

Private Sector Participation in Low Cost Water Well Drilling

Knowledge and Research (KAR) Project R7126

**The Role of the Private Sector in the Provision of
Rural Water Supplies: An Insight into Uganda
Unpublished MSc Thesis**

**Kim Littlefair
2000**

**Government of Uganda
WES Programme – SIDA/UNICEF
Poverty Alleviation Fund (PAF)**

DANIDA

Danish International Development Assistance

Project Manager Dr Richard C Carter, Institute of Water and Environment, Cranfield University at Silsoe, Silsoe, Bedford, MK45 4DT, UK.
Tel + 44 (0)1525 863297 (direct line); Fax + 44 (0)1525 863344; e-mail r.c.carter@cranfield.ac.uk
Website: <http://www.silsoe.cranfield.ac.uk/lcdrilling/>

DFID

Department for
International Development, Infrastructure and
Urban Development Division

*The Role of the Private Sector
in the
Provision of Rural Water Supplies.
An Insight into Uganda*

Kim Littlefair

2000

Abstract

The provision of water to households has traditionally been the responsibility of governments. This responsibility is increasingly being transferred to the private sector. In developing countries, this presents a challenge to identify what and who is the private sector, whether it exists and whether it has the capacity to deliver this most basic of needs. The economic market, through which this social need is to be supplied by the private sector, is less likely to exist in rural areas of developing countries. This provokes questions as to the capacity of a range of stakeholders to implement policy on a national and coordinated basis and thereby achieve equity of development. A case study from Uganda is presented to emphasise the technical and social aspects of rural water supply if sustainable water supplies are to be achieved through the private sector. Three themes were shown to highlight the complexity of such policy development: rhetoric versus reality of policy; capacity for its implementation and the impact of macro policy on the local reality. It was determined that the opportunities, alluded to in government rhetoric, were not realised in reality due to the poor status of national capacity to turn policy into practice. It was shown that cultural influences affect the response of government and society to policies adopted from the west which are regarded as models for development. It was concluded that private sector development in Uganda is limited due iniiily to constraints at the macro level whilst rural community capacity is also insufficient to respond to government policy.

Table of Contents

	Page
Acknowledgements	
Table of Contents	ii
List of Tables and Figures	iv
Acronyms	iv
1: INTRODUCTION	1
2: GLOBAL CONTEXT OF RESEARCH THEMES	3
3: CONTEXT OF CASE STUDY: UGANDA	7
4: METHODOLOGY	13
5: EMPIRICAL ANALYSIS	16
5.1 The rhetoric of policy versus the reality of policy implementation	16
5.2 The influence of capacity at the macro and micro levels upon private sector development	20
5.2.1 <i>The influence of capacity at the macro level: Government</i>	21
5.2.2 <i>The influence of capacity at the macro level: District Councils</i>	23
5.2.3 <i>The influence of capacity at the macro level: Donors INGOs</i>	24
5.2.4 <i>The influence of capacity at the micro level: Rural Communities</i>	25
5.2.5 <i>Wider debate</i>	29
5.3 The impact of macro policy upon the local reality of Uganda	29
Chapter 6: CONCLUSIONS	32
Chapter 7: RECOMMENDATIONS FOR FUTURE RESEARCH	34
REFERENCES	

APPENDICES

Appendix A: List of Informants

Appendix B: Grouping of Informants

Appendix C; Link between Private Sector and Government Structure

Appendix D; Business Uganda Development Scheme (BUDS)

Cover of Newsletter Outlining Services offered to the Private Sector

Appendix E: Newspaper Articles reporting levels of corruption in Uganda

List of Tables and Figures

	Page	
TABLES		
Table 1	Characteristics of Ugandan Culture and Environment	12
Table 2	The constraints and impacts upon private sector development	19
Table 3	Evidence for the constraints upon rural water supplies and their impacts on community participation in private sector development	27

FIGURES

Figure 1	Maps showing geographical location of I..Iganda in Africa and the geography of Uganda	7
Figure 2	Development Diamond comparing development between rural (outer pentagon) with urban (inner pentagon).	9
Figure 3	One of many billboards in Kampala promoting the policy of privatisation	17
Figure 4	The relationship of the private sector with other stakeholders in rural water supply provision in Uganda (based on interview responses)	18
Figure 5	Constraints to Private Sector Development	18
Figure 6	Chain of evidence supporting observed outcome: limited private sector activity in rural water supply in Uganda	20a
Figure 7	Where to start the building of a private sector	26
Figure 8	Constraints to rural water supplies	27
Figure 9	Hand dug well under construction by rural community, Luwero	28a
Figure 10	Community constructed gravity fed spring, Kabale	28a
Figure 11	'Districts fail to account for Shs 338m'	30

ACRONYMS

GDP	Gross Domestic Product
UNTDO	United Nations Industrial Development Organization
IIBRD/WB	International Bank for Reconstruction and Development / World Bank
NGO	Non-government organisation
SKAT	Swiss Centre for Development Cooperation in Technology and Management

Acknowledgements

to Richard Carter for offering me the opportunity of visiting Uganda; to Ronnie and Jamil for their valuable contribution and insights to my research as well as for the fun parts; to Matt for being such a splendid' research and travelling companion; to my mother for her thorough editing and patience with my efforts; to Sam for taking the time to read and comment on this work; to my friends and colleagues, Ceri, Jonathan, Debbie, Carole, and Christine for their support, empathy and, most importantly, flexibility with time to complete this; and, finally to Andrew for being my constant. Thank you all.

The financial support is gratefully acknowledged from Sir Halley Stewart.

1. Introduction

The issue

The purpose of this study is to evaluate the opportunities for and constraints to the private sector in the provision of rural water supplies in developing countries. The private sector is increasingly gaining recognition as a service provider of basic needs, such as water, on behalf of governments in developing countries. The topic is of interest as it involves the combination of economic and development concepts and the private sector is regarded as the vehicle through which such social and economic change can be achieved.

Privatisation as a development policy in developing countries

Privatisation is a familiar policy within the developed world and is now becoming part of the economic restructuring in developing countries being implemented as a development policy. Economic restructuring is pursued in the transfer of investment responsibility for infrastructural development from governments to the private sector. Social restructuring is anticipated to derive from community grassroot policy participation in order to stimulate demand and thereby create a market to which the private sector can respond.

Rural communities and the private sector

Thus a complex scenario arises: a profit orientated private sector is sought by governments to provide water, the most basic of needs. To link private sector development through the provision of community water supplies requires capacity at the macro level to stimulate an environment through which a private sector will emerge. This is particularly challenging within rural communities as it concerns access to water by the majority population, but where financial returns for the private sector may be low. Therefore the capacity of communities to respond to policy relies on government capacity to empower them. Moreover, if governments consider private sector activity as contributory towards national economic development, with water as the basis of development, how can sustainability of water supply systems be assured amongst rural communities which are geiierally remote from development?

The cultural context

Introducing and implementing macro policies in developing countries present further complexities. These policies should be recognised in terms of applying an economic models which have gained acceptability in western economies, to societies undergoing transition. Consequently, the impact of macro policies upon such societies which are generally remote

from development should be assessed in the context of whose development objective is being met: long term national development at the macro scale or daily survival at the local scale. Therefore, if the stimuli for private sector development in the water sector is expected to be generated by communities, these conflictive objectives may be hard to reconcile.

Aim of the study

This study aims to contribute to the discussion surrounding private sector development by assessing its role at the micro level in rural communities, and its capacity to fulfil the traditional role of government to provide water as a basic need. The issues presented here are from fieldwork undertaken in Uganda. The rural focus was emphasised in recognition of a research bias for this topic towards urban areas. The findings were derived from research concerning a specific project aimed at assessing the potential of the private sector in Uganda to adopt low cost water drilling technology in the provision of rural water supplies.

Research Themes

Due to the limitations of the research and the parameters of the dissertation, the various complex and interrelated factors associated with privatisation cannot be considered in their entirety. It was therefore decided to focus the discussion on the three themes identified during the fieldwork as important factors impacting upon the growth of the private sector in Uganda:

- rhetoric of policy versus the reality of policy implementation;
- influence of capacity at the macro and micro level upon private sector development;
- the impact of macro model policy upon the local reality of a nation.

Structure of thesis

This chapter has presented a general introduction to the issues surrounding privatisation of rural water supplies in developing countries. The background to these issues on a global scale will be described in Chapter 2. Chapter 3 will provide an insight into Uganda before the research findings are presented and analysed in Chapter 5. The research methodology undertaken is described in Chapter 4.

2. Global context of research themes

Introduction

Much of the debate surrounding privatisation concerns urban communities which are in closer proximity to infrastructural services. As the focus of this study concerns rural communities in developing countries, this section aims to highlight the impacts of global development policies upon the development of the majority population.

Rhetoric versus Reality of Policy Implementation

There are great expectations in the rhetoric concerning the role of the private sector in national economic and social development. The drive for private sector development is reported by UNDO (1993) as a priority for most developing and industrial economies.

At the macro level, the benefit of private sector development is hailed as a partnership between public investment for cost sharing with the private sector when public resources are limited (IBRDIWB, 1996). However, the reality of this partnership is effected, according to Mudgal (1999) when public agencies act as facilitators and enable the private sector to have a leading role to play. Hofmeyer (1999) refers to the partnership where the latter provides the technical and commercial skills, whilst the former ensures equal access to the market. Such access relies upon government capacity to create an enabling environment. This involves institutional challenges described by the IBRD/WB (1996) as financial sector reform, public enterprise reform and privatisation, and strengthening of the legal system.

The change of role for government under such policy implementation requires further institutional capacity. Webster & Sansom (1999) refer to the shift in government role from owning and operating national infrastructure to one of regulating services. Doyen (1999) regards the role of government as critical in private sector development, stressing a point reinforced by DFID (1999) that the element of political will underpins the success of private sector involvement. In the area of water supplies, the political will for initiating private sector involvement has not yet been realised due to the weak public sector implementing agencies and poorly defined rural water supply policies (Katz and Sara, 1999).

The challenge for rural water supply provision is that the role of the private sector in natural monopolies such as water is recent and untested in rural areas in developing countries (Webster and Sansom, 1999). Urban based businesses are acknowledged as reluctant to travel to rural

areas where profits are lower and the incentives to increase service provision by the private sector to the poorer rural communities are not known. DFLD (1999) agree reporting minimal interest in the private sector financing rural water supply systems, which Ali (1999) attributes to the difficulty of the private sector justifying a presence in the rural, rather than wealthier, communities where cost recovery is higher.

Hazelton (1999), however, considers the strength of community based private sector development as offering a conveniently located service with reduced transport costs. Webster & Sansom (1999) agree that private sector development is important in rural areas to manage major water source repairs and act as a source for spare parts. The private sector is also able to offer varying service levels with a choice of technical options, operation and maintenance, which is important for flexible cost recovery techniques relating to community levels of willingness and ability to pay. Cross-subsidies between wealthier and poorer communities could promote equity of development. Overall, the locally generated finance within rural areas could contribute to sustainable community development in the form of self-sufficiency, capacity building and empowerment.

Indeed, as the private sector is increasingly relied upon as service providers of utilities, the perception of water as an economic resource becomes a greater reality. Thomas & Clegg (1998) describe the resulting 'marketisation' of water as altering the basis on which access to this entitlement becomes determined by the market rather than by the state. However, the view of the World Bank (1998) is to support a market-led approach which will meet the needs of the poor more effectively. Wedgewood (1999) states that the reality of those unable to pay for the choice offered by the private sector results in isolation from development policy. Thus, access to water is dictated by micro economic factors and an individual's ability to pay rather than need.

influence of capacity upon private sector development

Chambers (1997) states that community participation at the lower levels is insecure without participation at the higher (government) levels. Indeed, WaterAid (1999) argues that where private sector development in rural water provision is to be promoted, interdependency between government and communities is considered key. However, there is little attention in the literature to increasing community awareness of policies to stimulate demand through mobilising communities to increase awareness of safe water and stimulate demand for improved access to water through the private sector. However, the sensitisation to and management of water supply systems is not perceived as a responsibility of the private sector.

Hence, confusion of roles and responsibilities for private sector development at the grassroots level demands clarification. One organisation, the Mvula Trust (1999) which is proactive in this area, realised it had overestimated the private sector's commitment to community management. Mudgal (1999) suggests the role of the private sector may compete with the role and interests of NGOs. Consequently, the NGOs may have an interest in suffocating the activities of the private sector (van Beers, 1999).

Such conflict of development objectives is extended in the interpretation of the terminology surrounding the role of the private sector under privatisation over the last decade. Webster and Sansom (1999) refer to terms such as 'privatisation', 'private sector participation' (PSP), 'public-private partnership' (PPP). PSP refers to greater private involvement in the transfer of asset ownership, while PPP includes both sectors in service provision. Whichever terminology is used in the literature, the assumption is always that a private sector exists.

Impact of macro policy upon the local reality of a nation

Within a wider context, the introduction of western derived development policies will effect change amongst populations of developing countries. Jaegar and Kanungo (1990) argue that private sector development is advocated by external agencies who advise governments of developing countries to adopt western practices in order to achieve economic prosperity within the shortest possible time. This argument is supported by Bienen and Waterbury (1989) who describe the policy of privatisation (through which the role of the private sector is central) as one of the gamut of SAPs imposed by external donors and creditors.

When considering the local reality of implementing such a policy in developing countries, the potential impact on a society could be usefully considered in the context of Jaegar and Kanungo (1990) ideas which describe the affect of different cultures on the functioning of organisations. The authors state that an organisation (country) functions according to the behaviour and attitudes of the people in a particular society. Hence, model management theories and practices (privatisation policy, for example) may have limited application within developing countries. Regan (1998) expands this point highlighting the cultural, as well as the political and economic forces, which shape roles and relations of states in societies. For example, the impact of common factors such as ethnic divisions, a limited economic base and the pervasive role of the state will affect cultures and societies differently. Indeed, Sinha & Kao (1988) describe local diversity and socio-cultural constraints as largely influential. Jaegar & Kanungo (1990) suggest that political interference in bureaucratic or management systems leads to organisational failure.

There is also the perception of developing countries as politically less stable environments and where 'corrupt practices are more the rule than the exception' (Jaegar & Kanungo, p 9, 1990). The dysfunctional system of unpredictable political environments is described as arising from the coping strategies adopted by organisations: lack of planning, lack of time management, lack of entrepreneurship, and a general lack of trust in the system. The lack of trust will be reinforced whilst the will for government accountability and transparency proves insufficient to relinquish control to the lower levels of government (Ali, 1999).

3. Context of Case Study: Uganda



Figure 1: Maps showing geographical location of Uganda in Africa and the geography of Uganda

Introduction

The fieldwork for this study was undertaken in Uganda. Uganda, known as the 'Pearl of Africa', is of interest as it is one of a very few countries in Africa to undergo a thorough process of public sector reform. The current transition of social and economic change under discussion should be considered in the context of the country itself: an ex-British colony which since Independence in 1962 has experienced two decades of oppression and repression and is suffering the effects of one of the largest impacts of ADS worldwide.

Background

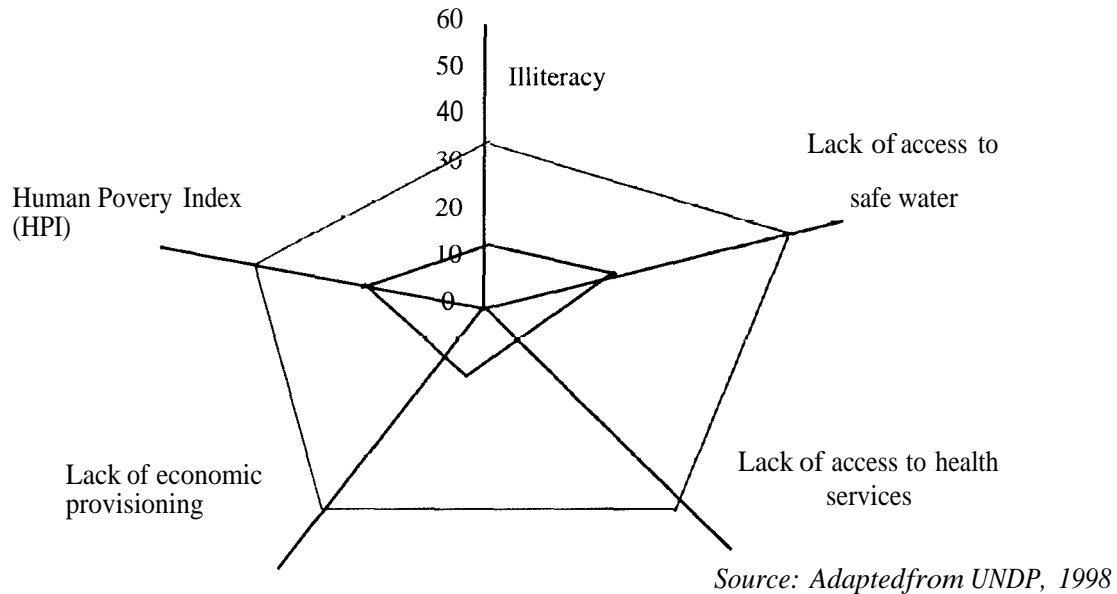
Uganda has experienced a rapid rate of political change over the last thirteen years in an effort to stimulate economic development following twenty years of violent civil war, instability and massive corruption and economic decline under Amin and Obote (Sedigh & Ruzindam, 1999). The country's status as one of the most progressive in sub-Saharan Africa prior to Independence accorded it self-sufficiency in food, a manufacturing base and higher social indicators than most other countries in Africa,

Current Economic Status

Whilst the GDP growth rate in Uganda is currently 6.8% pa, the benefits of this growth are not widespread (UNDP, 1998). Analysis of social sectors, such as education and health are less impressive; for example, the growth rates for education and health are 2.4% and 1.5%, respectively, rather than a reported ideal of 4.5% and 2.0% (World Bank, 1993). Uganda also has one of the poorest average per capita incomes (\$220) in the world (IBRD/World Bank, 1996), a literacy rate of 54%, rapid population growth of between 2.4% and 3.8% (World Bank, 1993) as well as the lowest life expectancy (42 years) in Africa due to the impact of ADS (World Bank, 1999).

The development diamond below (Figure 2) presents further analysis of development differentials between the urban and rural areas of Uganda.

Figure 2: Development Diamond comparing development between rural (outer pentagon) with urban (inner pentagon). Each vertex represents a dimension of human deprivation.



Water provision

The provision of basic services in Uganda is still lacking (UNDP, 1998) particularly in rural areas where the majority (85%) of the 20 million population live (UNDP/WB, 1999). Water coverage in the rural areas, for example, is 42% as a result of an infrastructure collapsing from minimal funding (UNDP, 1998). Hence, the rural population must fend for itself using traditional water sources such as streams, lakes and marshes; and, more recently gravity flow systems, protected springs and deep wells. While access by the poor to safe water is still a big challenge. The government had set a target of reaching 75% coverage in rural areas by the year 2000 (SKAT, 1996). However, a recent article includes statements for revised timescales for implementation targets: 95% during the period 2000-2015 (New Vision, 1999).

Further government commitment to the improvement of rural water supply coverage is reflected in the creation of institutions:

- RUWASA, East Uganda Project
- WES, National Water and Environment and Sanitation Programme
- NURP (North Uganda Reconstruction Project)
- RTWSP (Rural Towns Water and Sanitation Project)

The framework documents for water supply provision have also been produced by The Ministry of Natural Resources. They include:

- Water Statute (1995): a legal framework for the control and administration of water resources;
- National Water Policy (1977): advocating improving efficiency and facilitating the cooperation and collaboration with all participants;
- Water Action Plan (1995) guidelines and strategies for the protection and development of Uganda Water resources.

The current Hii~lget statement (1999) confirms government continual commitment to attracting private participation in the utilities through developing a conducive legal and regulatory framework with improved levels of transparency.

Policy Infrastructure

The effect of these infrastructural initiatives to improve water coverage is dependent upon the effective implementation of macro policies. For example, decentralisation, introduced in 1992 with support from the World Bank, was to bring about 'a fundamental change in state and society' (Regan, 1998). It aimed to reduce state control over the economy and to increase community participation from the grassroots in economic development in order to bring services closer to rural people (UNDP, 1998).

The success of policy implementation relies upon the capacity at different levels of the newly devolved government system (SKAT, 1996). At the national level, it requires the government department, Directorate of Water Division (DWD), to regulate and supervise rural water supply activities and, at the newly empowered District Council, to plan and coordinate rural water supplies in response to community demands. Furthermore, at the subcounty level, it requires the ability of the local leader to respond to community demands.

The weakness of provision in basic services is the lack of internal funds to meet targets for coverage set by government for rural water supplies. This situation increases the dependency upon external support (SKAT, 1996) particularly from donors who are the main stakeholders in the private *sector* providing 60% of the finance towards water supply (Wardrop, 1999). Indeed, there are no restrictions to foreign ownership in Uganda resulting in non-Ugandan ownership of public enterprises under privatisation. The opportunity for public participation in the privatisation process is limited. Further financial limitations have affected the development and

growth of small enterprises and resulted, state Hansen & Twaddle (1998), in a lack of response from the private sector.

Cultural Context

Whilst there remain infrastructural weaknesses in the provision of water supply to rural communities by the private sector, the reasons for these should be considered in the Ugandan cultural context. Lyons (1998) believes that the massive psycho-social trauma which the population has experienced in recent history, during the reign of Amin and Obote, has led to widespread fatalism affecting the concept of planning.

In addition, the policy of promoting the private sector presupposes full participation of local people (IBRD/World Bank, 1996). This is ambitious in the light of opinions expressed by those such as Mhowa (1998) who describe the thinking and cultural attitudes of the rural population as illiterate and quasi-literate and not up-to-date. Furthermore, the structural changes of the wider society make it difficult to motivate demand. An overview of the characteristics of Ugandan culture within various environments is provided overleaf (Table 1).

One of the consequences of twenty years repression and insecurity is the existing dependency on central government to provide basic services. The implications in terms of introducing a western driven policy such as private sector development is the capacity of implementation at all levels. The characteristics of Ugandan culture amongst various environments is outlined overleaf. The risk, according to SKAT (1996), is in the process of change, not the end result. In Uganda, there may be too many changes occurring too quickly.

Table 1: Characteristics of Ugandan Culture and Environment

Economic Environment	<ul style="list-style-type: none"> • <i>High GNP growth figures (from low base)</i> • <i>Low physical indicators</i> • <i>Collapsed financial system</i> • <i>Policy of privatisation and decentralisation</i> • <i>Donor dependent</i> • <i>Loss of productive % of population (ADS)</i>
Political Environment	<ul style="list-style-type: none"> • Most stable since Independence • Unstable in relation to investment • Civil Wars on borders • Referendum for multi-party elections due 2000 • Corruption affecting financial capacities to implement policy for private sector development
Sociocultural Environment	<ul style="list-style-type: none"> • <i>Majority (87%) rural population (World Bank, 1999)</i> • <i>Impact of AIDS - large number of dependents</i> • <i>High levels of poverty (46%) (World Bank, 1999)</i> • <i>Christian/Moslem communities / Ethnic Groups</i> • <i>Sense of insecurity / survival</i> • <i>90% taxpayers in lowest category (UNDP/World Bank, 1999)</i> • <i>Access to safe water in rural areas is low</i>
Natural Environment	<ul style="list-style-type: none"> • <i>Variable rainfall levels between north and rest of country</i> • <i>Droughts perceived as more frequent</i> • <i>Agricultural potential high</i> • <i>Surface water as source of water supply for rural population</i> • <i>Water: supply, not demand management</i>
Legal & Infrastructural Environment	<ul style="list-style-type: none"> • <i>Lacking coherence re role of private sector</i> • <i>Lacking clarity re ownership/legal status of communities</i> • <i>Distant from rural community participation</i> • <i>Lack of capacity to implement decentralisation to effect private sector development</i> • <i>Externally (donor) driven</i>
Work Culture	<ul style="list-style-type: none"> • <i>Individual</i> • <i>Lack of trust</i> • <i>Lack of planning</i> • <i>Middle class</i>

Source: Adapted from Carter (1998)

4. Methodology

Introduction

The case-study approach was used to enable an interaction with knowledgeable informants and to observe and participate in events within the local setting (Bulmer & Warwick, 1993). To fulfil the objective of assessing the impact of the private sector on the provision of rural community water supplies, rapid rural appraisal (RRA) was employed as a strategy for exploratory work (Moris & Copestake, 1993) using semi-structured interviews, documentation, observation and triangulation.

Data collection

The nature of the collated data is qualitative which according to Miles and Huberman (1984) is attractive as it is the source of well-founded rich descriptions and explanations of the processes occurring in local contexts. The ~thick' descriptions from unstructured responses, to which Dey (1993) refers, provide context to actions, intentions and meaning. The data is the result of spoken interaction (Coffey & Atkinson, 1996) which Chadwick (1984) believes allows the researcher to get closer to data by learning about the culture, its values, beliefs and behaviour patterns.

Sampling procedure

The sampling was selective (purposive) from amongst the following stakeholders identified as being representative of the privatisation process in the water sector: government personnel, NGOs (local and international), businesses and communities (Appendix A). The sample survey is regarded by Bulmer & Warwick (1993) as an elegant and powerful method for gathering data on a small number of cases to make statements about a much larger universe.

Primary data

A review of primary source data, obtained locally, was derived from legal documentation, World Bank publications, newspaper articles, and publications from Makerere University. The collation of interview data appeared unconstrained: interviewees were accessible, amenable and forthcoming in their responses, and time was not restricted. There was openness of discussion which enabled depth of questioning, particularly concerning the more contentious issues, such as corruption.

Observed data was collected from travelling around Uganda. These findings were triangulated through informal discussions with a variety of people and with a research colleague whose remit was to focus upon businesses and communities. Observation contributed to

understanding the wider situation (Moris & Copestake, 1993) and this, in turn, revealed diversity which served to inform the quality of the research and provide greater depth of the local context.

Methodological Caveats

Reliability

No pre-conceived ideas were held on the issues prior to undertaking the research (Malinowsky, 1922). There did not appear to be a problem of comprehension during the interviews as English is the first language in Kampala. The degree of openness during discussions with informants, both male and female from a cross section of the population (Peil, 1983) provided valuable insights. The RRA methodology, as promoted by Ward (1993), allows an opportunistic and exploratory approach to identify the issues in the process of private sector development and rural water supply. The non-formal, flexible and unstructured methods of enquiry was used to maximise cooperation from the respondent (Ward, 1993). A consistency of views was identified between the various groups of stakeholders which permitted the creation of groups and enabled differences to be emphasised (Wolcott, 1994).

Bias

Some interview bias was evident (Bulmer & Warwick, 1993) as the initial informants were known to the DF11 project (Appendix A). However, from these key informants new contacts were established. Familiarity with the researcher's purpose may have encouraged a courtesy bias (Dixon & Leach, 1984), but may also have afforded greater openness of discussion during the interviews. Further bias could be attributed to the concentration of interviews held in Kampala, although efforts were made to alleviate this and to conduct interviews beyond the capital (for example, Kabale and Mbale villages).

The concentration of interviews in Kampala provided an opportunity to discuss government policy for private sector with those who are involved with its interpretation. The urban biased data was useful to inform the rural areas (Bulmer & Warwick, 1993). Further bias was considered when contextualising the data in a broader analytical framework involving the influence of strong social forces upon interview responses (Coffey & Atkinson, 1996). As Malinowski (1922) states, every human culture gives its members a definite vision of the world.

Analysis of Results

The analysis of the results involved the identification of the problem rather than finding the answer (Bliss, 1991). It became clear that there were a network of issues to consider when assessing the role of the private sector in the provision of water. The focus on the low cost drilling project enabled the key events surrounding private sector development and rural water supply in Uganda to be highlighted (Wolcott, 1994).

The data analysis is based on responses obtained from the distinct groups of the informants (Appendix B). The characteristics of each group were collated and counted as contributing or detracting from private sector development. The resulting chain of evidence is a graphical representation particularly appropriate for qualitative analysis (Dey, 1993). It simplifies complex interactions to provide a variety of perspectives between and amongst the identified stakeholders. The combination of qualitative and quantitative data is a feature of this study.

5. Empirical Analysis

Introduction

This section presents an analysis of the three themes identified from the research as key to private sector development in rural water supply provision:

1. rhetoric of policy versus the reality of policy implementation;
2. the influence of capacity at the macro and micro level upon private sector development;
3. the impact of macro policy upon the local reality of Uganda.

The discussion will focus upon the responses accumulated during the specific research for the low cost drilling technology project in Kampala. The qualitative data will therefore provide the basis of discussion but does not dictate the analysis (Burgess, 1996). Indeed, the discussion goes beyond the data to consider the social and cultural influences referred to in Chapter 3. The findings from the interviews show that there is currently limited private sector development in the provision of rural water supply in Uganda.

5.1 The rhetoric of policy versus the reality of policy implementation

The rhetoric

This first theme became apparent as the contrast grew between rhetoric and reality of policy implementation during the period of research. The interviews did reveal a consensus of national commitment, as UNDO (1993) stated, towards the overarching policies of privatisation and decentralisation in Uganda. Furthermore, Ugandans appeared conversant with the rhetoric of the new policy which embraced terms synonymous with development such as 'participation' and 'partnership', 'sensitisation' and 'sustainability'.

In the rural areas, the rhetoric appeared more familiar at the local government level rather than with individuals. The term 'private sector' was common parlance and an awareness of the informal private sector at the small scale (transportation, weaving, local agricultural produce) was highly visible in Kampala. The drive to encourage the development of a formal private sector was reflected through media such as radio advertisements and public notice boards (overleaf).

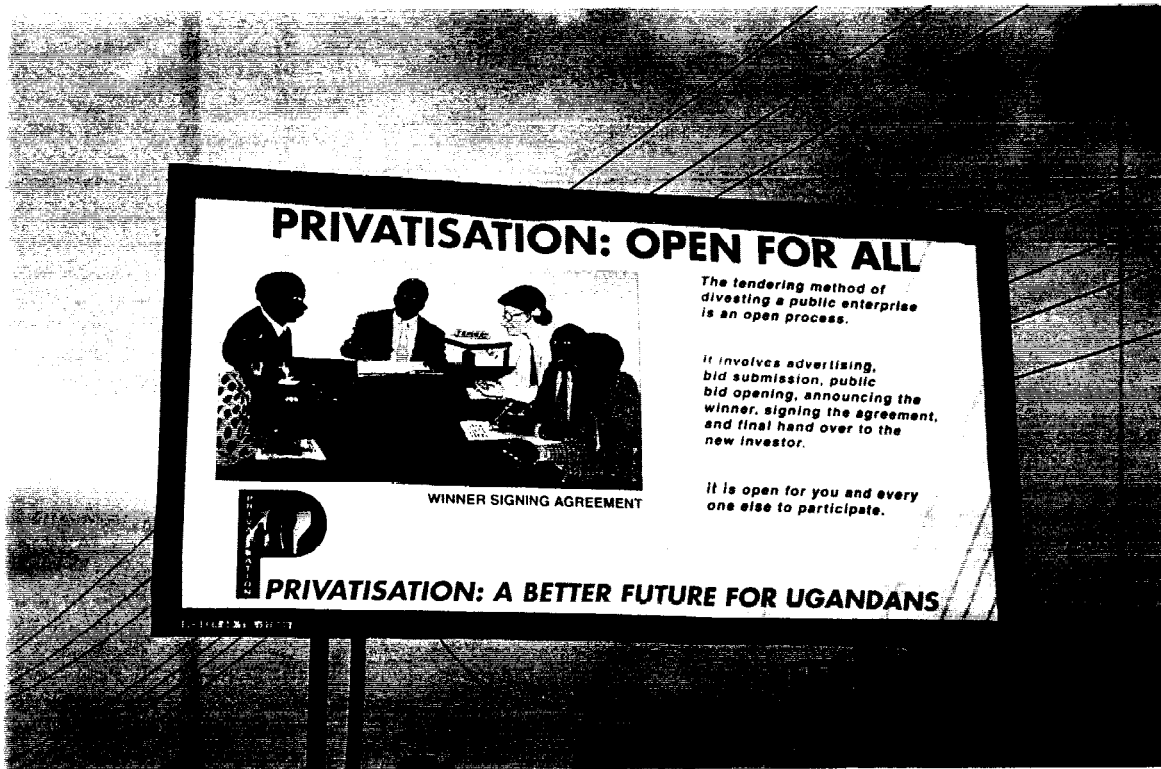


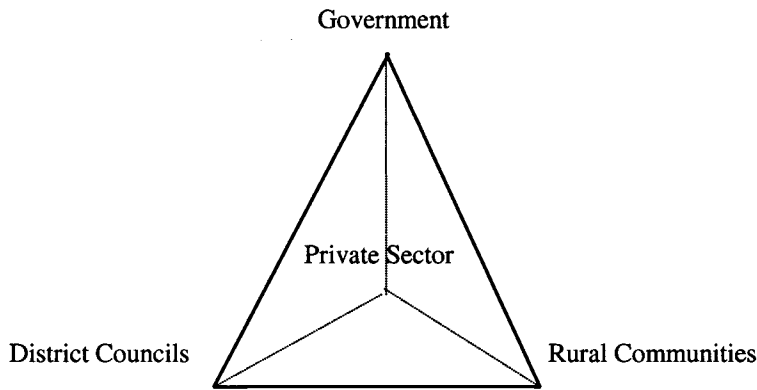
Figure 3: One of many billboards in Kampala promoting the policy of privatisation

The reality

However, despite the apparent cause for optimism for private sector development in Uganda, the reality revealed through the semi-structured interviews reflected a sense of restricted participation in the private sector. This confirmed the statement made by UNDP/World Bank (1999) that ‘it was still in its infancy’ and ‘immature’ in its composition as suggested by one informant. It became apparent that the private sector comprised of not only businesses (mainly small to medium sized of up to 10 people), but also donors and NGOs, and community artisans. In reality, it was not the homogenous sector, as suggested in Chapter 2: the local issues contradicted the rhetoric. Furthermore, it was regarded by the interviewees as operating within an informal market rather than a market stimulated by government policy.

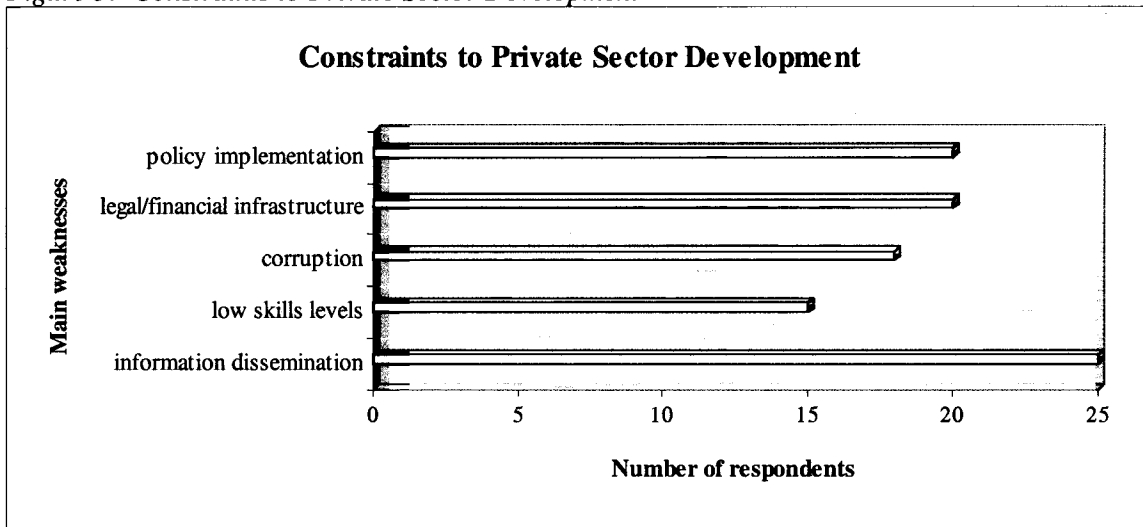
The reality of the relationship between the private sector and the stakeholders involved in water supply provision is illustrated in Figure 4. The process of influence, as described during the interviews, shows a more involved relationship than that depicted in government material (Appendix C) where the private sector is shown to have a link to the government structure through the district Council.

Figure 4: *The relationship of the private sector with other stakeholders in rural water supply provision in Uganda (based on interview responses)*



The impact of these relationships reflects a potentially complex reality of implementing a policy without recognising the wider influences. The interview process exposed a range of constraints which were impacting upon the development of the private sector in the rural water provision. These are shown in Figure 5 below and correlated to their impact upon the private sector in Table 2.

Figure 5: *Constraints to Private Sector Development*



Note: a range of responses by each interviewee was recorded

It can be seen that the constraints are due to infrastructural limitations at the macro level. These limitations re-occur throughout the study as they impact upon the capacity at all levels to contribute to private sector development.

Table 2: *The constraints and impacts upon private sector development*

able 2: The constraints and impacts upon private sector development

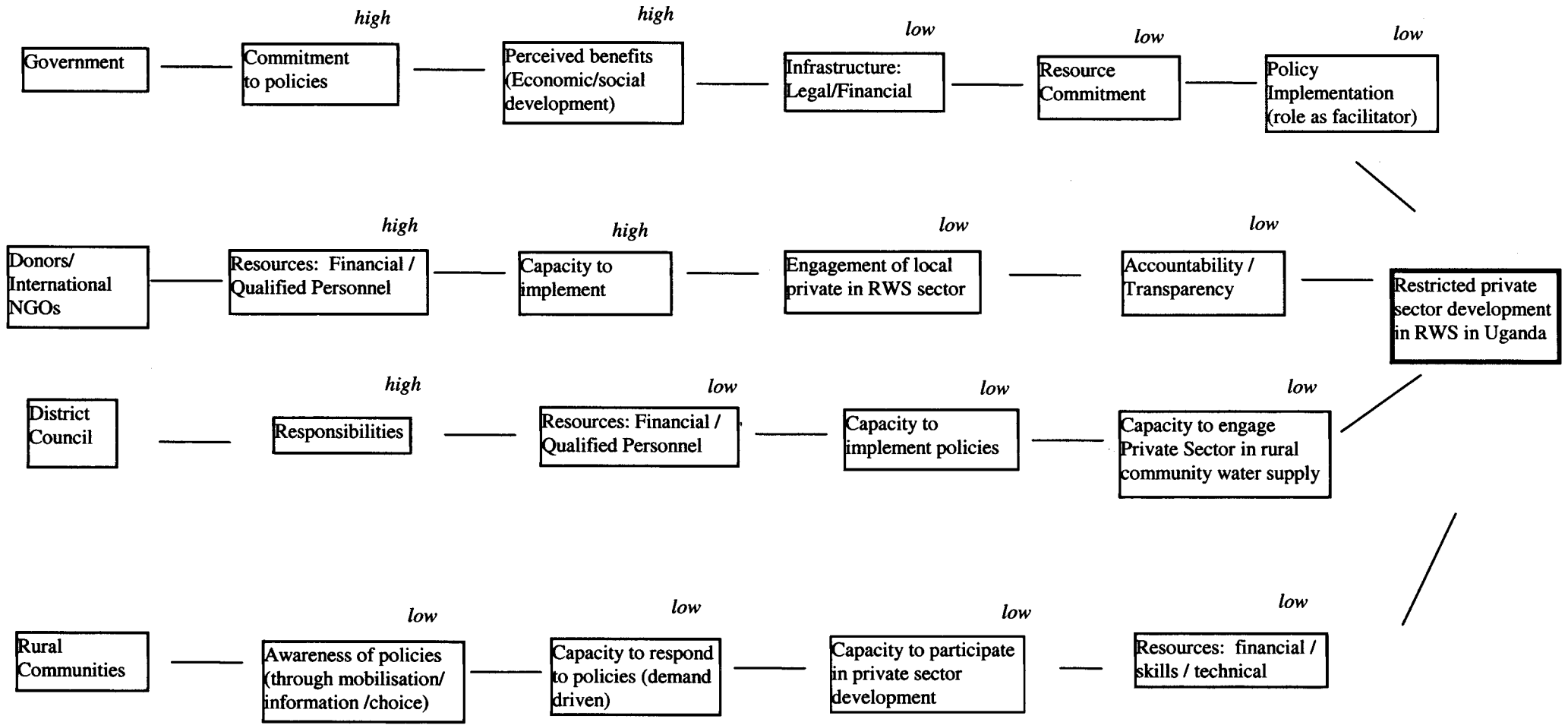
Constraints to Private Sector Development	Impact on Private Sector Development
Information Dissemination	<ul style="list-style-type: none"> • <i>Essential to stimulate communities to be demand driven for choice/cost of water supply</i> • <i>Policies not reaching the communities'</i>
Infrastructure: Legal	<ul style="list-style-type: none"> • <i>Lack of clarification of how District Councils (link in new arrangements with private sector) interact with private sector due to inconsistencies between statutes (Local Government Act, 1997/Land Act, 1998)</i> • <i>Lack of professional recognition</i> • <i>Not employed by those unfamiliar (District Council) with the private sector, but which are essential to the working of the private sector</i> • <i>Lack of role definition (WaterAid, 1999)</i>
Infrastructure: Finance	<ul style="list-style-type: none"> • <i>Lack of micro finance schemes (urban and rural)</i> • <i>Lack of income: access to cash rather than formal banking system</i> • <i>Community artisans lack access to participation in private sector activity</i> • <i>Rural sector development limited in water supply</i>
Policy	<ul style="list-style-type: none"> • <i>Comprised quality of private sector due to rapid policy implementation: 'immature composition'</i> • <i>Assumption that private sector existed</i> • <i>Government does not recognise 'self dependent' culture and 'greater sense of the individual' in Uganda</i>
Corruption	<ul style="list-style-type: none"> • <i>Lack of policy development: misappropriation of funds</i> • <i>Minimal accountancy and transparency of policy</i> • <i>'Political interference': different agendas</i> • <i>'Corrupt practices more the rule than the exception'</i> • <i>Tender process based on 'personal interests'</i>
Low skills levels	<ul style="list-style-type: none"> • <i>Lack of technical and business skills: no expertise to offer, cannot compete professionally, business development limited, not developing sustainable rural water systems</i> • <i>Mix of capacity: technology available, business acumen lacking versus less equipment and capital and high business acumen</i> • <i>Accountancy skills</i> • <i>Skills to operate and maintain community water systems</i>

5.2. The influence of capacity at the macro and micro levels upon private sector development

These constraints are indicative of the weak capacity at the macro level to translate policy into practice. Indeed, this second theme of capacity arose consistently throughout the interviews. It emphasised the reliance of the private sector upon capacity levels at the macro and micro levels, namely the ability of government, district councils, donors, and communities to interact with and engage the private sector. The research findings are grouped according to stakeholder analysis to support the observed outcome of restricted private sector development in Uganda. The evidence will be presented as a Chain of Evidence (overleaf).

Figure 6

**Chain of evidence supporting observed outcome:
limited private sector activity in rural water supply in Uganda**



After Miles & Huberman (1994)

5.2.1 The influence of capacity at the macro level: Government

The main strength of government capacity was deemed its commitment to developing private sector growth in recognition of the perceived economic and social benefits of transferring financial responsibility of water service provision to a private sector. The capacity of the government to create an enabling environment for the private sector was reflected through, for example, the creation of organisations to provide financial and administrative support to businesses.

The Private Sector Foundation through which Business Uganda Development Scheme (BUDS) and Uganda Women Entrepreneurs Association Limited (UWEAL) evolved were stated as increasing in membership. BUDS offer financial support, information, and skills training to businesses and individuals interested in participating in private sector development (refer Appendix D). However, it is urban based and can be seen (in Appendix D) as orientated towards the educated elite who also have access to the capital required for further finance funded by BUDS. Hence, participation to private sector activity in this locality is restricted. Such conditions of membership reflect a low capacity to devise schemes which are financially and geographically accessible to the majority (rural) population.

Despite creating such organisations, evidence of weak government capacity was reported by one interviewee that ‘the government had no idea of the composition of the private sector and how it was changing’. Hence the capacity of the government to accumulate baseline data to manage and inform policy implementation, towards overall private sector development and sustainable rural water supply systems, would appear minimal.

Infrastructure: Legal

The evidence of government capacity to develop a legal infrastructure for policy implementation was highlighted by the confirmation of the role of the private sector in the Water Statute (1995). It stated that private individuals could supply water to specific areas and charge for that service. However, subsequent legislation, such as The Local Government Act (1997), was presented as inconsistent as it did not clarify how local government (District Councils) was to interact with the private sector in the provision of community water supplies. Therefore, those unfamiliar with employing the private sector, such as the District Councils, according to one consultant, did not recognise nor engage the private sector as service providers. Indeed, as a result, the ‘unprofessional’ status of the private sector, as WaterAid

(1999) reported was reinforced and its weak status within the new legal arrangements increased its remoteness from policy implementation.

Infrastructure: Finance

The government's capacity to develop a financial infrastructure to meet the requirements of private sector development received most criticism from informants. The evidence for low government capacity was reflected in the low confidence in the national banking system arising from the recent collapse of two major banks, one of which supported many accounts of private businesses. The financial infrastructure was not considered broad or deep enough, by one informant, to support current private sector activity. The consequent lack of access to capital restricted private sector development: a fact reflected in the lack of medium sized companies (Ush 2m) (Budget, 1999).

Further evidence of weak government capacity in private sector development was the lack of micro financial schemes in the rural areas. This was stressed during the interviews, as one of the main obstacles to private sector development. The capacity to support flexible cost recovery techniques, particularly involving cross subsidies, to which Webster and Sansom (1999) refer, were not in evidence.

Policy implementation: roles and responsibilities

The third area presented as evidence of the weak capacity of government in private sector development was policy implementation. The government appeared unwilling to accept its role as regulator rather than implementor, as Webster and Sansom (1999) stated. It continued to regulate rural water supplies through DWD which was regarded by one informant as 'vital' for the provision of rural water supplies. However, the government's role was questioned by one international NGO as DWD was acting both as regulator and implementor of rural water supply services. Indeed, the confusion and conflict of roles between stakeholders in the provision of rural water supplies was regularly highlighted by interviewees as a major constraint to private sector development. The government was not fulfilling its role of facilitator within the partnership described by Hofmeyer (1999). One expatriate described the 'apathy' of government as disabling the roles of other stakeholders in private sector development.

5.2.2 The influence of capacity at the macro level: District Councils

Despite the new legal authority bestowed upon the District Councils as implementors of government policy, analysis of the research findings showed them to contribute to the restricted private sector development in rural water supply in Uganda. This would appear contradictory as in theory, the capacity of the District Councils to engage the private sector should be sufficient to fulfill its new responsibilities in rural water supply provision.

The evidence that the District Councils contributed to the observed outcome shown in the Chain of Evidence is reflected in the lack of necessary financial and personnel resources required to develop capacity to effect its remit. One District Councillor confirmed that the increased workload had not been matched by an increase in budget. It was further reported that the District Councils had not acquired the necessary autonomy to fulfill its role. The resulting low levels of motivation were compounded by the recent major retrenchment of personnel and the lack of increased wages beyond subsistence levels.

Personal interests therefore influenced the issuing of contracts for rural community water supply to those few businesses with sufficient capital to access the tendering process. Any effort to broaden and develop private sector participation was undermined providing evidence of the low capacity to engage the private sector at the regional level for rural water supply provision. Consequently, the main tool to engage and develop the private sector, the tender process, was instead reputedly used to secure personal interests. The priority of personal survival proved greater, as highlighted in Chapter 2, than commitment to implementing government policy for private sector development.

The low capacity levels of District Councils to engage the private sector at the community level in rural water supply were reinforced through the bias towards deep well drilling contracts. The perceived advantages for deep well drilling (technology availability, speed of implementation), enabled District Councils to counteract some of the pressure of meeting government water coverage targets. Hence, the choice of community water supply system was being driven by the state's requirements rather than by appropriate local development.

***Diversity:** Whilst capacity levels within District Councils were proving difficult to strengthen, there was evidence from one District Council of a proactive approach towards private sector development in rural water supplies. It is worthy of note as it highlights the role of government will when capacity levels appear restricted. The District Councils adopted a grassroots approach aimed at reducing the level of dependency within a community and to increasing capacity levels amongst the private sector at the local level. The informant identified opportunities for private sector development through encouraging those unemployed from retrenchment to participate in applying for contracts. The District was willing to provide skills training and would be flexible in accepting tender applications with references to confirm an individual's experience and reputation for high quality work. It provides an illustration of how capacity at one level, as purported by Hazelton (1999), can empower capacity at other levels.*

5.2.3 The influence of capacity at the macro level: Donors INGOs

The high capacity of international donors to contribute to private sector development and to implement government policy was evident in their access to financial and human resources. However, their capacity to engage the local private sector in the provision of rural water supply was considered low. Indeed, the donors were considered a constraint towards policy development as their priorities were perceived to lie in responding to their own targets of 'measurable outputs' and national accountability procedures. They were criticised at a government-led conference in Kampala (July, 1999) for pursuing a parallel system which prevented mainstream policy implementation and was counterproductive to national development.

The donors contribution to restricted private sector development in rural water supply in Uganda was provided by evidence from observation (confirmed by triangulation) of engaging their own staff and technology in the provision of rural water supplies which stifled local private sector development. Businesses employed as private contractors were generally those with access to the deep well drilling equipment and contacts who were often foreign based. Therefore, the consensus amongst interviewees was that Uganda would be dependent upon external resources for the foreseeable future whilst national capacity levels remained low. Thus, the scope for local private sector involvement in rural water supplies would appear limited.

The local NGOs, however, revealed evidence of greater capacity to develop private sector activity in rural community supplies. The local NGOs appeared to be the most proactive in developing the private sector at the community level. They were willing to encourage local artisans to work on a private basis using a softer approach involving the provision of cash advances to purchase materials for the work; the provision of skills training and the acceptance of letters from the community leaders vouching for their skills and reputation.

524 The influence of capacity at the micro level: Rural Communities

Earlier in this chapter, the main constraints arising from the research data reflected weak capacity at the macro level for developing the private sector activity. The need for interdependency between the private sector, government and communities, to which WaterAid (1999) refers, was noticeable by its absence in Uganda.

Rather, it became apparent from the interview process that the onus for private sector development in rural water provision lay with the communities. Indeed, it would appear that the role of the community was two fold: to be demand driven and thereby stimulate private sector development at the micro level, and, to participate in private sector activity.

Community Capacity to be demand driven and to stimulate private sector activity

The Chain of Evidence picks up on earlier themes to support the observed outcome of restricted private sector activity in Uganda: low policy awareness (resulting in comparably low community capacity to choose appropriate water supply systems); low resources (skills, technological, financial), and low awareness of the need for safe water. The evidence for high illiteracy amongst rural populations (IJNDP, 1998) in Uganda also suggests limited capacity to interact with government policy.

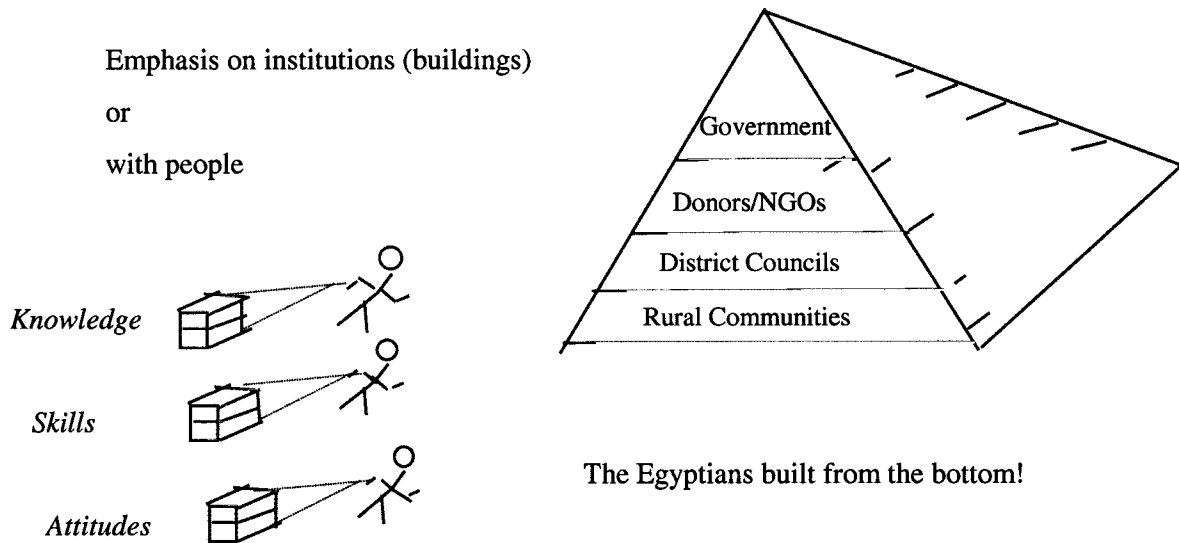
The expectation for communities to be demand driven partly relates to the economic goals from which the government hopes to benefit. It also relates to the anticipated sense of community ownership which should be achieved as a result. However, the target-driven emphasis for water coverage within short periods of time was seen to encourage rapid installations rather than to develop community capacity to demand and own their own solutions. This demand relies on information and awareness of choice (service and cost) both of which the research revealed limited community capacity.

Indeed, the lack of awareness of alternative water supplies was confirmed by a consultant who stated that even those who could afford to pay for a more expensive option of water supply

were unaware of alternative choices, such as rainwater harvesting. Instead, the evidence highlighted the familiarisation of communities with donors and NGOs as responsible for implementing local water systems. This resulted in a dependent relationship rather than a proactive interaction with the local private sector.

The lack of community demand for rural water supplies through private sector activity was also recognised by informants as being due to the low priority of water amongst rural households. Once again, the importance of community mobilisation is highlighted if communities are to become demand driven. One District Council recognised the purpose of mobilising communities in local private sector development. By identifying existing community priorities, community mobilisation could be approached through a 'common point of entry'. The District Council worked through the local community leaders and as the communities became more sensitised towards change and development, other issues, such as access to water, could be addressed with greater confidence of a positive community response. Without community participation, according to one interviewee, the 'forced' introduction of community water supply solutions would 'fail'. This would be as a result of a lack of operation and maintenance which would further restrict development of the private sector. Indeed, Figure 7 encapsulates the issues surrounding mobilisation.

Figure 7: Where to start the building of a private sector



Source: Adapted from Morley & Lovel (1986)

Rural community capacity to participate in private sector development in water supplies

The low level of demand by rural communities for water provision from the private sector, was described by informants to equal the low level of community capacity to participate in private sector development in order to supply such a potential demand. There appeared to be a lack of recognition of the reasons and implications for these existing low levels of rural community capacity. These constraints, and their impact on developing rural water supplies, were referred to during the discussions with local businesses regarding low cost drilling technology. They are shown in Figure 8 and expanded upon in Table 3.

Figure 8: Constraints to rural water supply

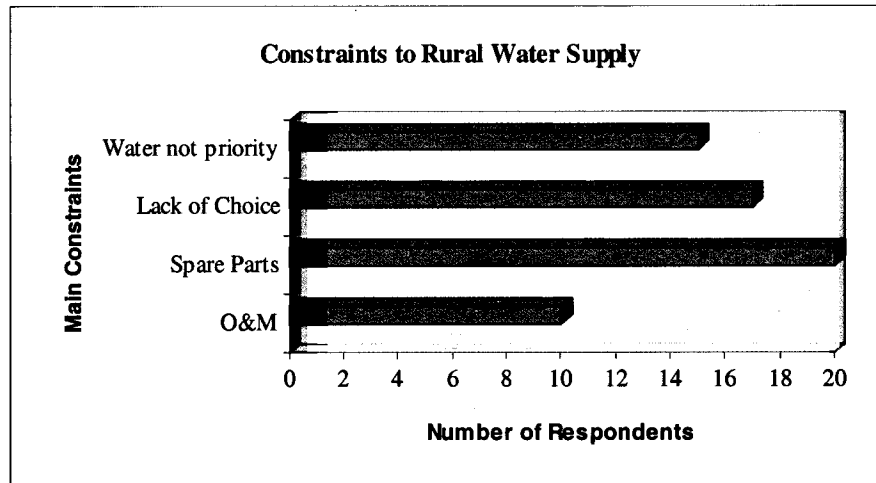


Table 3: Evidence for the constraints upon rural water supplies and their impacts on community participation in private sector development

Constraint to rural water supplies	Evidence in Research	Impact on community and its participation in private sector development
Spare Parts	<ul style="list-style-type: none"> • 50% failure rate (government employee) • Frequent comments in interviews 	<ul style="list-style-type: none"> • Short term water source development • Limited role as private sector (Webster & Sansom, 1999) • Return to traditional water sources
Operation & Maintenance	<ul style="list-style-type: none"> • 'Culture of building rather than maintaining in Uganda' • No spare parts 	<ul style="list-style-type: none"> • Limited role as private sector • Donor dependent

	<ul style="list-style-type: none"> • Low skills levels reported • Neglected if water implementation 'forced' on community and source 'fails' 	<ul style="list-style-type: none"> • Reinforces 'culture of building' • No sustainable water source: limited access to development • Lack of confidence in water source development and providers
Lack of choice	<ul style="list-style-type: none"> • Some community management in managing local water sources (gravity flow, harness natural springs) • No choice of system mentioned in interviews 	<ul style="list-style-type: none"> • Use of community capacity and local environment • Activity part of informal market rather than government-driven private sector • Unaware of alternative water source development
Priority of water source development	<ul style="list-style-type: none"> • Quoted as generally a low priority in communities • Need to survive on daily basis • Use traditional source of water 	<ul style="list-style-type: none"> • No demand to create private sector • Low awareness of water development • Less responsive to government policy or change

Prioritising water to stimulate private sector activity within communities

Where local NGOs were influential in encouraging communities to participate in private sector activity, it was reported that positive results were achieved. The mobilisation of communities over a three month period, in one example, heightened local awareness of water sources and led to community demand through increased levels of willingness to pay. Thus, opportunities for providing a service by a locally based private sector were stimulated.

In the southwest of Uganda, a local NGO mobilised private sector activity by increasing awareness of the need for clean water for drinking purposes. This motivated communities to organise Water User Associations (involving women as key members) to manage the construction, operation and maintenance, and cost recovery of their water sources: see photo overleaf. Slabs were manufactured locally and keepers of the water sources were appointed.



Figure 9 : Hand dug well under construction by rural community, Luwero



Figure 10 : Community constructed gravity fed spring, Kabale

5.2.5 Wider debate

The degree to which communities are guided in their choice of development solution is a current issue. The evidence presented in this research supports a burgeoning debate surrounding community participation and appropriate development of rural water supplies. As governments relinquish control of basic service provision, the emphasis is now upon communities to determine their own development. In this study, community development involves interaction with the private sector to select the technology and appropriate price of a water source in terms of economics, social acceptability, and environmental considerations (hydrology).

Without the necessary capacity, communities are unable to respond by either demanding from, or participating in, the private sector in an effort to further their own development. It may therefore be more appropriate to revisit the theme of interdependency (WaterAid, 1999) amongst stakeholders and to form and enhance partnerships such as those between NGOs and the community, as described earlier. The NGOs could advise the community on the technical options available from the private sector appropriate to community needs and expectations. The nature of community participation would therefore lie in the consultation process, as well as the construction and development of their water supply.

5.3 The impact of macropolicy upon the local reality of Uganda

This section integrates the previous two themes by expanding upon and looking beyond the data to consider a range of insights into Ugandan culture. Such a perspective enables a broader interpretation of the constraints, as proposed in this study, that affect the development of the private sector in rural water provision.

Culture of dependency

The prevailing Ugandan culture was considered to present a constraint for private sector development in the water sector. It required the transition of a culture, once reliant upon central government for service provision, to one which is demand driven towards acquiring basic needs. However, it was pointed out by one informant, that the priorities of rural communities may not be water but rather income generation for daily food requirements. The issue of money was thus a consistent issue raised throughout the research as one of the main constraints upon national capacity to participate in private sector development.

Financial

At the macro level, there was a consensus that money was being misused and that budgets were being 'mismanaged'. As one informant reported, such a reason for this was 'a reward for fighting and overthrowing the previous regime'. Such activity conveyed little confidence in the government's commitment for transparency and accountability in financial investment, and served to undermine capacity to create a financial basis for private sector development.

Corruption

The pervasive role of the state (Regan, 1998) was further highlighted by their involvement in the major issue of corruption in Uganda. Corruption was considered to pervade every level, as Jaegar and Kanungo (1990) suggested. Indeed, most respondents referred to the need to reduce 'political interference' and the need for politicians at all levels to be sensitised to the objectives of the new policies. The extent of corruption in Uganda was further supported in two newspaper articles printed during the research period (Appendix E).

There was, however, some effort to minimise the level of corruption in Uganda through the creation of the Inspector General Government (IGG). The IGG, however, appeared to receive a mixed response to its effectiveness in identifying cases of corruption. An example of the work undertaken by the IGG was reported in a summary article [The Monitor, 1999] involving the funds for the provision of water (Figure 11).

Districts fail to account for Shs 338m

The Monitor (Kampala)

By David Muwanga

November 18, 1999

More than 25 local district governments in Uganda have failed to account for UGS 338 million (EUR 224.800) allocated to UNICEF programmes, according to the country's Inspector General Government (IGG). Jotham Tumwesigye. This included UGS 193 million (EUR 128,300) for water and sanitation programmes in 10 districts. Mr Tumwesigye was presenting a paper on 'Leadership code and improvement of accountability in local governments' at a national forum on the implementation of decentralisation.

Source: <http://www.wsscc.org/source/weekly/9947.html> uganda]

Figure II

Hence, a sense of financial insecurity and survival prevailed, and was reflected by a lack of trust within businesses, as Ali (1999) suggested. Several informants agreed that it was 'unlikely' for a group of business people to hold a joint business bank account, as there was a

tendency for money to be accessed for both personal (school fees, for example) and business purposes. The nature of this business was dependent upon immediate need and involved little or no planning. Financial investment, on this basis, was not conducive to long term development, upon which private sector development would depend. An alternative investment, such as that from foreign sources, was also rejected during the interviews, as there was no 'quick money' in Uganda to attract such capital.

Uncertainty

Another societal constraint reportedly impacting upon Ugandan culture (Regan, 1998) was that of uncertainty. Ugandans continued to live with political uncertainty since the civil war which not only impacted upon their daily lives, but also affected the level of financial risk taken by potential investors. This less politically stable environment, to which Jaegar & Kanungo (1990) refer, has been reinforced by the anticipated Referendum on multi-party elections due early this year.

However, the most prominent cause of uncertainty in Uganda is the national instability arising from the social and economic upheaval of AIDS which affects the most productive percentage of the population. This loss to organisations was illustrated, by one informant, in 10% of staff in one government department being lost over a five year period. The prevalence of AIDS was reported as a major drain on national resources, and the resulting shortened life expectancy (42 years) reinforced the need for daily survival among Ugandans.

External Influences

The introduction and implementation of a policy incorporating private sector development under such circumstances is challenging. It is worth questioning, therefore, the impact of such important external influences as the World Bank and the IMF (Jaegar & Kanungo, 1990). These major international institutions in the sphere of development were quoted as being 'keen to extend their own philosophy', such as cost recovery, into countries like Uganda. Here, the impact of these pronouncements drove rapid alteration in legislation to incorporate policy changes, as a pre-requisite to any funds being received. Conversely, delays in policy implementation were experienced as a result of changes in management, and therefore philosophies, within the World Bank. The Small Towns Project in Uganda was subject to such a delay of four years under what was described by an informant as 'the influence of World Bank conditionality'. This reflects the suggestion by Jaegar and Kanungo (1990) that political interference, such as that of external agencies, disables the functioning of a system.

6. Conclusions

The overall objective of this study was to highlight the complexity of depending upon a profit orientated private sector to undertake provision of water supplies in developing countries. Rural communities were the focus of the study in order to assess the impact of a policy promoting private sector participation in a more remote environment. As private sector participation is increasingly accepted as a development policy, this study presents the complexity of attempting to achieve social and economic objectives through one vehicle.

One of the considerations of the study was the identification of the private sector itself. The assumption that an efficient private sector existed was shown to limit the realisation of the opportunities of and constraints to development of this sector. Whilst government rhetoric advocated the benefits of the private sector, it became clear that a locally based private sector would be required if rural communities were to be supplied with water.

Infrastructural development, particularly legal and financial, was shown to be vital in the development of a private sector. The lack of legal definition in the roles and responsibilities of stakeholders and the private sector was shown to undermine the status of private sector development. The lack of financial infrastructure was shown to provide a lack of opportunity for stimulating entrepreneurial activity.

Underlying these weaknesses at the macro level was the issue of capacity. Capacity would appear from the research to determine the ability of stakeholders to respond to policy and to engage private sector development in the provision of rural water supplies. The utmost capacity was seen to be needed by rural communities to develop a locally based private sector as a survival strategy against isolation from policy developments.

Thus the need for effective infrastructural development is further required to provide communities with the skills and technology to participate. Central to community participation was the role of information dissemination to rural communities. The importance of creating community awareness to safe water was seen in instigating communities to become demand driven and to participate in local private sector development. While responsibility for community mobilisation was assumed to lie with the private sector, this was shown not to be the case. The resulting confusion of roles points to the complexities of involving a profit-orientated sector in a development with social objectives.

Further complexities of roles were illustrated by the case of donors and international NGOs in Uganda. It was shown that clarity of roles and coordination of responsibilities for policy implementation were essential amongst stakeholders if private sector development was to emerge. However, the influence of this group was regarded as obstructive towards national development despite the high level of financial dependency upon them.

Further dependency in Uganda was noted in the introduction of model policies, such as privatisation, as blueprints for development. The national and local capacity to implement such policies was shown to be affected by cultural influences and thus raised the issue of appropriate development.

Summary

If development policies of international institutions are to prove effective in developing countries, their role should be to influence capacity levels at the macro level. This study has shown that in the case of private sector development, the constraints of policy implementation derive from the higher levels. Furthermore, if people are to participate in the realisation of policy, access and capacity are a pre-requisite. Therefore, if equity of development is to be achieved, rural development is a fundamental component in countries like Uganda. This study has highlighted the complexity of mixing social and economic development objectives through assigning the traditional government role of service provider to a new (private) sector which has been seen to rely upon effective policy development. The responsibility of the private sector in water provision to rural communities has emphasised the range of factors required to effect widespread change.

7. Recommendations for future research

It is suggested that this study is used as a preliminary review of the developments surrounding private sector development in Uganda.

- ***Building on the current research***

The findings from this research have raised a range of issues. They should act as base line data for future projects. The complementary research project, *The Potential for introducing a new shallow well drilling technology (the Pounder Rig*) into local industry in Uganda* (Snell, M, 2000) should also be considered before further research projects are designed.

- ***Low Cost Drilling Project***

The low cost drilling project has proved an effective indicator of private sector activity. Its progress should continue to be assessed as it reveals the capacity of businesses, donors/NGOs and rural communities to respond to private sector initiatives. This facilitates analysis of government policy.

- ***Methodology***

The use of qualitative methods for data collection should be pursued to assess any change in knowledge, attitudes and practice of rural communities towards private sector participation. The use of quantitative methods should also be introduced to monitor whether a significant change in water provision to rural communities is effected by the private sector. Future research would also benefit from longer periods of time over a broader geographical area to allow for larger and more variable samples.

* Please note that the low cost drilling technology referred to in this project is now referred to as 'The Pounder'.

References

- Abrams, L. (1998) *Private sector engagement in the water supply and sanitation sector* [Online] Available; <http://www.sn/apc.org/afwater/graphiCS/ppp>. [1999, December 3].
- Ali, M. (1999) *Demand responsive approach in the provision of water supply and sanitation services in developing countries* [Online] Available: <http://www.dra@mailbase.ac.uk>. [1999, June 21]
- All States Flag & Banner Company (1999). [Online]. Available: <http://www.allstates-flag.com/flags/geo-afri.html> [2000, January 25]
- Angbo, L. (1999) *Demand responsive approach in the provision of water supply and sanitation services in developing countries* [Online] Available: <http://www.dra@mailbase.ac.uk>. [1999, June 21]
- Asingwire, N. & Tymans, W. (1999) *Decentralization, Critical implementation issues for the Rural Water Supply and Sanitation Sub-Sector in Uganda, An issue Paper*, UNDP-World Bank
- Bienen, H & Waterbury, R. (1989) in Jaeger, A. M. & Kanungo, R. N. (1990) *Summary and conclusions: in search of indigenous management* in Jaeger, A. M. & Kanungo, R. N. (1990)(eds) *Management in Developing Countries*, London, Routledge
- Bliss, A. (1991) in Dey, I. (1993) *Qualitative Data Analysis, a User-Friendly Guide for Social Science*, London, Routledge
- Bulmer, M. and Warwick, D. P. (1993) *Research Strategy*. In Bulmer, M. & Warwick, D. P. (eds.) (1993) *Social Research in Developing Countries, Surveys and Census in the Third World*, John Wiley & Sons Ltd, Bath, UK
- Burgess, J. (1996) Focusing on fear: the use of focus groups in a project for the Community Forest Unit, Countryside Commission, *AREA*, 28-2, p¹³⁰⁻¹³⁵
- Burgess, R. G. (1982) in Dey, I. (1993) *Qualitative Data Analysis, a User-Friendly Guide for Social Sciences*, Routledge, London
- Carter, R. C. (1998) *Prospects for Sustainable Water Management Policy in Sub-Saharan Africa, with Special Reference to the Northeast Arid Zone of Nigeria* in Vajpeyi, D. K. (1998) (ed.) *Water Resource Management, A Comparative Perspective*, Praeger Publishers, CT
- Chadwick, B. A., Bahr, H. M. & Albrecht, S. L. (1984) *Social Science Research Methods*, Prentice-Hall, New Jersey. USA
- Chambers, R. (1997) *Whose Reality Counts? Putting the first last*, Intermediate Technology Publications, UK
- Coffey, A. & Atkinson, P. (1996) *Making Sense of Qualitative Data, Complementary Research Statistics*, Sage Publications Inc, CA
- DFID (1999) *Better Water Services in Developing Countries: Public-Private Partnership, the Way ahead*, London

Dey, I. (1993) *Qualitative Data Analysis, a User-Friendly Guide for Social Sciences*, Routledge, London

Dixon, C. & Leach, B. (1984) *Survey Research in Underdeveloped Countries*, Norwich, Geo Books

Doyen, H. (1999) *Demand responsive approach in the provision of water supply and sanitation services in developing countries* [Online] Available: <http://www.dra@mailbase.ac.uk>. [1999, June 21]

Goudie, A. (1998) *is a Good Government Agenda Practical: An Approach to Governance* [Online] Available: <http://www.oneworld.org/odi/speeches/goudie.html> [1999, May 23]

Hansen, H. B. & Twaddle, M. (1998) *Developing Uganda*, James Curry Ltd. Oxford

Hazelton, D. (1999) *Demand responsive approach in the provision of water supply and sanitation services in developing countries* [Online] Available: <http://www.dra@mailbase.ac.uk>. [1999, June 21]

Ilofmeyr, J. (1999) *Demand responsive approach in the provision of water supply and sanitation services in developing countries* [Online] Available: <http://www.dra@mailbase.ac.uk>. [1999, June 21]

International Bank for Reconstruction & Development | World Bank (1996) *Uganda, The Challenge of Growth and Poverty Reduction*, Washington DC

Jaeger, A.M. (1990) *The applicability of Western management techniques in developing countries: a cultural perspective* in Jaeger, A. M. & Kanungo, R. N. (1990) (eds.) *Management in Developing Countries*, Routledge, London

Jaeger, A. M. & Kanungo, R. N. (1990) *Summary and conclusions: in search of indigenous management* in Jaeger, A. M. & Kanungo, R. N. (1990) (eds.) *Management in Developing Countries*, Routledge, London

Katz, T. & Sara, J. (1999) *Demand responsive approach in the provision of water supply and sanitation services in developing countries* [Online] Available: <http://www.dra@mailbase.ac.uk>. [1999, June 21]

Kiggundu, M.N. (1998) *Managing Structural Adjustment in Developing Countries: an organizational perspective* in Jaeger, A. M. & Kanungo, R. N. (1998) (eds) *Management in Developing Countries*, Routledge, London

Lyons, M. (1998) *AIDS and development in Uganda* in Hansen, H. B. & Twaddle, M. (1998) *Developing Uganda*, James Curry Ltd, Oxford

Malinowsky, B. (1922) *Argonauts of the Western Pacific - an account of native enterprise and adventure in the Archipelagoes of Melanesian New Guinea*, Routledge and Mega Paul, London

Mason, J. (1994) *Linking Qualitative & Quantitative Data Analysis*, in Bryman, A. & Burgess, R. G. (eds.), *Analyzing Qualitative Data*, Routledge, London

Mbowa, R. (1998) *Theatre for Development: Empowering Ugandans to Transform their Condition*, in Hansen, H. B. & Twaddle, M. (1998) *Developing Uganda*, James Curry Ltd, Oxford

- Miles, A.B. & Huberman, A.M. (1984) *Qualitative Data Analysis*, **SAGE Publications Inc. CA**
- Miles, A.B. & Huberman, A.M. (1994) *Qualitative Data Analysis, an expanded sourcebook*, 2nd edition, SAGE Publications Inc. CA
- Ministry of Finance, Planning and Economic Development (1999) *Background to the Budget 1999/2000, The Challenges of Poverty Eradication and Private Sector Development*, Kampala
- Ministry of Finance, Planning and Economic Development, The Republic of Uganda, (1999) *Vision 2025, A Strategic Framework for National Development*, Volume One, Main Document (Working Draft) for National Dialogue, Monitor Publications Limited, Kampala
- Ministry of Natural Resources, Directorate of Water Development (1995) *Uganda Water Action Plan, Water Resources Development and Management*, Executive Summary (Doc.014), Kampala
- Ministry of Water, Lands and Environment, Directorate of Water Development (1999) *Water Sector Reform, Rural Water and Sanitation Component, investment Plan and Strategy 2000-2015, Study Findings and Recommendations*, (Wardrop Engineering) Uganda
- Ministry of Water, Lands and Environment (1977) National Water Policy, Kampala
- Moris, J. & Copestake, J. (1993) *Qualitative Enquiry for Rural Development*, Intermediate Technology, London
- Morley, D. & Lovel, H. (1986) *My Name is Today*, Macmillan Education Limited, London & Basingstoke
- Mudgal, A. (1999) *Demand responsive approach in the provision of water supply and sanitation services in developing countries* [Online] Available: <http://www.dra@mailbase.ac.uk>. [1999, June 21]
- Musa. B. (1998) *Decentralisation in Uganda: Another Leap in the Dark?*, Economic Policy Research Bulletin, 4, No 1, Kampala
- Mvula Trust (1999) *Demand responsive approach in the provision of water supply and sanitation services in developing countries* [Online] Available: <http://www.dra@mailbase.ac.uk>. [1999, June 21]
- NEMA (National Environment Management Authority) (1996) *State of the Environment Report for Uganda*, Kampala, NEMA
- New Vision (1999) *Uganda: Government Quadruples Water and Sanitation Funding* [Online]. Available: (<http://www.africanews.org/CaSt/ugaflda/StOrieS>). [1999, Deceniber 3]
- Nichols, P. (1991) *Social Survey Methods, a field guide for Development Workers*, Oxfam Print Unit, Oxford
- Nsibambi, A. (1998) (ed) *Decentralisation and Civil Society in Uganda, The Quest for Good Governance*, Fountain Publishers, Kampala
- Peil, M. (1983) In Bulmer, M. & Warwick, D. P. (eds) (1993) *Social Research in Developing Countries, Surveys and Census in the Third World*, John Wiley & Sons Ltd. Bath

- Platteau, J. (1994) *Journal of Development Studies*, Vol 30, pp 533-577; 753-817
- Regan, A. R. (1998) *Decentralisation Policy: Reshaping state and society* in Hansen, H. B. & Twaddle, M. (1998) *Developing Uganda*, James Curry Ltd, Oxford
- Roy, B. (1999) *Demand responsive approach in the provision of water supply and sanitation services in developing countries* [Online] Available: <http://www.dra@mailbase.ac.uk>. [1999, June 21]
- Rwamwanja, E. (1999) *Community Water Supply, A draft report for Cranfield University, Private Sector Participation in Low-cost Well Drilling, Kampala*
- Sedigh, S. & Ruzindana, A. (1999) *The Fight Against Corruption in Uganda* in Staphenurst, R. & Kpundeh, S. J., (eds.) *Curbing Corruption, Toward a Model for Building National integrity*, Economic Development Institute of the World Bank (EDI), International Bank for Reconstruction & Development/World Bank~ Washington
- SKAT (1996) *Uganda's Water Sector Development: Towards Sustainable Systems*, HTN Working Paper: WP 02/96, Uganda
- Ssebalu, J. K. (1999), *Private Sector Participation in Low-cost Well Drilling, Contractor Business, Kampala, February.*
- The BUDS Bulletin (1998) 2, Kampala
- The BUDS Bulletin (1999) 1, **Kampala**
- The Monitor (1999). [Online]. Available: <http://kww.wsscc.org/source/week1y/9947.html#u~anda> [1999, November 29]
- The Republic of Uganda Map (1998). [Online]. Available: <http://www.tcol.co.uk/ugandaluganmap.htm>. [2000, January 25]
- Thomas, C. & Clegg, P. (1998) *Water and the Current Development Orthodoxy: World Bank Policy under the Spotlight* in Vajpeyi, D. K. (1998) (ed.) *Water Resource Management, A Comparative Perspective*, Praeger Publishers, CT
- Uganda Participatory Development Network: *Decentralisation: What Opportunities for Participation*, 1999. Kampala
- Uganda Water Action Plan, Water Resources as Development and Management*, Executive Summary (Doc.014) (1995) Ministry of Natural Resources, Directorate of Water Development
- UNIDO (1993) *Private Sector Development and Privatization in Developing Countries: Trends, Policies and Prospects Report*, Vienna, December in Tukahebwa, **G.B.**, *Privatisation as a development policy* in Hansen, H. B. & Twaddle, M. (1998) *Developing Uganda*, James Curry Ltd, Oxford
- UNDP (1998) *Uganda Human Development Report*, Kampala
- LTNPD-World Bank (1999) *Decentralization, Critical implementation issues for the Rural Water Supply and Sanitation Sub-Sector in Uganda*, An Issue Paper (Asingwire, N. & Tymans, M.) Water and Sanitation Program, Regional Water and Sanitation Group – Eastern & Southern Africa

- van Beers, P. (1999) *Demand responsive approach in the provision of water supply and sanitation services in developing countries* [Online] Available: <http://www.dra@mailbase.ac.uk>. [1999, June 21]
- Vajpeyi, D. K. (1998) (ed.) *Water Resource Management, A Comparative Perspective*, Praeger Publishers, CT
- Ward, M. (1993) In Bulmer, M. & Warwick, D. P. (eds.) (1993) *Social Research in Developing Countries, Surveys and Census in the Third World*, John Wiley & Sons Ltd. Bath, UK
- The Republic of Uganda (1999). *Vision 2025, A Strategic Framework for National Development, Vol One, Main Document (Working Draft) for National Dialogue*, Kampala, Monitor Publications Ltd
- WaterAid (1999) *Demand responsive approach in the provision of water supply and sanitation services in developing countries* [Online] Available: <http://www.dra@mailbase.ac.uk>. [1999, June 21]
- Webster, M. & Sansom, K. (1999) *Public-Private Partnership and the Poor: An initial Review*, Task No: 164, Water and Environmental Health at London and Loughborough
- Wedgewood, N. (1999) *Demand responsive approach in the provision of water supply and sanitation services in developing countries* [Online] Available: <http://www.dra@mailbase.ac.uk>. [1999, June 21]
- Wolcott, H. F. (1994) *Transcribing Qualitative Data, Description, Analysis, and Interpretation*, Sage Publications Inc. CA
- World Bank (1999) *Uganda at a glance* [Online] Available: <http://www.worldbank.org/data/countrydata/aag/ugaaag.pdf>. [2000, January 17]
- World Bank (1998) *From Scarcity to Security Averting a Water Crisis in the Middle East and North Africa* [Online] Available: <http://www.worldbank.org/html/extdr/offrePfmMena/FOCUS/Booklet.Ara.html>. [1999, February 6]
- World Bank (1998) in Thomas, C. & Clegg, P. (1998) *Water and the Current Development Orthodoxy: World Bank Policy under the Spotlight* in Vajpeyi, D. K. (1998) (ed.) *Water Resource Management, A Comparative Perspective*, Praeger Publishers, CT
- World Bank (1993) *Uganda, Growing out of Poverty*, Washington DC
- World Bank (1993) *Uganda, Social Sectors*, Washington DC

Legislation References

The Land Act (1998) Act 16, UPPC, Entebbe

Local Government Act, 1997, UPPC, Entebbe

The Water Resources Regulations, 1998, supplement No 20, UPPC, Entebbe

The Water Supply Regulations 1999, supplement No 5, IJPPC, Entebbe

The Water Statute 1995, supplement No 7, UPPC, Entebbe

The Water (Waste Discharge) Regulations 1998, supplement No 20, UPPC, Entebbe

Conference Proceedings

Ministry of Local Government, 1999, 3rd Annual Stakeholders' Forum: Decentralisation and the performance of Local Governments in Managing Development Programmes: Implications for Central Government and the Donor Community, Kampala, July.

Appendix A: List of Informants

Location	Institution	Name (where known)	Status (where known)
Kampala	Faculty of Law, Makere University	Judy Obitre-Gama	Lecturer
	Faculty of Law, Makere University	John Ntambirweki	Senior Lecturer & Consultant on International Law and Environment Law
	Parastatal Monitoring Unit, Ministry of Finance	David Ssebabi	Business Analyst
	UNDP	Wilson Kwamya	Head of Cluster, Private Sector Development
	WaterAid	Monica Kunihira	Coordinator, Programme Support Unit
	Mott McDonald	David Kane *	
	UNICEF	Bill Fellows *	
	Aqua Consult		
	MM Technicians		
	Wash Co		
	DWD	Stephenson Omoit *	
	Consultant	Ronnie Rwamwanja*	
	Consultant	Jamil Ssebalu *	
	Informant	Matthew Snell *	Research Colleague
	Eastern Centres Water and Sanitation Project	Gerry Garvey * Dominic Kavutse	Manager Project Coordinator
	Uganda Women Entrepreneurs Association Ltd (UWEAL)	Irene J K Matumba	Executive Director
	Central Tender Board, Ministry of Finance	Kabateraine Daudi	
	BUDS	Habib A Tibrichu	Scheme Officer
	Action Aid		
	Mpigi District Council	Mme Marion *	
	Community within Mpigi		Householders
Luwero	Bosoga Trust	Ivor	
	Community within Luwero		Artisans
Mbale	RUWASA, DWD	Disan Ssozi	Project Coordinator

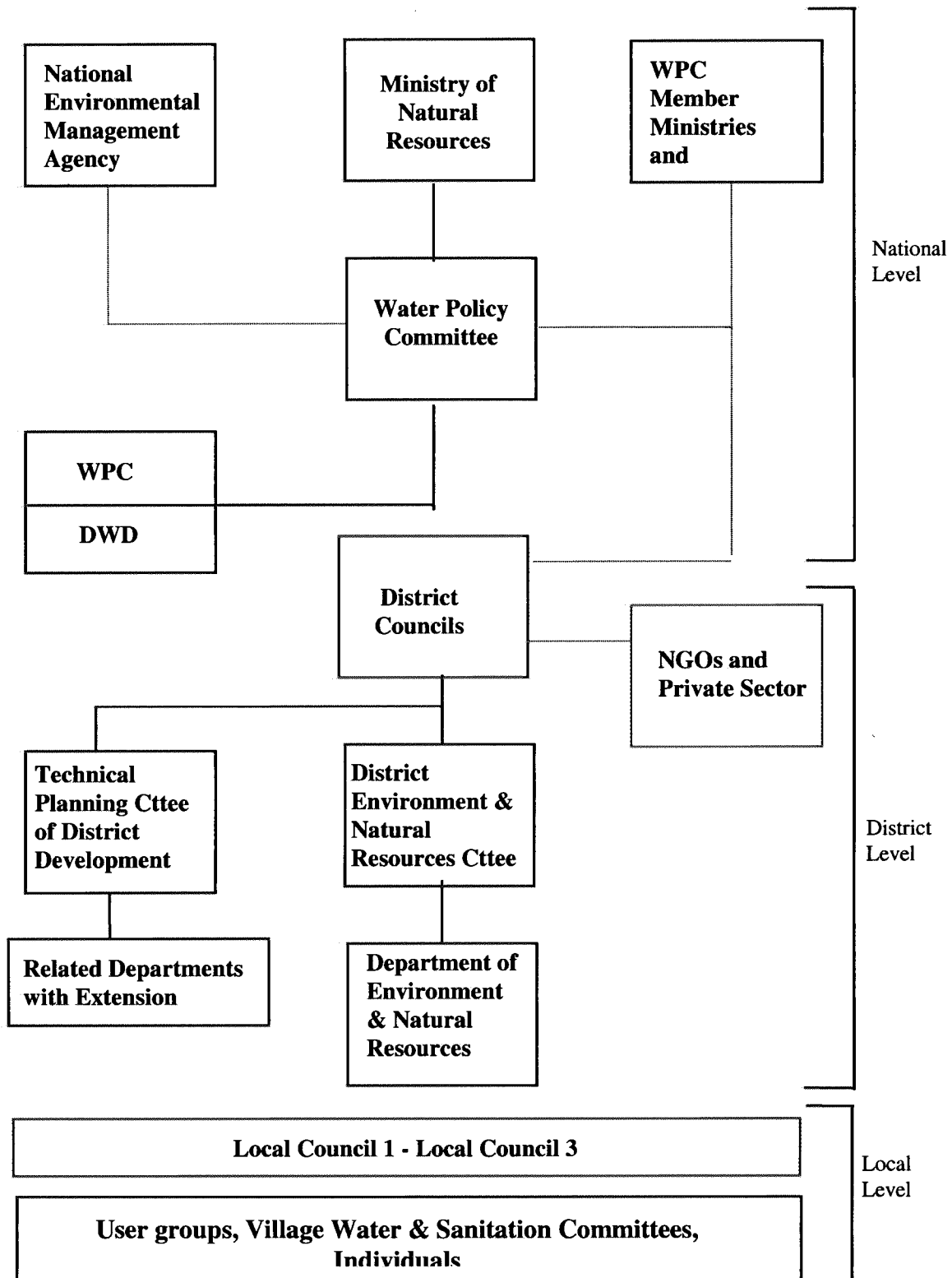
		Patrick A Okuni * Jan Erik Engstrom	Deputy Project Coordinator Project Mgt Advisor
Kasese	Local Council		
	Community within Kasese		Householders
Kabale	Church of Uganda	George Bagamuhunda *	
	Community within Luwero		WUA members

** Known to the low cost drilling technology project*

Appendix B: Grouping of Informants

Group	Contact
Government	<ul style="list-style-type: none">• Parastatal Monitoring Unit, Ministry of Finance• DWD• Central Tender Board, Ministry of Finance
Government NGO	<ul style="list-style-type: none">• Uganda Women Entrepreneurs Association Ltd (UWEAL)• BUDS
Donors	<ul style="list-style-type: none">• UNDP• UNICEF• Save the Children
NGO	<ul style="list-style-type: none">• WaterAid• Eastern Centres Water and Sanitation Project• Action Aid• Bosoga• Church of Uganda, Kabale
District Council	<ul style="list-style-type: none">• Mpigi• RUWASA
Local Council	<ul style="list-style-type: none">• Kasese
Communities	<ul style="list-style-type: none">• Kabale• Kasese• Mpigi• Luwero
Businesses	<ul style="list-style-type: none">• Aqua Consult• MM Technicians• Wash Co
Consultant	<ul style="list-style-type: none">• Ronnie Rwamwanja• Jamil Ssebalu
Informant	<ul style="list-style-type: none">• Makere University• Mott McDonald• Matthew Snell

Appendix C: Link between Private Sector and Government Structure



Source: Adapted from State of the Environment Report for Uganda (1996)

**Appendix D: Business Uganda Development Scheme (BUDS)
Cover of Newsletter Outlining Services offered to the Private Sector**

The BUDS Bulletin

"Your key to rapid business growth"

1998 No. 2

Business Uganda Development Scheme

Plot 43 Nakasero Road, P. O. Box 7683, Telephone: 230985, 342163
Fax: 259109 E-mail: <buds@imul.com> Kampala, Uganda.

ARE YOU A POTENTIAL BUDS'S CLIENT?

BUDS is a scheme for the progressive business person: the one who is eager to make his or her business operate more efficiently, sell more, make more money, and be more competitive.

Progressive business people have the best ideas, bear a positive attitude and a persistent spirit. They envision a better tomorrow for themselves and their families. They actively seek to improve and "grow" their businesses in ways that will help them in an increasingly competitive world.

BUDS's clients know business growth is best when expertise and practice are improved. It is for people who know that they have specific needs for specific kinds of expertise and advice, and are not willing to settle for standardised assistance. These business people, on the cutting edge, know the value of custom-designed professional services and high quality training.

As part of the Private Sector Competitiveness Project (PSCP) of the Private Sector Foundation, **BUDS's** primary objective is to support the injection of know-how and specialised knowledge into

YOU ARE A POTENTIAL BUDS CLIENT IF ...

- * You want to make your business profitable
- * You want to sell more
- * You want your business to run more efficiently
- * You have persistence and a positive attitude
- * You want to "grow" your business so it can stand up to a more competitive market
- * You recognise that you need more knowledge and expertise to take your business into the future
- * You recognise that successful implementation is preceded by careful planning.

privately owned Ugandan businesses - of all sizes and in all sectors.

As a "demand-driven" project, **BUDS** will not tell you how to run your business or what kind of training and expertise you need. As a progressive business owner, you will decide in what direction your business needs to go and what kind of services you need.

BUDS's project officers can help you find the best way, both practically and cost-effectively. At **BUDS**, your business plans are fully respected and valued. Nevertheless,

BUDS is there to support you progress through the sometimes-painful stages of "growing" your business.

Come to our office. Discuss your business plans with a BUDS officer so we can help you find a way to make your business growth plans a reality.

BUDS IN A NUTSHELL

BUDS supports private firms, entrepreneurs, business or trade associations, and co-operative societies.

BUDS supports the use or acquisition of know-how.

BUDS supports eligible clients in eligible activities that promise to make them more competitive and grow faster in the near term.

BUDS agrees to repay, as a grant, up to 50% of agreed-upon expenses for each agreement activity.

BUDS can repay each eligible client up to a total of US\$ 30,000 in successive, agreed upon activities over the life of the project (through the year 2001).

BUDS SUPPORTS:

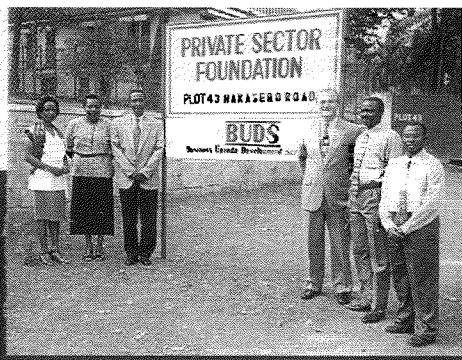
- * Business diagnostics and planning.
- * Management systems design and installation.
- * Feasibility studies.
- * Market research.
- * Domestic marketing and sales promotion.
- * International marketing.
- * Production consultancies or in-factory expert assistance.
- * Productivity improvement and skills training.

IT'S EASY TO WORK WITH BUDS:

- * Visit or call **BUDS** for an appointment with a **BUDS** officer.
- * With assistance from the **BUDS** office, determine your business situation through a brief business diagnostic.
- * Determine the best practical activity for your business and for **BUDS's** support.

cont'd on Page 2:

The **BUDS** Management Team:
(left to right)
Pamela Kabuchu, Officer;
Irene Mutumba, Administrative Asst.;
Micheal Sseguya, Assistant Manager;
Joseph F. Burke, Manager;
Habib A. Tibrichu, Officer;
Jubus Kaggwa, Monitoring Officer.



LCs are the most corrupt officers

By Musoke Muyliya

Ugandans hate corruption but their understanding of it changes if they belong to the group or community which reaps benefits at the expense of others. In such a situation a corrupt official will be defended because "the benefits were public and not personal".

In traditional Buganda society, for example, appointment to government office meant personal enrichment or "*Bakuwade obwami, bakuwade kulya*".

Attitudes like this are still rife today and it is abnormal in many rural communities to be a senior government official and remain poor. Such honest poor officials like Movement government stalwart, Chango Macho may not be popular in their home area.

The ex-president Idi Amin era did not only erode moral values but created a public culture which glorifies corrupt people as hardworking, bright, caring, and development minded.

Add the tribal dimension and it becomes practically difficult to punish the corrupt and reward the honest.

It is common in Uganda when a corrupt official is fired, the incident is *tribalised*.

Corrupt officials know how to look after their constituencies while in office. They recruit tribesmen into government organisations, promote them, build schools and churches in their constituencies. In other words, they are agents of development. Dismissing them from public office is perceived as an act of sabotaging local development by their people.

Tribal delegations argue the case to higher authorities on grounds that their tribe is victimised, not well represented in government, and even the few available are getting dismissed.

It is therefore, not surprising that at

times corrupt and incompetent officials maintain their jobs in the name of national reconciliation.

In light of the above analysis, fighting corruption in Uganda is not easy because to a great extent, corruption is not an issue. It is an issue at parliamentary and opposition levels.

Yet tribalism, nepotism, regionalism, stealing government resources, funds and time, use of public assets on private matters, unfair allocation of public funds to certain sectors (ie Defence), selfish public polices (co-ownership and privatisation) abuse of office, tax evasion, *personalisation* of public property (a growing phenomenon in Uganda today) are all forms of corruption.

The claim that President Yoweri Museveni's government is the most corrupt regime Uganda has had since independence is usually countered by claims that corruption is merely more exposed today because of the freedom of expression.

Government also likes to point at several anti-corruption bodies it created including the IGG, PAC, ministry of Ethics and Integrity, etc. However, it doesn't go on to evaluate the performance of these institutions.

True, the NRM took some steps to root out corruption soon after it took power. It did cadre training for civil servants and politicians, liberalised and privatised the economy, reformed the public service and improved the conditions of the Judiciary, decentralised and introduced a leadership code. But most of these have either been abused or neglected.

The endemic corruption in Uganda is an outgrowth of lack of political will to fight it.

Corruption thrives in an environment where top executives condone and abet it. In such situation the costs for corruption are lower than the benefits. The

challenge for Uganda is to raise the costs and lower than the benefits of corruption. Corruption is reduced to mere drama as government finds it difficult to investigate its political allies. Moreover, public offices are dished to political faithfuls as a way of political recruitment.

Democratisation without insulating the public service from undue interference from politicians is like fetching water in a basket. Whereas democratisation guarantees regular election and accountability of government to the people, it is doubtful whether corruption is a major electoral issue in a backward country like Uganda where the decision to vote is not based on the performance of government but rather on tribe, religion and money.

Soliciting bribes by lower LC officials is common and the LC system is one of the most corrupt apparatus of the state.

Another limitation to democratisation in Uganda is to confine it to the political sphere while government bureaucracy remain the most undemocratic, closed to outside influence and innovations. It is rare to recruit a senior civil servant either from business or NGO sector yet such recruitment may be democratic and results oriented.

The political will must be demonstrated in form of significant financial provision for anti-corruption agencies, punishing the corrupt, confiscating their property, rewarding honest and hardworking officers.

If democratisation is to be a tool to fight corruption, politics must be made genuinely competitive and the threat of losing power real. This threat is likely to check the behaviour of the ruling class.

Shs 450bn aid stolen

By Julius Mucunguzi

Between US \$200 to 300m (about Shs 450 bn) of development assistance to Uganda "disappears annually", an official from the Berlin-based Transparency International (TI) has said.

Nancy Boswell, made the revelation during a CNN's Fortune programme, August 15, which spotlighted global corruption.

"There was a recent article that estimated that US \$200m to 300m in development assistance to Uganda disappears annually. We simply can't afford that to continue."

Boswell said on the programme titled "The Price Of Corruption".

"In Uganda, you will find corruption alive and well," she said.

It is an international group, with a chapter in Uganda, that tracks corruption and its costs worldwide.

The Inspector General of Government (IGG) Jotham Tumwesigye said he has heard of such a report.

"I think the report which that person was referring to was one which was done by a team of World Bank officials at the end of last year," Tumwesigye said, August 16.

"That World Bank document claimed that about US \$200m to 300 million is embezzled ... in fact it also said that one quarter of our budget is embezzled."

Tumwesigye however said that he was not aware of how the WB officials came to their conclusions.

"After the report was made, government responded and dismissed some of the issues it raised," he said.

Tumwesigye said his office is "always investigating cases of corruption."

"We are always investigating corruption ... that is our job. We actually receive

about 3,000 corruption complaints every year," he said.

Tumwesigye however said his efforts to do a good job in investigations is hampered by inadequate logistics.

"We are not well facilitated. We don't have sufficient transport, computers and funds. This hampers our work."

The Permanent Secretary to the ministry of Finance and Secretary to the Treasury, Emmanuel Tumusiime Mutebile told *The Monitor* August 17 that although he is aware that some development assistance funds to the country are embezzled, "I don't think the figure is that high."

Source: *The Monitor*, August 4 1999