Decentralization reforms have been implemented in many countries both in the north and in the south. These reforms are often assumed to serve multiple purposes, out of which economic development and political democratization often receive much emphasis.

Uganda stands out in its experiences in decentralization, primarily because it started to implement its bold decentralization policy in 1993 under the strong leadership of the National Resistance Movement (NRM) which took power in 1986. Uganda’s experiences have been emulated by other African countries, and Uganda is often considered as a “flagship” not only in Africa but in developing countries in general.

The purpose of this article is to investigate to what extent the decentralization measures in Uganda have contributed to enhance local democracy. This investigation is critical, especially by taking into account of the recent situation that started to demonstrate considerable neo-patrimonial rule of the regime.
tendencies of the state due to a prolonged period of the NRM staying in power (Barkan 2005; Rubongoya 2007).

This article adopts two angles by which the question of democratization is examined. The first is the effects of recent transition from the so-called “non-party democracy” to a multiparty system. The NRM, since its inception of power, emphasized to increase opportunities for ordinary citizens to participate in political processes through the Local Council (LC) system. But the NRM strictly limited activities of political parties because it considered the parties alienated people along ethnic and religious lines which eventually caused the prolonged civil strife. However, the national constitutional referendum in 2005 resulted in lifting bans on activities of political parties. The general elections in 2006 were implemented in the framework of multiparty politics. The shift to multipartyism is thus an important change, and is assumed to have considerable effects on various aspects.

The second viewpoint is the extent of public participation in planning and budgeting of local governments. While it has been more than a decade and half since the beginning of decentralization, to what extent public participation has been effectively instituted? This is a crucial question since the purpose of decentralization by “brining power close to people” is based on the assumption that people would participate actively in public affairs. Unless, their active participation is sustained, people continued to be sidelined in the state, which in Africa is often characterized as dysfunctional.

Examining the extent of local democracy through the lenses of multipartyism and public participation is especially considered important in the current Ugandan context. The policy context has been increasingly affected by political considerations of the NRM and the top leadership. What becomes evident from the fieldwork conducted in 2008 is not very encouraging unfortunately. The NRM recently started to demonstrate populist tendencies increasingly, particularly in the form of providing public services free of charge. While this may contribute to alleviate still persisting poverty, many Ugandans now do not consider their rights and duties as tax payers. They instead think that the main responsibility for development rests with the government and not with themselves. Accordingly, Ugandans generally blame the government (including local government officials) for lack of development.

In addition, in 2006 the central government abolished the graduated tax (a kind of modified poll tax), which has been the major source of locally generated revenues for local governments. Then, a promise made by the central government to compensate the loss of local revenues has never been fulfilled. Thus, local governments are “deserted” to struggle without alternative taxable sources. This situation undermines all aspects of operations of the local governments. Even if some local leaders still remain enthusiastic about possibilities of the LC system for public participation, the reality does not allow realizing such possibilities.

Accordingly, the relationship between the government and the public is now distrustful, which is a serious concern if one is genuine to realize development and democracy. In this kind of
circumstances, people are not willing to pay taxes and dues for anything. The local leaders find
difficult to be connected to their population. Then, it may be safe to conclude that until and unless
this distrustful relationship is rectified, local democracy would not take deep roots in Uganda.
This has a serious implication for Africa and other developing countries.

2 Local Governments in Uganda Now

As Uganda is one of the most pioneering countries in Africa on decentralization (Ndegwa
2002), its experiences have been widely documented (including CLGF 2007; Green 2008; Hickey
2005; Saito, 2003, 2008). The institutional pillar of the decentralization reforms in Uganda is the
Local Council (LC) system. This is a hierarchy of councils ranging from LC 1 (village) to LC 5
(district). The council encompasses both legislative and administrative organs. The origin of the
LC system derives from the Resistance Council (RC), which was used by the National Resistance
Army (NRA) when they were engaged in a guerrilla war to topple the then government. In 1986
when the NRM established the national government, the RC system was adopted as a national
organization. In October, 1992 President Museveni officially launched the decentralization policy.
Since 1993, the pace of decentralization measures has especially been accelerated. The new con-
stitution adopted in 1995 stipulates that decentralization is a national policy, and the RC system
was renamed the Local Council (LC) system. The Local Governments Act, 1997, provides a
detailed legal framework within which decentralization is pursued. The Act was subsequently
amended several times to improve electoral mechanisms and administrative management, but the
overall political direction remains unchanged (Saito 2003, 2008).

The effect of the RC / LC system has been quite significant. The system has opened up the
political space considerably at the grassroots level where people now usually do not feel con-
strained in talking about public issues (Hickey 2005). Especially for the socially weak, including
women, the youth and the elderly, the assured opportunities for being represented in the decision-
making processes have been a truly significant change, even if this improved representation alone
does not mean that these vulnerable groups no longer suffer from any political problems (Devas
and Grant 2003). At local councils, discussions evolve around various issues ranging from educa-
tion at nearby schools to disputes over cattle or land (Saito 2003, 2008).

However, the situation in 2008 started to show a marked “u-turn” on decentralization, as the
following list of recent changes illustrate. First of all, the abolition of the graduated tax and insuf-
ficient compensation put local governments in a very difficult position to operate. Local councils
are mandated to hold six council meetings per fiscal year. However, due to the shortage of funds,
local councils have been struggling hard to convene the six meetings. Some councils shortened
meeting duration to reduce accommodation costs of councillors, and others often reduced the
allowances below what is suggested officially by the Ministry of Local Government (MoLG). In
spite of these efforts, the councils sometimes cannot meet six times. Even if full council meetings
are convened, it becomes hard to convene executive and sectoral meetings due to lack of funds. It
is particularly more difficult for LC 3 (sub-county) to convene council meetings than for LC 5 (district).  

Second, many local governments are incurring budget deficit month after month (since they operate on cash budget). Furthermore, the tax abolition prevented many of district service commissions from being convened for new recruitment. A significant portion of the LC 3 level posts, thus, remain vacant. As a result, quality of public services started to decline in the last couple of years.

Third, also as a consequence of the tax abolition, financially local governments are more dependent on the centre than before. Executive members, who are now paid by the central governments, have reportedly become less interested in engaging with local people. This change of accountability is of serious concern.

Fourth, there has been a marked increase in the number of districts, which probably also affects democratic accountability. When Uganda started to decentralize its politico-administrative structure, there were only 45 LC 5 (districts) (Saito 2003). Now the number is more than 80, and it may still be increasing as the president continues to make promises to create new districts when he visits local constituencies. This expansion is beyond the comprehension of economic rationale; a convincing reason lies with logic of neo-patrimonial rule (Green 2008; Hyden 2006).

These “u-turn” signs demonstrate that the current situation negates the rationale of decentralization clearly promulgated in the constitution. Many key figures, therefore, both at the centre and local governments are deeply frustrated with decentralization. This feeling is well represented by the statement of a key government personnel in Kampala: “Uganda has forgotten why it stared decentralization. At the national level, decentralization is no longer a very important policy and indeed receives little attention.” Another key person behind the decentralization policy since the beginning also shares a similar unease: “The decentralization system in Uganda is due for a nearly complete overhaul since many things have changed, perhaps not for better but for worse, over the last decade and a half.”

3 Multiparty Politics and its Effects

3-1 Multiparty Democracy in Developing Countries and in Africa

Since the end of the Cold War, debates over democratization have centered around, *inter alia*, decentralization. Simply put, decentralization is considered a normatively desirable policy since it is based on the assumption that it would be easier for people to participate in decision making at local rather than at the central level (e.g. World Bank 1999). In the context of developing countries, this argument is an extension of participatory development. If the poor and the disadvantaged would like to be more effectively in charge of their own lives, participating in decision making that affects their own lives would become crucial. Thus, decentralizing politico-administrative structure has been promoted by both aid donors and by national governments in developing countries. As the experiences on the ground demonstrate, however, the story is not that simple.
Participation by the socially marginalized is inevitably affected by power structure of local communities, and it has been pointed out that broad social transformation needs to be pursued instead of focusing on grassroots participation alone (Hickey and Mohan 2004).

The discussions of participatory development parallels with deliberative democracy in the north. Many industrialized countries face a crisis of democracy which has been too much centered on election. As a response, consultative processes are deemed essential because through discussions among various stakeholders, it becomes more obvious what the common issues are and what solutions would realistically be possible in particular situations with limited resources (Chambers 2003). In this process, local governments can play a more important role of facilitation than before. Thus, decentralized rather than centralized mechanisms are more promising for effective deliberation. Theoretical endeavors have been made to articulate this new sub-field of democracy (Chambers 2003). Practically, efforts have also been made to experiment with this novelty (Hajer and Wagenaar 2003; Rfye 2005). These theoretical and practical advances have reinforced that participation and decentralization are deemed well fit for deliberation.

Often, this line of promotion of democracy goes hand in hand with the support for the shift from authoritarian to multiparty politics in developing countries, especially in Africa. The proponents, including aid agencies, often advocate that holding competitive elections on multi-party basis would be necessary if not sufficient condition for democratization in Africa (Bratton and van de Walle 1997). Their rationale partly derives from the Dahlian understanding of democracy that is understood in terms of the extent of public participation and possibility of regime change (Dahl 1971). On the African continent, many regimes in the 1960s and 70s tended to be one party state whereby competition for political power was severely restricted and possibility of turn-over of power through non-coercive measures (i.e. through elections) was grim. Thus, the shift to multi-party polity since the 1990s was largely welcomed. Yet, democratization processes unfold more complicated political dynamism than one might otherwise assume (Harriss et al. 2004), including increased unstable relations between those who are in power (patrons) and those who follow them (clients) (Hyden 2006), possibility of increasing conflicts (Bates 2008), and also purposefully sideling politico-economic reforms (van de Walle 2001).

3-2 Shifting from No-party Democracy to Multiparty Dispensation in Uganda

In Uganda, since 1986 the NRM insisted on a unique polity of no-party democracy until very recently. This polity is usually called “movement” named after its own foundation. Its polity forbade the activities of political parties. Any candidates for elections needed to compete on their individual merits. The NRM’s justification was that political parties in the past divided Uganda along ethnic and religious lines and thereby contributed to the prolonged civil war that devastated what was once call the “pearl of Africa.” Instead, the RC / LC system arguably would enable all Ugandans to participate in decision making equally without being discriminated against on the basis of their gender, age, religious or political affiliations. Without the RC system, the NRM
polity presented few opportunities for popular participation.

Uganda, under the NRM government, gradually regained social stability, and tarnished economy started to recover. As socio-economic conditions have been more or less stabilized, Ugandans started to pay more attention to the issue of political reform. The 1995 constitution has a provision to seek national referendum on political system subsequently. While in the 2000 referendum Ugandans decided to maintain the restrictions on political parties, in the national referendum held in July 2005, Ugandans voted to restore multiparty polity. More than 90% of the votes supported the return to multiparty politics, while the voter turnout was less than 50%.

Therefore general elections in 2006 (covering the national legislature, local councils as well as the presidency) were held on multiparty basis – the first since the NRM came in power in 1986. The elections marked a new departure for Ugandan politics.

The results are as follows: For the national parliament, approximately 66% of the total seats were won by the candidates of the NRM party, followed by 12% of opposition party Forum for Democratic Change (FDC). Other opposition parties performed miserably in this parliamentary election (Kiiza et al. 2008). 50 out of 69 districts elected NRM chairpersons, while the remaining includes 6 opposition party and 13 independent chairpersons. The presidential election results show that the incumbent President Museveni of the NRM party won 59% of the total votes, while the main challenger Besigye of FDC received 37% of votes (EC 2006; Kiiza et al. 2008).

The results of the 2006 general elections depict interesting patterns. Generally, opposition FDC tends to be influential in urban areas, while NRM party is still dominant in rural areas. This situation derives largely from a reason that urban areas have much wider access to information and their residents tend to become more critical of the incumbent. Also more educated people tend to be critical of the incumbent and prefer change of the regime in power. Urban residents need more cash, and urban economic hardships make them more critical of those in power. Among the urban resident, especially the youth are critical of the NRM party and often votes for FDC. In contrast, rural residents tend to appreciate more about peace and security that the incumbent restored after the prolonged civil strife and social decay in the 1970s.

The transition from movement to multiparty polity is perhaps “inevitable.” The “non-party” movement polity has played its historic role in restoring peace and security in Uganda after the 15 years of social turmoil and civil strife (1971 - 1986). This polity has encouraged popular participation in politics through the RC / LC system. In the meantime, however, its strict prohibition of party activities has significantly alienated those who hold different political values and orientations. Thus, as economic and social realties have been normalized, it was probably indeed “inevitable” that political pluralism needs to be more readily accepted through multi-party system.

Interpreting the impacts of this shift to multiparty polity signifies that the current situation is still very fluid. One the one hand, the multiparty politics has made noticeable changes, which suggest both improvements and problems. First, on the positive side, separation of LC from the “non-party” movement polity has now reasonably “completed.” Each party has its local party structure,
although it is still very shallow. In order for anybody to secure official candidacy as a representative of his / her party, that candidate has to be endorsed by party primaries. Usually, for LC 5 posts (chairpersons and councillors), the candidates need to be supported by party officials of LC 4 and below. For LC 3 posts, primaries of LC 2 and below need to endorse their candidacy. This kind of primary structure is basically the same for all parties.\textsuperscript{13}

Second, the multiparty election created a result that chairperson and majority of legislature belong to different political parties. Thus, coalition building becomes a must for political management. However, the post-independent history of Uganda has never experienced this coalition building. Even when there are more than one parties in politics, usually it was conducted on a winner-takes-all basis. Thus, this is a fresh challenge. As of the middle of 2008, only in few cases it is reported that coalition building is difficult though there is no comprehensive study has been conducted. Even if some may have difficulties of mutual collaboration, many appeared to have managed through dialogues and adaptation.

In Nansana Town Council (near the capital city of Kampala), for example, its town clerk recommended the chairperson to nominate opposition members for the post of a speaker and also for executive members. There, the executive members are composed of 3 NRM party and 2 opposition members of Democratic Party (DP). This power sharing appeared to work well, and helped to bring visible changes to the community as the renovation of the important local market illustrates (in Section 4-4).\textsuperscript{14}

On the negative side, there are some felt changes as well. First, multiparty politics tends to create social divisions to certain extent. Especially the elders, who know social disintegration in the past caused by multiparty politics, are deeply worried about the future. While most of the Ugandans say that party affiliation has not affected ordinary day-to-day interactions with neighbors, some say that a limited number of neighbors do not greet with them as they used to do before.\textsuperscript{15}

Second, although there has not been any systematic knowledge of this effect, some of the observers, especially administrators, have noticed that opposition parties tend to oppose only for the sake of opposition. The situation is not healthy or constructive. In local councils, minority council members are “marginalized” to a certain extent. A new seating arrangement directed by MoLG suggests that majority party sit on the one side, and the minority on the other in separation (MoLG 2008e). Although, in some councils this new arrangement has not yet taken effect, it is probably debatable whether the new seating arrangement can contribute to effective deliberation.

Third, as a corollary of the above, some councillors allegedly make false statements intentionally for their own political popularity. For example, even with the policy of free primary education, organizing lunch for school pupils is still a community responsibility. Schools attempt to organize it and appeal to the parents for their contribution. But some councillors say that parents do not have to pay it. When such statements are made, school committee members and local administrators cannot really do much about it. Thus, several local political leaders themselves
frankly admit that multiparty system is not very helpful for local council.\textsuperscript{16}

Fourth, increased political competition through multiparty elections probably may have turned politicians into a kind of “business persons.” Elections have become more costly, since contested candidates distribute “gifts” very often in order to win elections. In fact, this gift giving has becoming a norm. People expect to receive soap, sugar, soda and other things during the campaigns. The NRM party is the only organized party to fund some cost of campaigns. Opposition parties do not support their candidates well. Once elected, councillors hope to recover the election costs by receiving allowances and other payments. Some still misunderstand that local councilors receive salary although it is not the case. This (misplaced) expectation is especially high in areas where local economic activities are dormant and becoming politicians may be one of the very few opportunities for earning cash income.

On the other hand, this new multiparty politics have not been rooted deeply. This shallowness is mainly because of historical reasons. The “non-party democracy” has been in Uganda for 20 years, and many have not yet understood multiparty political system very well. Voters, especially the young who only know the previous system, still tend to vote for those who appear good in individual merits. Furthermore, candidates did not clearly understand their party manifestos either. One LC 3 chairperson in Tororo District, a FDC politician, did not know the differences of manifestos of NRM party and FDC, even if the differences of policies between these two competing parties were significant.\textsuperscript{17} The shallowness is also caused by the “opportunist politicians” who tend to use the parties for their individual aspiration. Even if those who run for the representatives’ seat using the NRM tickets, quite many of them use the party nomination for convenience sake rather than their genuine support for party policies.

What becomes evident from the mixed situation is that the transition from no-party to multiparty democracy is far from complete (Larok 2007; MoLG 2008d: 32-33). Most of the parties are really owned and managed by few key individuals and thus have not been rooted in society. In the case of the NRM party, according to a local political analyst, this is what the top leadership would like to have since it would be easier for him to use his party for his benefits. In the case of other younger parties, they need more time to be fully matured. For the older parties that existed before the NRM, they started to lose internal dynamism party because they were excluded from politics for a long time. Internal governance of the opposition parties (including both young and old ones) has not yet become democratic. Thus, the parties are “floating up there” being separated from ordinary people.\textsuperscript{18}

Therefore, whether the shift to multiparty politics has contributed to more democratic checks and balances, and whether it has improved the quality of discussion and debates in legislatures, remain to be seen. There is no clear answer to these questions. As one LC 3 chairperson said, it would probably be right to assume that “quality depends on individual councillors and not on party affiliation as such.”\textsuperscript{19}

One critical point of trajectory is the effect of multiparty politics on ethnic rivalries. In
Uganda, ethnicity has been a major source of controversies similar to other African countries. The effect of multiparty politics on ethnicity is very complex. In Tororo, where several ethnic groups reside, alliance making among local political leaders are often made across party and ethnic differences in order to invite resources to his/her constituencies. Thus, it appears while ethnicity is important, it is used when political calculations justify using this “ethnic card.” If other cards work more effectively, then other justifications are used for political maneuvering. However, this does not mean obviously that ethnicity and “tribalism” are no longer important. One key political leader in Tororo District frankly stated his opinion: “When the US is about to vote for an Afro-American presidential candidate, we are still talking about minute problems of tribalism.” This illustrated well about a kind of complicated political situation that local political leaders face in managing the district council.

4 Public Participation in Planning and Budgeting at Local Levels

4-1 Citizen Engagement in Budgeting Initiated in Porto Alegre and beyond

Along with the shift to multiparty politics, it is essential to analyze the extent of public participation in local planning. This participation is especially important in budgeting activities, because without securing budgets popular participation may remain as an empty slogan. To realize tangible pro-poor reforms in reality, changing budget allocation is a must. This realization is backed by a recent evolution of experiences started in Porto Alegre in 1989 and emulated first in Brazilian and other Latin American cities and then in elsewhere. Indeed, a relatively new notion of “participatory budgeting” (PB) has become quite fashionable in recent years among both academicians and practitioners alike.

Simply put, PB aims to enlarge democratic control of public resources through citizens’ direct engagement in budgeting processes. The process of PB is consultative in which the poor and the socially weak can discuss and debate government programs that affect their day-to-day survival. This is not only a process of information sharing but also that of political awakening and empowerment (Shah 2007).

In the pioneering city of Porto Alegre, the 1988 constitution initiated the new development of local renewal. This constitution allowed municipalities as autonomous governments. Then the leftist mayor of Partido dos Trabalhadores (PT) (“Workers Party” in English) exercised leadership in promoting direct citizen engagement in PB processes, which allowed each “community areas” to have a voice in determining the allocation of capital investments. Although initially the extent of participation was not very widespread, as the effects of PB became evident, attendance increased in PB processes. Accordingly, the investment in low-income areas have increased, and the problems associated with unplanned settlements became less acute than before (Bruce 2004; Serageldin et al. undated).

As the experiences of Porto Alegre became well known internationally, other developing
countries attempted to follow suit, often with the support of aid agencies. Africa is perhaps a continent where similar “revolutionary change” may desperately be needed. As PB started to attract attention not only as a successful example of pro-poor resource allocation, it also came to be viewed as a new evolution of deliberative democracy originating from poor economic circumstances (Baiocchi 2003). An important question then is to what extent can the experiences of Proto Alegre and other Latin American municipalities be transferrable to Africa? The Municipal Development Program (MDP) headquartered in Harare, originally a project funded by the World Bank aiming to build local capacity for urban management in Africa, inter alia, recently started to endeavor this transfer.

However, as it became known gradually, making a successful transfer to Africa is far from easy. Among the important reasons for this caution include: Africans have not experienced historically a kind of citizen engagement as experienced in Latin America. Collective forms of social organizations such as civil society organizations in Africa still remain new and weak. Fiscal decentralization in Africa has also not been really implemented and local governments usually do not have significant autonomous resources for PB purposes (Shah 2007).  

Then, Uganda is a good example whether this understanding of “no so successful in Africa” really holds or not. Uganda has been very advanced, within the continent, in fiscal decentralization. The total amount of fiscal transfers has increased nearly sevenfold over the decade. The share of local government expenditures within the total government budget is high at 32%, as in 2005 / 06, and is nearly 7% of GDP (Williamson et al. 2005), which is considerably higher than in other developing countries (Shah 2006). In addition, inter-governmental fiscal transferring mechanisms have considerably improved lately. Before numerous grants were individually transferred. But now a consolidation process has been completed and this improvement dramatically improves financial management of local governments.

4-2 Participatory Budgeting in Uganda

The sequence of the evolution from the pilot phase of the District Development Programme (DDP) (1997 -1999) supported by the United Nations Capital Development Fund (UNCDF) to the subsequent Local Government Development Programme (LGDP) (Phase I 1999-2003 and Phase II 2004-2007) funded by the World Bank is an important part of deepening fiscal decentralization in Uganda. The fiscal transfer mechanism promoted by the LGDP became the national inter-governmental system for Uganda.

Both the DDP and LGDP (phase I and II) were in a sense of an introduction of PB. During these projects, indicative planning figures (IPFs) were given to local governments which had to prioritize the usage of IPFs. When the IPF figures were given, the local governments were asked to make their three year development plan (rolling plan) with hard budget constraint (local governments could not anticipate that the central governments would bail them out in case of default payments). The project completion report states that 60% of the sampled activities implemented by
local authorities using IPF figures had either best or good value for money, 31% fair, and only 9% poor (World Bank 2008: 6). The report continues that the local governments have become “more responsive to locally defined community priorities and make decisions which are recognized by their residents as effective investments for local economic development” (ibid: 8).23

However, the entire picture is probably not as rosy as this report indicates. During the LGDP II two problems emerged. First, quality of local planning appeared deteriorating when the project scaled up to a nation-wide. Second, central government grants (IPFs) stayed primarily at the district level and the lower-level local governments stopped receiving their share of local revenues. Roughly, US$ 300 to 1000 per annum was anticipated to reach each LC 2 (ward), but mostly it did not. Thus, planning has become a repeated paper exercise year after year without much local participation.24

As a result, popular enthusiasm for participating in local planning and budgeting has declined particularly in the last two years. During the fieldwork of August 2008, all elected representatives and local government administrators in three different districts expressed that “participation fatigue” has certainly set in. Public opinion surveys conducted in the early 2000s showed that certain local services were improved, which resulted in a positive evaluation by residents over local government performances (Saito 2008). This assessment has, however, subsequently shifted to more disappointments in the last couple of years.

While precise figures vary, both in urban and rural areas, the proportion of popular attendance has declined significantly as revealed by the fieldwork of 2008. In rural villages within Kamuli District, for instance, if the previous attendance at LC 1 was roughly 80-100 people, then now it is only 20-25 people. For LC 2, it also declined from approximately 60-70 to 10-20 people.25 In Tororo District, the situation is not much different. According to an officer in charge of district planning, perhaps 100 people turned up in planning meetings at lower local governments in the years of 1996 to 1997. This was due to the new experience that local people appreciated. But recently the turnout would be around 30 people.26 In the town of Mukono, some residents even sent a letter to the Town Council asking not to convene the same meeting again and again every year. In their mind, the participatory exercise has become totally meaningless.27 In a nearby rural village of Kibboba, the situation is also similar. This is where leaders of both LC 1 and 3 are exceptionally good and, in the past they managed to bring tangible local developments (a school and a health center) by coordinating efforts with LC 5 offices. Yet, even there, the participation has been declining lately. In 2000 about 40-60 people attended village meetings, and the attendance started to decline gradually. Now only 10 -15 people come to the gatherings.28

Why then has popular participation in local planning processes been declining? There would be various reasons. In the initial years, the local people were excited about the new exercise. But as the exercise becomes more routine without significant changes in their own community, people became less motivated to participate. Then, most, if not all, of planning for government-sponsored activities and for NGO-supported projects came to emphasize participatory planning as an indis-
pensable method for planning and management. This “mushrooming” of participatory planning certainly contributed to a reduced appeal among the people. In the meantime, the proportion of conditional grants gradually increased; local governments receive less and less discretionary funds year after year. Also new districts are being formed, which fragmented the tax base. Many new districts with small budgets had difficulties in convincing local residents of participatory planning.29

In addition, the graduated tax was abolished in 2006, which significantly deteriorated the financial bases on which planning takes place. Since the graduated tax was a modified version of the poll tax, it was unpopular and costly for collection. But, it was the only viable source of income for local governments. Compensation for Uganda shilling 45 billion (about US$ 25 million) was promised, but only 25 billion (about US$ 14 million) was provided.30 The graduated tax abolition has a wide range of repercussions. Planning without sufficient funds became “empty.” Planning is simply an exercise on paper now.

4-3 Negative Effects of Abolished Local Income for Local Governments

This unmet compensation has wide spreading negative effects. First, councillors started to lose interest in LC management. Sometimes, local governments, particularly lower level LC cannot meet 6 times a year, although that is mandatory required.

Second, administratively, significant portion of funds to operate the LC system was lost: supervision, monitoring and evaluation, mentoring of other government offices no longer receive budgeting priority; daily running costs are severely cut; cross-cutting themes (for instance, environment, gender), which do not belong clearly to administrative offices, suffer consequently.31 The abolition also has affected departments which are not funded by central government transfers. While five national priority program areas (agriculture, education, health, water / sanitation, roads) are funded by the transfers, operations of finance and planning department and general administration are not covered by the transfers.

Furthermore, once local income is lost, LC 5 and LC 3 stopped sharing local revenue with LC 2 and 1 (MoLG 2008a: 35).32 The formula of revenue sharing among different levels of local governments was in reality “forgotten.” Each village was supposed to receive $ 50 to 150 per year (Saito, 2003: 136-138), but this resource sharing especially with village level LC has virtually stopped in reality. In Kamuli, a district official explained that previously Uganda shilling 400,000 to 500,000 (about US$ 220-275) can be allocated to each village per year. This money can be used for repairing classrooms or putting some culverts for roads. But now, due to graduated tax abolition, the amount is about Uganda shilling 20,000 to 30,000 (about US$ 11-16) annually. This amount is too small for meaningful activities.33

What is even more significant is its effects on co-funding that is required by several important programs. Usually 10% of central government grants need to be matched by local contributions. But it became extremely difficult to meet this requirement. Faced with severe financial
constraints, most LC 3 paid Local Government Development Programme (LGDP) requirements. Otherwise, the LGDP grants will be reduced by 20% in a subsequent year. But the local governments sometimes pay only one fourth to one fifth of the co-funding required by National Agricultural Advisory Services (NAADS) because NAADS is loose on penalty.\(^{34}\) The situation is even more difficult in Tororo, which suffers from a large debt caused by historical reasons. There even paying for LGDP is difficult.\(^ {35}\)

Accordingly, the links between different levels of local council have been largely broken (see Fig. 1). This unfortunate situation is a reversal of what was happening in the middle of 2000s. In the middle of the 2000s, line ministries, such as Ministry of Education and Sports and Ministry of Health, provided quarterly backstopping visits to district departments. This regular visits contributed to improve support and mentoring to district officials. Similarly LC 5 also supported LC 3 through supervisory and inspection visits, while frequency might have been less than once in quarter. Now, these visits are all rare, if at all. Officials in Molo LC 3 in Tororo said that they are struggling to maintain these four visits in a year, and in other areas, the visits are much less.\(^ {36}\) The service delivery points are left without any meaningful support from the government offices.

The end result of these inter-related changes is clear: people started to feel that quality of public service is declining in the last couple of years (OPM 2007: summary 10-11). This is a “lose and lose” situation: everybody is worse off than before.\(^ {38}\)
4-4 Some Hopeful Activities for Participatory Budgeting in Ugandan Towns

Even if the overall situation appears disappointing, there are some promising examples. The first of such category illustrates the experiences of town councils with the assistance of MDP. In Entebbe Municipal Council, similar to other local governments, three year development plan needs to be made each year. The participatory planning was introduced around 2002. Later, the MDP introduced some ideas and funds to conduct participatory budgeting. The outreach meetings were held at LC 1 and LC 2 levels. In these meetings, available resource endowments and identifiable needs were explored. This deliberation helped accessing poverty profile of the municipality. Toward the end of the deliberation, participants came up with certain proposals for the new financial year. According to the town clerk, the planning proved to be useful to align available resources with priority activities.

Furthermore, in spite of the general decline in attendance in the lower administrative levels, improved presentation of budgets attracted more attendance in local budget conference of the municipality level lately. During the conference, videos were used to explain new activities undertaken in the previous fiscal year, and Microsoft PowerPoint presentations were applied in explaining budgets. For local residents it is much easier to understand project implementation not in numbers but in these visual presentations. At the budget conference (normally held around December to January), usually attended by a wide range of stakeholders (including the representatives of NGOs, CBOs, and religious leaders), it would be particularly helpful for the uneducated youth and other social groups to follow budget discussions.

As the budget conference at the municipality level started to attract more attendance than before, the town clerk considers if any similar improvements can also be made at meetings conducted at lower administrative levels. In addition, while no systematic efforts have been made in sensitizing the ordinary people on budget literacy, the official mentioned that this may be necessary in the future.39

A second example of MDP assisted activity is Nansana Town Council, near the capital of Kampala. In Nansana, there was a place where cows were slaughtered and their meat was sold in its surrounding areas. Then, other shops gathered together and formed a large market where a variety of goods were traded. However, the original problem of slaughtering needed an urgent policy response. Nansana Town Council responded in putting a new market structure. Different fees for different categories of vendors were proposed, and vendors paid these fees. This fee payment became the significant contribution to the overall project. While the total cost of market construction was about Uganda shilling 700 million (about US$ 390,000), the vendors’ contribution was about 100 million (about US$ 55,700). This story is illuminating. It presents us that once ordinary people find it rewarding, they are willing to make contributions even if it is no small amounts. Since this market is essential for many people’s livelihoods and so centrally located, this success story appears to have convinced that collaboration with the Town Council can bring a change that is significant to ordinary people.40
If the case of Entebbe is an example of improving the mainstream method of convening the annual budget conferences during the overall participatory planning and budgeting exercise, the Nansana example is project-specific. While the former may not create dramatic changes, it tends to improve the system itself. In contrast, the latter example changes the relations of stakeholders through specific activities that bring tangible improvements to significant portion of local population. Both examples thus demonstrate merits as well as demerits. It would be interesting if Uganda as a whole accumulate more experiences of improved participation in planning and budgeting.

4-5 Uganda Debt Network in Operation

Another category of innovative experience for PB is Uganda Debt Network, an NGO (UDN 2005, 2006). UDN has been active in the late 1990s for making an appeal of debt cancellation of Uganda in line with the international campaign of Jubilee 2000. UDN now operates in 12 districts, and associated with the International Budget Project (IBP).41

In Kamuli District, its activities started in 2000, and now they are engaged in several activities in six out of 18 sub-counties (LC 3). Of significant importance are activities of grassroots budget monitors, whose number is about 2000. They visit important public facilities where essential services are provided, for instance schools and health clinics. Based on the questionnaire, they ask several important issues related to budgeting and accountability. For instance, in a case of school, the following questions, among others, are asked: how many pupils are enrolled, how much classroom construction funds are received, do teachers come on time regularly, etc. The monitors also report what they observe to the UDN district coordinator. For instance, if they notice a poor job in road maintenance in his / her area, that issue is brought to the attention of the UDN district coordinator (de Renzio et al. 2006: 21).42

Through these information collection activities, the UDN district team compiles their findings on five national priority program areas. This report is presented to the annual monitoring and evaluation dialogue meetings held at both LC 3 and LC 5 levels. These annual dialogue meetings take place prior to the planning sequence of the local governments. Thus, UDN feeds key information to the local government planning and budgeting processes. UDN representatives are invited to various key meetings including the budget conference organized by the district authority.

While they now have a good working relationship with local governments, officials initially did not understand their work at all. In the first couple of years or so, they were jailed by the authorities. However, as of now, UDN and local governments share information and also both sides work as partners (ibid: 22). For local governments, since their budgets for routine monitoring are virtually non-existent, UDN’s grassroots monitoring is much welcomed.43

The changed attitude of the local government toward UDN attests that their activities are significant. Nonetheless, there remain future challenges. Being a local NGO, the coverage of UDN activities are so small (ibid). Moreover, even if ordinary people’s attitudes may be changing in
villages where they work, given the today’s circumstance of multiple ill-effects of the reduced locally generated income, it is by no means easy to empower often uninterested citizens about their rights and duties of taxpayers, let alone sustain them of exercising these rights. For a society-wide change, much broader efforts for information sharing and transparency are needed.

5 Assessing the Current Situation of Decentralization

As it became evidently clear, the Ugandan situation in 2008 demonstrates a series of significant reversals. A very fundamental background to these “u-turns” is the NRM’s prolonged stay in power. The shift to multi-party politics and the declining extent of popular participation in planning and budgeting are mutually related.

The most serious problem as of now is the broken relationship between the government and its citizens. People lost interest in development meetings called by local governments. Various management committees for school, health clinics, bore halls, and for NAADS became dormant. A chief administrative officer in Kamuli, mentioned “people are withdrawing from participating, and politicians are thinking only of themselves. This is a bad combination.”

There is a deep misunderstanding on each side. For people, most of them think that the governments have a lot of money. For ordinary rural residents, the magnitude of local government budgets (billions of Uganda shilling) is just too big to be understood. But usually nothing much is happening in their neighbors. Thus, people suspect that the leaders (both political and administrative) must have “eating our money.”

This mistrust is also caused by inappropriate explanations that governments provide to localities. Even if the amounts of various grants are posted on the walls of LC 3 offices and other places (for instance schools and clinics), for most of the people, it is difficult to understand what these numbers mean without adequate explanations. Thus, this sort of inadequacy tends to fuel public suspicion that the officials are “eating” the public money.

For officials, the requests of people appear very incoherent and unrealistic. They consider the ordinary citizens are ill-educated and backward in their attitude and thinking. Even if some administrators may be willing to continue conducting participatory exercises, the meager resources of local governments do not help provide necessary logistic support for conducting participatory exercises.

The politicians, for their part, tend to make extravagant promises at times of elections. It is very common for political candidates to say that once elected, certain services and obligations will become free of charge. After elections, they sometimes confuse the public that people do not have to pay fees and contributions. These false statements reinforce the (mis)understanding among the people that the government is willing and perhaps also capable of providing services free of charge and citizens themselves have no role to play.

This situation is not at all conducive for deepening of democratization. The shift for multi-party has undoubtedly reinforced the tendency that politicians make cheap promises mainly for the
sake of becoming popular.

The current conditions are also not promising to promote PB. As recently documented (Babcock et al. 2008) and also confirmed by this study, PB in Uganda is a limited phenomena; the experiments by some municipalities and towns were conducted with outside assistance (such as the MDP) and innovative activities were made by dedicated grassroots budget monitors of a NGO of UDN.

This situation presents a very fundamental dilemma. One of the critical linkages between political pluralism (multipartyism) and revenue (co)generation through PB processes is collective action. A kind of idealized vision of collective action depicts that people would overcome producing incoherent wish lists of needs and thereby able to manage coherence even in the middle diverse social wants.

However, precisely because the quality of multiparty deliberation is not promising as well as because services are declining for the poor and the socially weak, people at the grassroots levels are not motivated to partake in collective action.

There is no easy solution to this. The concomitant improvements on several fronts encompassing both at national and local levels are needed, especially if the government is serious in pursuing local economic development (LED)\textsuperscript{45}, which is emphasized, \textit{inter alia}, in the follow-up project to the LGDP: Local Government Management and Services Delivery Adaptable Program (also supported by the World Bank) (World Bank 2007).

First, public access to budgetary information needs to be significantly improved. For this to happen, policy response is needed not just at local levels but also at the central level. As the Open Budget Index 2006 reported, Uganda provides only “minimal information” to its citizens. Uganda scored only 31% out of a possible 100%, and this is far from satisfactory. Improvements to media access largely depend on to what extent the regime in power is willing to relax regulations on such access.\textsuperscript{46} There would, however, be a hope to see real improvement through more civil engagement in this area as evidenced by the successful example of UDN (MoLG 2008d: 35).

Second, political parties have to democratize their own governance mechanisms. As a famous opposition party leader explained, some concerned citizens have already recognized the current problem of disengaged citizens and self-centered politicians. Although the pace of change will be slow and gradual, such change will take place. Because even in the world richest country cannot provide public services completely free, a nation such as Uganda would not be able to sustain itself in providing free services.\textsuperscript{47} Parties thus need to prepare themselves for that change. In order to change politics in Uganda, political parties themselves need to be transformed so that they should be able to become an effective institution in consolidating diverse interests of people into a collective voice, instead of becoming an organ for preserving their own interests.

6 Conclusion

The local governments’ officials now feel that they are “cheated” and “deserted.” In fact,
they walked away from a meeting of Medium Term Expenditure Framework (MTEF) in 2007 in which both central and local governments official attended. Their unusual behavior symbolized this feeling. But sadly, nobody is really keen to rectify the situation. As nicely stated by a key official in the introductory part of this article, decentralization no longer receives much attention in the central political circle.

The main cause of the reversal is the abolition of the graduated tax announced in 2006. This announcement is deeply political from its beginning. Thus, a fundamental solution lies in how politics is conducted in Uganda. This reinforces our understanding that decentralization measures are political in nature and to what extent they contribute to democratization depends largely on how power holders understanding politics. It is probably the case that decentralization in Uganda came too successful for the NRM regime to allow its continuation. Thus, seen from the perspective of the top leadership, reversing this uncontrollable “success” might be inevitable.

The challenges and obstacles seen in Uganda are in fact systemic issues in developing countries in general, and in Africa in particular. There have been numerous cases where reform initiatives came to be stalled in the middle of implementation (Bebbington and McCourt 2007). Uganda as of now is a clear show case of such stalling example.

However, perhaps hope has not totally died out. In any societies, it takes time for multiparty democracy to be settled in particular historical and socio-cultural contexts. It is also a time consuming process for citizens’ engagement on local decision making to bring tangible development to the poor and the needy. Perhaps precisely because the current situation is not conducive for democratization, seed for future is now being with us, and only history will tell later on whether Uganda in the late 2000s would be a success or failure.

Notes
1) The fieldwork for this article was conducted for about three weeks in August 2008, with the main research grant from the Socio-Cultural Research Institute, Ryukoku University, Japan. The various interviews were carried out not only with policy makers and key organizations in the capital city of Kampala but also with local politicians, administrators, NGO leaders in Kamuli, Tororo and Mukono Districts. Various levels of the local governments were visited in these districts.
2) For example, in Balawoli LC 3 in Kamuli District, the council managed to provide allowances for two meetings and the remaining four meetings took place without allowance. The chairperson (political leader) said, “It was fortunate that these four meetings took place by meeting the quorum. Otherwise we are in trouble in the next year” (personal interview, 18 August 2008). If they cannot fulfill this obligation of six times a year, MoLG punishes them by reducing the LGDP grants by 20% in a subsequent fiscal year.
3) Of course, the creation of new districts put financial burden on both the government and donors. The World Bank estimates that a new district costs about Uganda shilling 1.8 billion (about US$ 1 million) per year (Uganda shilling 1.2 billion for salaries and 0.6 billion for operating cost) (World Bank 2008: 15; see also similar calculation by OPM 2007: 49)
4) Personal interview, 15 August 2008.
5) This informant added the following ten changes during the last 15 years: 1) legal framework has been repeatedly amended; 2) many new districts have been created; 3) resource envelope for local gov-
ernments now is much different from that of the early 1990s; 4) globalization of world economy becomes an acute reality; 5) while NGOs are increasingly becoming more relevant, it tends to be difficult to forge partnerships between the government and NGOs; 6) cultural institutions (traditional kingdoms) are more influential than before; 7) recentralization of powers affected local political landscape; 8) multiparty politics has set in since 2005; 9) citizens participation is becoming less and less; and 10) corruption is wide spread (personal interview, 12 August 2008).

6) This referendum is still a source of controversy. Many might have been confused this referendum with the vote of confidence on President Museveni. Thus, critics maintain that this referendum did not reflect genuine aspiration of the many Ugandans.

7) Information by Electoral Commission, the Republic of Uganda.

8) The same term of “NRM” is used for multiple purposes. In order to distinguish NRM as a regime and a polity from that as a political party, this expression is applied in this article.

9) Information by Electoral Commission, the Republic of Uganda.

10) Yet there is a noticeable tendency among the youth, it has been pointed out, who belong to more than one party at the same time (personal interview, Tororo District, 21 August 2008).

11) However, this generalization does not always apply. For instance, in Tororo District, because of the recent fragmentation of the mother district into five smaller districts, there is a tendency for people to prefer having “their own ethnically identifiable district.” Thus, if any party favors the creation of new districts based on such ethnic considerations, they tend to support that party.

12) This “inevitability” feeling was expressed by a former Minister of Local Government, one of the key original founding members of the NRM (personal interview, 28 August 2008).

13) Sometimes chairperson (elected official) of LC 5 holds the post of party chairperson in the same area. But in other times different people hold these two chair posts. Usually differences derive from the case that elected chairperson could not secure a party nomination and won the elections as an independent candidate (though as a party sympathizer).

14) In Kira Town Council, unlike Nansana, all executive members are dominated by one party. Accordingly the day to day operations of the council tend to be difficult (personal interview, 14 August 2008).


16) For instance, personal interview, Tororo District, 22 August 2008.


18) Personal interview with one of the opposition party leader, 28 August 2008.


20) Personal interview, Tororo District, 22 August 2008.

21) Wampler lists certain criteria of PB: for instance, a city is divided into smaller administrative units for allowing popular participation; city authorities hold several consultations to debate policy proposals; a certain yardstick is devised for resource allocation purposes; elected representatives actually visit sites; a final decision is made by a city-wide council; and information about implementation processes and results need to be shared with local residents. But it appears that different analysts and observers tend to use different definitions for different purposes (Wampler 2007).

22) While it is beyond the scope of this article in identifying successful reasons of PB in Porto Alegre, it is interesting to learn the following factors: 1) social movements before 1988 advocated anti-corruption; 2) initiatives and capacity of the mayor and his close associates were quite influential; and 3) the financial resources made available for PB have increased (Serageldin et al. undated, 18).

23) The report also shows that through implementing these activities, health centers, primary schools, and water sources for residents become nearer to them (World Bank 2008:13).

24) Personal interview, a LGDP official, 15 August 2008.


Personal interview, Mukono District, 25 August 2008

Faced with this situation, the MoLG in 2004 issued Harmonized Participatory Planning Guide for Lower Local Governments (HPPG) (MoLG 2004). This was intended for good purposes. However, it might be important to remind us that it is expensive to organize participatory consultations. When the budget constraints became severe, the officials become even more hesitant to continue with participatory meetings.

The abolition was propelled by political rivalries between the ruling NRM party and the opposition FDC during the elections of 2006. Ministry of Finance, Planning and Economic Development was in fact against the abolition. The government’s annual review of decentralization acknowledged the need for alternative tax (MoLG 2008d).

Personal interview, Tororo District, 21 August 2008. These problems are also mentioned in the MoLG’s Annual Assessment of the district (MoLG 2008c: 58-67).

MoLG’s Annual Assessment of Mukono District stated that the district did not lease funds for lower local governments (MoLG 2008b:74).

Personal interview, Kamuli District, 18 August 2008. Furthermore, In Kibboba LC 1 in Mukono, they used to receive Uganda shilling 70,000 to 120,000 per year and the money was used for community purposes. The neighboring village which faces the main road was receiving more. It was good days. Now this sort of money is no longer reaching the Kibboba Village (Personal interview, Mukono District, 25 August 2008).

For instance, Balawoli LC 3 in Kamuli managed to pay fully required co-funding of Uganda shilling 5.6 million for LGDP, but for NAADS, they paid only Uganda shilling 120,000 out of 4.3 million (personal interview, 18 August 2008).

Kirewa LC 3 in Tororo, in the last financial year, paid only Uganda shilling 600,000 against the required 3.5 million for LGDP (Personal interview, 22 August 2008).

Personal interview, Tororo District, 21 August 2008.

In Kasawo LC 3 in Mukono, all of the LC 2 parish chiefs were not in place (Personal interview, Mukono District, 25 August 2008).

It could even be said that the biggest problem is that the reporting mechanism of the MoLG cannot adequately capture the real problems on the ground. Even if the MoLG is responsible for assessing local governments performance (MoLG 2008a), assessment tends to be mechanically implemented without much meaning. Annual assessments do not lead to further discussions in which key structural issues faced by the local governments are jointly discussed with the central government. It was pointed out that some of the local governments deceive the MoLG just by putting good numbers on paper (Personal interview, former chairperson of Uganda Local Government Association, 28 August 2008.).

Personal interview, Entebbe Town, 14 August 2008.

Personal interview, Nansana Town, 14 August 2008.

The website of IBP is http://www.internationalbudget.org/ (accessed on 3 November 2008). One of its main outcomes is the report of Open Budget Initiative surveyed in 59 countries (International Budget Project 2006).

The UDN district teams also operate radio programs. Usually every week, each topic is chosen for discussion and one or a few officials are invited, and the public audience can directly raise questions by using their mobile phones. This program contributes to improve public understanding of how local government activities are managed (de Renzio et al. 2006: 21-22).

Personal interview, UDN Coordinator, 20 August 2008; and interviews with Kamuli District officials, 18 August 2008.

While a considerable attention has been paid up to very recently to how to improved public services in order to reduce widespread poverty in the country, in the last couple of years the relative emphasis has been shifted to LED with the purpose of increasing income for rural households. This is symbolized by President Museveni’s announcement of “Prosperity for All,” made during his election cam-
46) According to the Index report, only six of 59 countries provide “extensive” budget information to the public. 30 countries provide “significant” and “some” information. 23 countries (39% among the survived countries) provide “minimal” information only. Ten countries form the bottom category and provide either “scant or no” information to their citizens. Another indicator of World Press Freedom Index 2007 ranks Uganda 96 out of 169 countries (www.rsf.org, accessed on 8 September 2008).


References


Decentralization for Local Democracy?


