to address perceived 'cultural problems' in such lagging regions (ibid).

[30] This tendency, which in turn undermined the possibility of effective and accountable governance, was most clearly seen in relation to the rampant cronyism that characterised many privatisation programmes in Uganda (Mwenda and Tangri, 2005) and beyond.

[31] An example here is the lack of a legal framework for forming public-private partnerships, a key means through which the NDP envisages a rebalancing of state-market roles and of bridging the funding gap between the costs of NDP ambitious investment agenda and the current resource envelope.

move towards a ‘southern consensus’ approach to development, along with concerns that Uganda lacks the type of developmental state required to implement this proposed new agenda anytime soon (see below). Although there has been a shift within both the finance ministry and civil society tendencies in Uganda in the direction of this agenda,[32] the actors and relationships required to give form to the NDP agenda are yet to be fully established. Moreover, the question of whether the NDP represents a move towards a southern consensus is further confused by the fact that the Washington-based brokers of development knowledge appear to have also shifted towards something more akin to a southern consensus than the previous paradigm, as with the ‘new structural economics’ (Lin, 2010).

[32] For example, there is now an apparent acceptance within the civil society tendency that any losses for poor people in the short-term can be off-set against the longer-term gains that should come from increased investment in infrastructure and the productivity gains that should flow from this. The NGO Forum’s own contribution did not significantly diverge from the broad orientation of the NDP, which is perhaps not surprising given that NGO actors have long held a broad allegiance to the NRM’s broad project of modernisation, albeit with a stronger focus on the rights and welfare of citizens (Hickey, 2005). Donors did little to oppose the shift away from a focus on poverty, although some have refocused their project-based funding on chronically poor parts of the country.

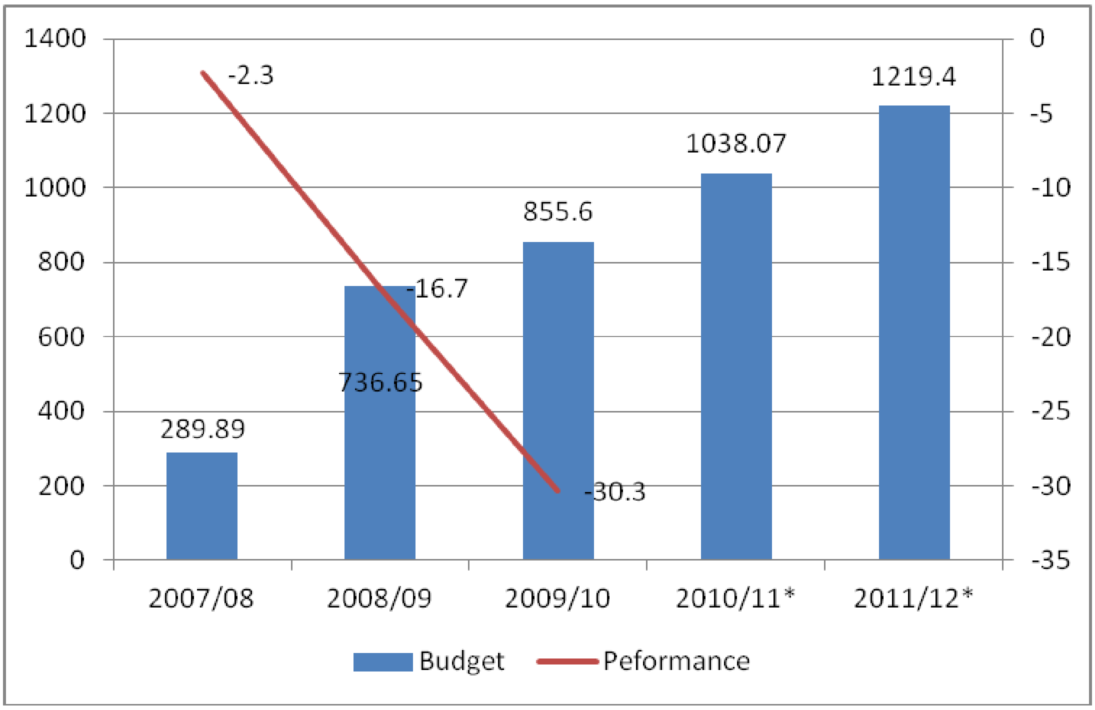
5 A new politics of development? Who controls development in Uganda

This section turns to the related question of who ‘owns’ the new development agenda in Uganda – or in Whitfield’s (2009) useful reformulation, whether Uganda has moved beyond ‘ownership via donor influence’ to a stronger sense of exerting ‘sovereign control’ over its development policy – and the related issue of whether the NDP is likely to be influences. It suggests that the NDP was subject to numerous influences, both internal and external, in ways that underline its earlier characterisation as a ‘governance’ state (Harrison, 2004). As noted earlier, this complicates any simple analysis of whether internal or external actors wielded the most influence in the NDP process. What emerges is a Government that clearly owns and also has greater levels of control over its development agenda, but which remains strongly influenced by the IFIs in particular, through a mixture of its own volition and as a result of the strategic reorientations that the IFIs have undertaken over the past few years.

The emphasis that the government placed on keeping donors away from the NDP process once it was underway was largely adhered to, with donors far less involved in the process than had previously been the case. However, this belies the extent to which a significant amount of influence had already been exerted, most notably through the World Bank’s Country Memorandum (World Bank, 2007).

As a senior IFI source in Uganda attests, ‘the main aim (of Country Memos) will be to influence the policy formulation of government’ (Interview, February 2011). Although the Bank set out to be consultative with the government in this process, and government officials report feeding in their ideas at the start, Bank officials admit that, given their tight timetables, there was a tendency to push government along this ‘consultative’ process to ensure these were met. A leading parliamentarian, who was Chair of the Parliamentary Network on the World Bank when interviewed for this research, noted that ‘The paper of the World Bank was driven much more fastly than the NDP process, and so it informed the NDP very much; the NPA is still young and a weak fish…the Country Memo was very influential’ (Interview, February 2011). The Memo’s primary recommendation, namely ‘the need for Ugandan policy makers to pro-actively steer structural transformation and job creation through public policies and targeted investments’ (World Bank, 2007: 3) was adopted wholesale in the NDP.

Figure 5: Funding and performance in the roads sector



Source: various budget performance reports
**=Performance figures for 2010/11 and 2011/12 are not yet out*

However, it is still possible to agree with the same senior politician quoted above who sees the 'NDP as something much more government owned than the previous PEAP.' (Interview, February 2011). Although senior insiders admit that there was an effort to harmonise the NDP process with the timetables of the IFIs,[33] one official at NPA argues that they were keen to look to Bank for information when devising the NDP, 'not to be influenced but to learn best-practice and get the global picture from them...also to get them confident, keep them on board' (Interview, February 2011). This suggests that the tide has turned, with government more able to engage on its own terms. Indeed, the World Bank officials producing the Memo admit that they bore in mind the President's preference for a discourse of transformation, raising the possibility that IFIs are now attuning themselves more closely to national politics.

The experience of the NDP process suggests that Uganda is currently located somewhere in between the different models of 'sovereign control' and 'ownership via donor influence' (Whitfield, 2009). The contradictions within such a state of affairs are directly reflected and reproduced in quote below from a senior IFI official based in Kampala:

[33] As noted above, this included gaining approval for the NDP before showing the report to parliament and also working to the IMF's timetable regarding the Policy Support Instrument.

> 'the IMF really gets the ownership thing in ways we didn't ten years ago. Countries…are not dependent on our money but are on our advice and approval' (Senior IFI Official, June 2010).

As the politics of development in Uganda has shifted, so have the types of relationships that are required to sustain particular policy agendas. It is feasible that Presidential talk of modernisation constitutes the most recent attempt by Museveni to triangulate his concerns with the interests of those he needs to stay in power and pursue his current project. [34] For much of the late 1990s and early 2000s, it clearly suited Museveni to play the poverty card given his heavy reliance on support from particular donors who were leading this new agenda, and also because of the electoral popularity it helped to secure for him via populist give-aways. That his rhetoric of 'modernisation' has come so strongly to the fore over the past few years similarly fits well with the agenda of those providing new sources of financial support and investment, most notably China but also other countries and companies looking to invest in the exploitation of oil and the infrastructural development associated with this. The fact that the World Bank is using much the same rhetoric of 'transformation' suggests that the IFIs are running to catch-up with, rather than necessarily leading, the new zeitgeist (cf. Sheppard and Leitner, 2010), often in response to some of the same underlying drivers.[35] What is perhaps most significant here is that the President has long-held to a vision of Uganda as a modern country, through successive NRM programmes and manifestoes, and also before the oil finds became apparent. After nearly a decade of efforts to 'nationalise the poverty agenda' (Toye, 1999), it seems that nationalisation has only succeeded once the agenda shifted to one more aligned with the government's, and in particular the President's, political project of modernisation.

5.1 Will the NDP be implemented?

Despite this apparent commitment and level of convergence, the extent to which the NDP will be implemented successfully remains an open question, and will be shaped to a large extent by three inter-related factors: the resources, institutional and political capacities and the relationships. Although the NDP has clearly influenced the most recent budgetary allocations, the fiscal space during its first two years of existence has been constrained and implementation ahs been limited. At a deeper level, there is little evidence that the economy

[34] See Fisher (2010) on how Museveni carefully calibrates his national policy actions to suit the types of relations how wishes to build and maintain more globally, as in the case of sending UPDF troops to Somalia. The same point is also made in a recent article in The Monitor ('Why Museveni has stayed in power for twenty five years', 29 January 2011), which pointed out that one of Museveni's first acts in power was to call a press conference so that he could explain his position and plans to Western diplomats.

[35] As noted in the memo itself, 'The report also comes at a time of reflection about economic growth in academia and within the World Bank' (World Bank, 2007: 2).

is structurally ready for 'take off' (Selassie, 2008); indeed, this would involve something of a reversal of recent trends.[36] Despite maintaining impressive growth figures over the past decade, Uganda's high level of population growth plays a strong mediating role here, with nominal growth rates of over six percent bringing increases of only 1.3 percent in actual incomes (World Bank, 2007). The economy is facing a difficult time, characterised by high inflation, a growing balance of payments deficit, depleted foreign reserves and a flatlining tax take.[37] With some donors increasingly willing to withdraw their funding when they perceive government to be under- or mis-performing, the Government has become increasingly open about taking loans from new sources in order fund the major investments prioritised by the NDP. However, this will only ease tensions between those pushing for investments and those emphasising macroeconomic stability if a return to high levels of indebtedness are avoided.

However, the most significant binding constraint that faces Uganda in seeking to deliver on its new development agenda is the absence of a developmental state. Structural transformation is no mean feat, and modern history suggests that, as per the Southern consensus (Gore, 2000), it requires not only high levels of political commitment and resources but also a high degree of state capacity. Uganda clearly lacks the type of developmental state that is required to deliver either the forms of capitalist accumulation or service delivery demanded here (Khan, 2004, 2005; Leftwich, 1995). For a state to guide and assist capitalist transformations, according to Khan (2004, 2005), it must be able to expropriate the necessary resources and property required to accumulate rapidly, to pick and support winners in the economy, and to discipline those which fail; and to close technology gaps. These capacities are not currently present in Uganda, which has a recent list of failures in relation to each of these. The state's record in delivering public goods and services has also been both poor and declining in recent years, both in terms of disbursements (e.g. see Figure 5) and also outcomes (OPM, 2010). A cross-cutting factor here is the apparent deepening of neopatrimonial tendencies within Ugandan politics, especially around the personalisation of rule and misuse of public resources and positions (Tripp, 2010).

This is in part a chicken-and-egg situation: as Khan (2010) also points out, clientelist forms of politics are a rational means of securing political stability in a context of early capitalist development. The structural transformation sought by the NDP should, in theory, increase the size of the productive economy and help create stronger constituencies for political as

[36] 'According to the National Accounts, structural transformation has slowed down since 1999. The contribution of all sectors to GDP growth fell, except for construction. Growth in agriculture decelerated to 3.3 percent over the period 1999/00-2004/05' (World Bank, 2007: 10).

[37] The financial crisis saw a downturn of inflows from remittances and purchase of Ugandan products: previously no bop problem as there was a lot of liquidity, easy access to finance – this has dried up.

well as economic change.[38] In terms of oil exploration, there are clear concerns that this will deepen the rent-seeking as opposed to productive features of Uganda's political economy, and deepen the tendency towards capital- rather than labour-intensive forms of growth. Although it is not yet clear as to which particular forms of capitalist accumulation will emerge around oil in Uganda over the next five-ten years or what type of political order will be required to sustain this and make it 'work' (Ferguson, 2006), the way in which the process is currently being handled suggests that serious problems of governance and accountability are more than likely to deepen in the coming years.[39]

[38] These issues will be explored in forthcoming research on developmental states in Africa within the Effective States and Inclusive Development research centre, based at the University of Manchester.

[39] See recent reports by Global Witness, AFIEGO and The Independent. A great deal of secrecy surrounds the agreements for exploitation and silencing orders have been placed on some who have tried to open public debates on the issue. Although the Norwegians are closely involved in trying to advise the GoU on how to exploit these finds in ways that are sustainable and seek to stay within the bounds of 'good governance', few 'traditional' donors have clear insights into how the oil exploitation process is unfolding (Interviews with donor officials, May-June 2010).

6 Conclusion

The politics of development, in Uganda and beyond, has shifted significantly in recent years, in ways that appear to have important implications for the future of the poverty agenda leading up to the Millennium Development Goals deadline of 2015. The analysis offered here suggests that the poverty agenda in Uganda was enabled and sustained by a particular set of political and political economy conditions, revolving most critically around shifting patterns of geopolitics, the global flows of resources and ideas, and domestic political power arrangements (both formal and informal). The dominant forms and tendencies within each of these were displaced during the mid-2000s by a new set of drivers that are more conducive to a more ambitious programme of growth and structural transformation. The discovery of potentially significant levels of oil wealth, the growing influence of new donors and the return of multi-party politics all served to embolden the President's long-held ambitions of seeking to emulate the East Asian miracles. This converged with the ideological shifts taking place within the development mainstream which, in recognition of shifting patterns of wealth and global power, and also the financial crisis of 2008, tended to undermine previous paradigms in favour of an increased focus on infrastructure-led productivity. This shift was further enabled in Uganda by the move towards a longer-term planning cycle and the increased space opened up for a new 'Planning Tendency' to emerge within (and increasingly beyond) the Finance Ministry tendency. Uganda now has greater space to define its own development future in terms of resources and ideas, although it remains closely influenced by international financial institutions whose ideological agenda has been (not co-incidentally) travelling in the same direction.

The new agenda is arguably grounded in a stronger evidence base than the previous one in terms what has historically worked for poor countries (Gore, 2000), and also offers a welcome antidote to the sense that the poverty agenda marked a betrayal of the promise of modernity for poor countries in favour of a more minimalist approach (Hickey, 2005). However, there is little evidence at this stage that the particular route towards transformation identified within the NDP has been thought through in terms of the linkages to pro-poor outcomes, or that it will be implemented.[40] Although the types of relationships that underpinned the PEAP have been cast aside, they have yet to be full replaced by relationships that can give the new agenda the arms and legs it needs to move on the ground. Finally, the absence of a developmental state to a large extent reflects the lack of productive as opposed to clientelsitic relationships both within Uganda's political elite, and

[40] One donor official was mainly disappointed that NPA had not seen through its project more fully: 'That is the real disappointment – they had an opportunity to look up to and beyond the oil era – establish a vision – but it just came out as a typically linear, chapter by chapter thing. I'm not sure it has a lot to offer…it could have looked at climate change, growth, oil – a real launch pad for middle-income country status. But it's not there.' (Interview, 2010).

between the political and economic elites. Projects of developmental nationalism such as the one envisaged within Uganda's National Development Plan here have become even more problematic in a globalised age, not least following the neoliberal stripping down of the state. It remains to be seen whether Uganda's new political economy of development, involving the related promises of new financial flows and oil wealth, can transcend not only this but also the domestic political constraints.

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