

# Uganda : Path to Prosperity

A 4-I focus:  
Infrastructure, Investment, Integrity & Industrial Policy



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## Uganda: Path to Prosperity

Since political stability was achieved in 1986 with the Museveni government, Uganda has been on a strong growth path. However, despite this growth, Uganda still runs a deficit, has significant unemployment, and GDP per capita is still very low. At a macroeconomic level, sound policies have reduced volatility, but poverty rates are still significant, with high inequality due to lack of urbanization and low incomes in rural populations. The growth that Uganda has achieved has been due to industrialization, but further and faster industrial growth is constrained by lack of infrastructure. The path to prosperity for Uganda can be accelerated by focused efforts on removing this binding constraint, as well as consideration for other key obstacles that may become binding once infrastructure issues are resolved. This report summarizes the current state of the economy, the key obstacles impeding growth, and concrete policy recommendations for economic development.

### State of the Economy

Uganda has been on a strong growth path, particularly in the last 15 years between 1994 and 2008, where the country experienced an average GDP growth rate of 7.4%<sup>1</sup>. However, given the starting point in 1994 of \$492 GDP per capita (PPP current international \$), Uganda's GDP per capita is still very low at \$1165, with 37.7% of the population still living below the national poverty line<sup>2</sup>.

Despite its growth, Uganda's imports continue to exceed its exports as shown by its current account position (Figure 1). Over the last 15 years, Uganda has been in a deficit position, with a value of -7.49% of GDP in 2008. Additionally, Uganda is still very reliant on Official Development Assistance which accounts for a large portion of the current account (between 9 to 12% of GDP since 1995)<sup>3</sup>. Without this assistance, the current account deficit would be much worse, at approximately 20% of GDP.

Unemployment is also a significant problem in Uganda. Recent unemployment data for Uganda is difficult to find, but older data<sup>4</sup> (1970 to 1993) shows unemployment at rates near 20 to 25%. Several recent reports indicate that unemployment is still a very large problem in Uganda. According to the Uganda National Bureau of Statistics in 2009, "Unemployment is a national emergency. There are 130,000 jobs created every year while 390,000 new job seekers enter the market"<sup>5</sup>.

Inequality in Uganda increased from a GINI coefficient of 40.9 in the 1990s to 45.7 in the 2000s<sup>6</sup>. A potential explanation which seems to fit Uganda is that during the transition from an agrarian sector to urban industrialization, the growth in income inequality is due to low incomes in agriculture as compared to income earned in the city<sup>7</sup>. This is demonstrated with a much higher 42% of the rural population below the poverty line as compared to 12% in urban areas<sup>8</sup>. Since the percentage of the population living in urban areas has increased only minimally from 4.4% in 1960 to 13% in 2006<sup>9</sup>, only a small portion of the population has benefited from the higher incomes of urban industrialization. Additionally, inequality is further fueled by the total fertility rate for the highest income quintile at 4.3 births per woman as compared to 8 total births per woman for the lowest income quintile<sup>10</sup>.

### Strong macroeconomic policies

During the last 15 years, the Ugandan government has implemented some strong economic policies to control volatility. First, as shown in Figure 1, the government has implemented counter-cyclical fiscal spending policies, tending to increase spending in larger deficit years while reducing spending in smaller deficit years. Secondly, the government has been successful in reducing inflation since 1993 (Figure 2). "The economic recovery programme adopted in 1987 heavily hinged on price, trade and exchange rate liberalization, restoration of fiscal discipline, and adherence to a decidedly anti-inflationary monetary stance"<sup>11</sup>. These policies should be maintained to ensure a macroeconomic environment that will allow the country to implement other policy recommendations set forth in this report.

## Obstacles to growth

As mentioned, Uganda has experienced a sustained period of solid growth over the last 15 years. In determining the key obstacles to growth, the question that needs to be asked is “What constraints need to be addressed for Uganda to grow even faster over the next 15 years?” Based on the analysis, the following key obstacles were determined.

**Infrastructure (Binding Constraint)** - Infrastructure shortcomings in Electricity and Transportation are the current binding constraints to growth in Uganda. As detailed in our more detailed Growth Diagnostic Report (Assignment #3)<sup>12</sup>, this has been shown by the low level of infrastructure, its crippling impact on exports and imports, the success of a few industries to avoid those constraints, and multiple infrastructure projects in the works as communal agents try to overcome the constraints.

Electricity was ranked by Ugandan business owners as their most problematic issue<sup>13</sup>. As an indication of the lack of availability, only 8% of households have electricity<sup>14</sup>. Over 93% of large firms, and 60% of medium firms<sup>15</sup> have their own generators to deal with unreliable power, despite the fact that generator-supplied power is on average 5 times more expensive than grid-supplied power; another indicator that lack of reliable electricity is likely a binding constraint to growth.

For a landlocked country like Uganda, access to external ports for importing and exporting is extremely important, but Uganda has not been able to overcome this geographical limitation. Its international freight rate was 14% of product price in 2003, second only to Ethiopia in East Africa and almost twice that of economic powerhouse Kenya<sup>16</sup>. The rail system could carry all of Uganda’s exports but only “carries 30-40% to and from the ports of Mombasa and Dar-es-Salaam..(because it is) constrained by an acute shortage of rolling stock and its dilapidated infrastructure is in dire need of rehabilitation/repair.”<sup>17</sup> This severely inadequate rail system has put 90% of freight traffic on roads<sup>18</sup>, of which only 8% are paved, below the East African average of 14%, and half that of Kenya (Figure 3).

As further evidence of infrastructure as a binding constraint, two of the few non-traditional industries to thrive recently are cut flowers and fresh fish products. Both products avoid the binding infrastructure constraint like camels in the desert avoid water; they use almost no electricity for production, and overcome the ground transportation problems by being flown to Europe.

**Access to Capital** – Although not the binding constraint, access to capital could be the next constraint once infrastructure issues are resolved. Interest rates on lending, though steady, remain quite high relative to Uganda’s peers (Figure 4). In addition, the Ugandan spread between its commercial lending rate and its time deposit savings rate is one of the highest in the region (Figure 5). This signals that the Ugandan banks remain cautious toward lending.

**Corruption** - Uganda’s ranking in Transparency International’s Corruption Perceptions Index dropped from a world ranking of 105<sup>th</sup> in 2006 to 130<sup>th</sup> in 2009<sup>19</sup>. Corruption could become binding once other more serious constraints are resolved. As shown in Figure 6, Uganda is significantly worse than its neighbors in control of corruption. A World Bank Country Economic Memorandum (CEM) released in October 2007 noted that 55% of foreign and exporting firms perceived corruption as a major or severe constraint in Uganda<sup>20</sup>.

**Low Complexity of Exports** – Uganda’s strong growth in recent years can be partially contributed to increased industrialization, export sophistication, and improved position in Open Forest (as shown in Assignment #2)<sup>21</sup>, but it still remains relatively weak in these areas compared to the rest of the world –see figures 7, 8, & 9. For continued growth in the next 15 years, Uganda needs to move into even denser areas of the Open Forest and particularly into sectors with higher value and profit margin products which are less ubiquitous and require more complex capabilities.

In addition, from the growth diagnostic analysis<sup>22</sup>, it was determined that taxes, political/social risks, the cost of doing business, and education are to be watched, but they are not currently binding constraints to growth and, as such, are not priority areas for immediate policy reform.

## Infrastructure Policies: Improve Financing, Power and Transport

Infrastructure deficiencies in the electrical power and transportation sectors are the binding constraint to Uganda's further growth. Although there are specific project recommendations to make in electrical power, railroads and road development, the most crucial need is to reform the existing infrastructure budgeting and financing process to make infrastructure development economically sustainable. Then new infrastructure financing options can be stimulated so that specific project recommendations will have the funding base to proceed. Many of these policy ideas have been put forward before, but these are the most impactful and implementable during the next five years, and will also have positive spillover to other sectors. The following policies are somewhat detailed because infrastructure development is so important, and consequently because it is anticipated that qualified staff will be appointed to implement them.

### Infrastructure Financing

**Reform the existing infrastructure planning, budgeting and financing processes.** The current processes are plagued by weak strategies, politically driven project selection and nontransparent subsidy mechanisms<sup>23</sup>. A more rigorous investment planning and budgeting process with a systematic, analytical approach to sector investment strategies, inter-sectoral strategy trade-offs, and project prioritization needs to be implemented<sup>24</sup>. Better fiscal discipline and budget monitoring will also discourage waste and corruption.<sup>25</sup>

**Ugandan Government fully delegate authority to State Utilities and restructure their debt.** Quasi-state utilities are currently hindered by competing jurisdictions, the Ugandan Government controlling their financing, political decisions, and the resulting lack of flexibility<sup>26</sup>. Once the government has clearly defined objectives for the Utilities, it should fully delegate investment selection, funding and implementation responsibilities, allowing them to be in full control of services they are providing.<sup>27</sup> Also the Utilities' debt needs fast-track restructuring because current debt, along with the factors from above, are preventing needed spending on maintenance and capital improvements.<sup>28</sup> And indirect government subsidies to utilities should be made explicit to clarify funding obligations and shortfalls<sup>29</sup>. These measures will help restore the utilities' financial health, and attract funding for growth.

**Stimulate infrastructure financing with Public-Private Partnerships (PPPs) local currency financing and pension system reform.** A PPP department should be created to increase PPP infrastructure funding above its low 1% of GDP<sup>30</sup> by systematic investment planning<sup>31</sup>, consistently investigating PPP options with experienced advisors, and helping structure PPP's<sup>32</sup>. Financing a portion of infrastructure projects in local Ugandan shillings instead of international currency would reduce exchange rate risk<sup>33</sup>. The currently dysfunctional and underfunded national pension funds<sup>34</sup> are potentially large infrastructure bond investors, but they need to be fully funded and overhauled - replacing their boards of directors and instituting good governance structures and regulations.<sup>35</sup>

### Sector Specific Policies

**Increase Electrical Power capacity by successfully completing projects under construction, explore new sources and reduce electrical theft.** The Bujagali dam project under construction should provide 250MW of current 300MW power shortage, but completion has been delayed again till 2012 because of technical issues<sup>36</sup>. Renovations of existing hydropower stations have also been delayed. Additional experienced technical experts should be hired to insure success of these crucial projects. Uganda should commit resources of technical and diplomatic staff to pursue regional cooperatives to explore transnational power sources like the potential 4500MW Inga plant in DR Congo<sup>37</sup>. An oil/gas/coal-flex in-country power plant should be considered to take advantage of Uganda's newly discovered oil fields

and anticipated investment. Eliminating the 30% of current power loss that occurs through electrical theft<sup>38</sup> would save approximately 100MW, but may be politically difficult because the population was used to free electricity until 2004. However if photovoltaic costs drop enough, then switching households to this alternative source and forsake illegal hookups might be possible. Inviting a solar cell manufacturer into a Special Economic Zone (see below) could provide a cheap in-country source of such panels.

**Revitalize sustainable railroad access to external ports.** The railway concessionaire hired jointly with Kenya in 2006 to operate the line from Kampala to Mombasa has been unable to perform to contract because of inexperience and lack of funding.<sup>39</sup> Kenya has already canceled their portion of the agreement and Uganda needs to do so as well, and a new experienced concessionaire needs to be found who can recapitalize and operate the railroad. This should continue to be done in coordination with Kenya to reinforce the development of the East Africa Community Federation. A similar approach should be considered for the rail access through Tanzania to Dar-Es-Salaam as an alternate import/export route.

**Focus on improving the National Road Network instead of extending the rural road network.**

National roads are 15 percent of the total roadways, but carry about 80 percent of the total traffic.<sup>40</sup> Extending the rural road network has been driven by donor-driven funding, but has much lower social returns to capital.<sup>41</sup> This funding should be redirected to the national roads - to help resolve the Kampala congestion with more bypass projects, and repair deteriorating paved roads<sup>42</sup>. The quality of major road projects need to be improved – the recently completed Kampala northern bypass only has a 5 year anticipated life instead of the 20 year planned life because of substandard materials and workmanship<sup>43</sup>. Better inspection of road construction and securing only qualified contractors is essential on future projects.

Uganda’s infrastructure investment has been increasing over the years, and needs to continue to grow past the current \$21/capita level to match that of other developing countries (Figure 10). The above policies should enable Uganda to accomplish this. The main obstacles to implementing these policies is deeply embedded corruption, which is addressed below.

## Investment Policies: Increase Access to Capital

The country continues to struggle with an underdeveloped banking system with high commercial lending rates which hinder economic development. However, poor access to capital seems to be bank induced, and due to structural intermediation issues versus a lack of funds. Simply put, more capital needs to be put to use to foster economic growth. Currently, the loan to deposit ratio within Ugandan banks continues to drop as banks tend toward foreign investments rather than making loans in local currencies<sup>44</sup>. There is simply no appetite for the returns on local investment. In addition to the infrastructure finance policies recommended above, several key supply-side policies should be considered to build the competitiveness of the sector:

1. “Accelerate licensing and establishment of a credit bureau”<sup>45</sup>. This new ratings agency will assist bankers with the creditworthiness of potential clients.
2. Improve the laws and enable the institutions that govern and enforce loan contracts and defaults<sup>46</sup>. An empowered and timely court will reduce the risk of illegitimate defaults without asset recovery, and thereby, reduce the risk for bankers to lend.
3. Proactively seek “new Tier 1 [banking] entrants if they are professional and innovative”<sup>47</sup>. By increasing the number of banks, supply increases and price competitiveness improves.
4. Reduce the securities and dividends withholding tax rate of 15% (vs. 5% in Kenya and 0% in Tanzania) to something more competitive. This could help stimulate Uganda’s capital markets.<sup>48</sup>

## Integrity Policies: Combat Corruption

Corruption is such an embedded problem that the policy recommendations to displace it with Integrity are substantial. These efforts will be strongly resisted by entrenched powers that currently benefit from corruption, but the new president's election is a mandate for change and now is the time to begin a legacy of reforming Uganda:

**Reduce Executive Power and Increase Institutional Checks and Balances** – The current constitution was modified by the previous president to allow too much executive power, such as abolishing term limits. This example from the top level led to increasing levels of corruption throughout government<sup>49</sup>. Changing the system back to renounce those powers and more equally distribute them would create the checks and balances necessary for a balanced and sustainable national government, and send a strong message that no one is above the law. This would not only decrease corruption, but also attract positive worldwide attention and attract more foreign investment to Uganda.

**Consolidate and Empower the Weak Existing Anti-corruption Ugandan Government Agencies** - This will enable true investigation, prosecution and punishment of corruption, finally actually implementing the extensive anti-corruption legislation already passed but not enforced.<sup>50</sup> The agencies need to be re-organized to clarify their overlapping responsibilities so each has a clear mandate. One entity should clearly be given the power to investigate and prosecute corruption in order to initiate and conclude cases, similar to Botswana's Directorate on Corruption and Economic Crime which has a high conviction rate and collects fines in excess of its operating cost.<sup>51</sup> The head positions should be appointed by and report to the Legislature, not the Executive branch, in order to be more independent and effective<sup>52</sup>.

**Simplify Bureaucratic Procedures.** Complex bureaucratic procedures should be simplified to minimize the opportunities for officials to ask for bribes. Frequently such processes can be automated to accomplish this, as Kenya's Rapid Results Initiative automating customs contributed to a 36% reduction in bribes<sup>53</sup>. The particularly high-corruption prone bureaucratic processes of procurement, customs and tax processing should be prioritized as this is where the most egregious corruption occurs<sup>54 55</sup>.

**Increase Civil Servant Pay** - Raising salaries would reduce the temptation for most civil servants by making them less dependent on bribes for a living wage. A good consideration is performance based compensation, such as introduced in Ghana in the mid-1980s<sup>56</sup>, which can reduce corruption, increase official revenue to government and finance the increased salaries if well implemented.

**Begin ethics training workshops for all government workers to change organizational culture.** Such workshops will build a consensus about the nature and drawbacks of corruption, and solicit individual buy-in on a personal basis. This training will need to be sustained and relevant to deal with deeply entrenched corruption<sup>57</sup>.

**Encourage a Ugandan National Bribery Index** which would promote government accountability by naming and shaming corrupt institutions. This national index would include both subjective rankings of perceived corruption of organizations in Uganda (similar to Transparency International's Corruption Perception Index), and more objective data such as number or amounts of bribes paid. Countries like Kenya already have a National Bribery Index<sup>58</sup> and they have been effective as ranked institutions reduce corruption and cycle off the list<sup>59</sup>. It would be a conflict of interest for the Ugandan government to fund this, but they could encourage an NGO like Ugandan TI chapter to do so.

## Industrial Incubators: Stimulate Export Sophistication

**Special Economic Zone (SEZ)** - As previously discussed, there are many limitations to running a business in Uganda. This is especially true because its poor infrastructure results in a lack of stable electricity and very high transportation costs. To counter these factors, we propose the development of a targeted special economic zone (SEZ). It could be located northeast of Kampala in Jinja where it would be close to the electrical plant at the mouth of the White Nile, close to the main rail line to Mombasa, and away from the congested roads of Kampala. With a SEZ, Uganda could commit a high level of personal services and resources to encourage an influx of foreign direct investment. This special economic zone would allow the administration to prove out policies for encouraging industrialized growth and trade by offering an autonomous management system with preferential policies<sup>60</sup> aimed at encouraging investment.

In the SEZ, companies would be provided incentives to expand the country's recently acquired manufacturing operations in Aircraft under 15000kg (7923), Organic Chemicals (5169), and Paper Cutting Machines (7252). In addition, SEZ objectives would strive to further extend these new higher order capabilities into other similarly "complex" and less ubiquitous industries like Machine Parts for Mining, Sewing, and Food Processing (7269), Electromedical Apparatus (7741) and Pharmaceutical Goods (5419)<sup>61</sup>. This focused industrial policy in one geographic area would act like an incubator and would serve as a catalyst for further economic growth.

To encourage foreign investment within the SEZ at Jinja, we would recommend the following services and policies (most of the following SEZ policies stem from the research by Guo and Fung, Special Economic Zones and Competitiveness)<sup>62</sup>:

### *Solid Infrastructure*

- Provide Industrial grade infrastructure including roads, telecom, utilities, and possibly airfield enhancements (both within the SEZ and also to and from the major points of trade)
- Maintain storage facilities and free port access at Lake Victoria and the nearby air and rail depots so products can be stored safely while they await transport, and vehicles can be freed for continued use.

### *Advantageous Taxes and Fees*

- Extend differentiated tax rates for foreign MNCs to "win" new companies to Uganda
- Implement streamlined regulatory processes with personalized services for "doing business" without bureaucratic hassles and/or bribery payments.

### *Improved Access to Capital*

- Locate banks with the freedom and supports to embrace investment above and beyond traditional risk thresholds
- Create a commercial court to settle defaults and other commercial issues w/o lengthy delays and lost collateral assets

### *Ample Labor Pool*

- Enact policies to keep the zone open to rural migrants and to provide generous policies toward housing, education, and remittances.

Lastly, to promote the advantages of this SEZ, we would recommend that business development delegations be based in both neighboring East African countries<sup>63</sup> and current European trading partners. These delegations would be funded with promotional budgets to run trade fairs and other outbound business development activities. In addition, to support one face to the international business customer, Uganda should complete the merger of the Uganda Export Promotion Board and the Uganda Investment Authority<sup>64</sup>.

The intent of a Special Economic Zone is to attract foreign direct investment by focusing government resources on a targeted location and by addressing the main binding constraint of infrastructure: transport and electricity. Additionally, by providing risk-reducing incentives for companies to expand their capabilities into less ubiquitous and more “complex” products, the objective is to create new industries within the domestic economy. This level of market development would lead to more job creation and help to both accelerate urbanization rates and produce higher incomes for local workers.

## Conclusion

In summary, Uganda has been on a solid economic growth trajectory since the mid 1980s. This positive economic growth has lifted many of its people out of extreme poverty. It has also created wider income inequality as a new class of industrial sector laborers earn incomes far above that of the 80% majority that remain in subsistence farming. The rising tide of the last 20 years has lifted all boats, and Uganda stands at the precipice of transitioning into a fully industrialized nation. However, Uganda has immediate challenges to face in order to continue its growth. The country has outgrown much of its infrastructure and some of its institutions, and it must wisely use the next five years to invest its time and energy to address these constraints.

The opportunity over the next several years lies in the fact that the current barriers to continued growth are tangible, limited, and surmountable. The key constraint to Uganda’s economic growth is the country’s inadequate infrastructure.

**Infrastructure** - To address this constraint, infrastructure development needs to become financially viable: the existing financial planning and budgeting processes need to be reformed, state utilities be given full authority over their operations and debt restructuring, and infrastructure financing stimulated. Then the individual infrastructure sectors need to be addressed: electrical power capacity needs to be increased, sustainable railroad access to external ports secured, and national road network improvements prioritized over extending the rural road network.

The country has done an excellent job reducing its volatility through a steady and mature fiscal discipline. These policies have encouraged investors to include Uganda in their expansion plans. However, to assure the capture of new foreign investors and to encourage local business growth, Uganda should begin to address the following secondary barriers to growth:

**Corruption** – Uganda is perceived as having and, in fact, maintains high rates of corruption. To begin to contain and fix this cultural enigma, the country should increase the checks and balances of executive power, consolidate and empower anti-corruption agencies, simplify bureaucratic processes, increase salaries and begin integrity workshops for civil servants.

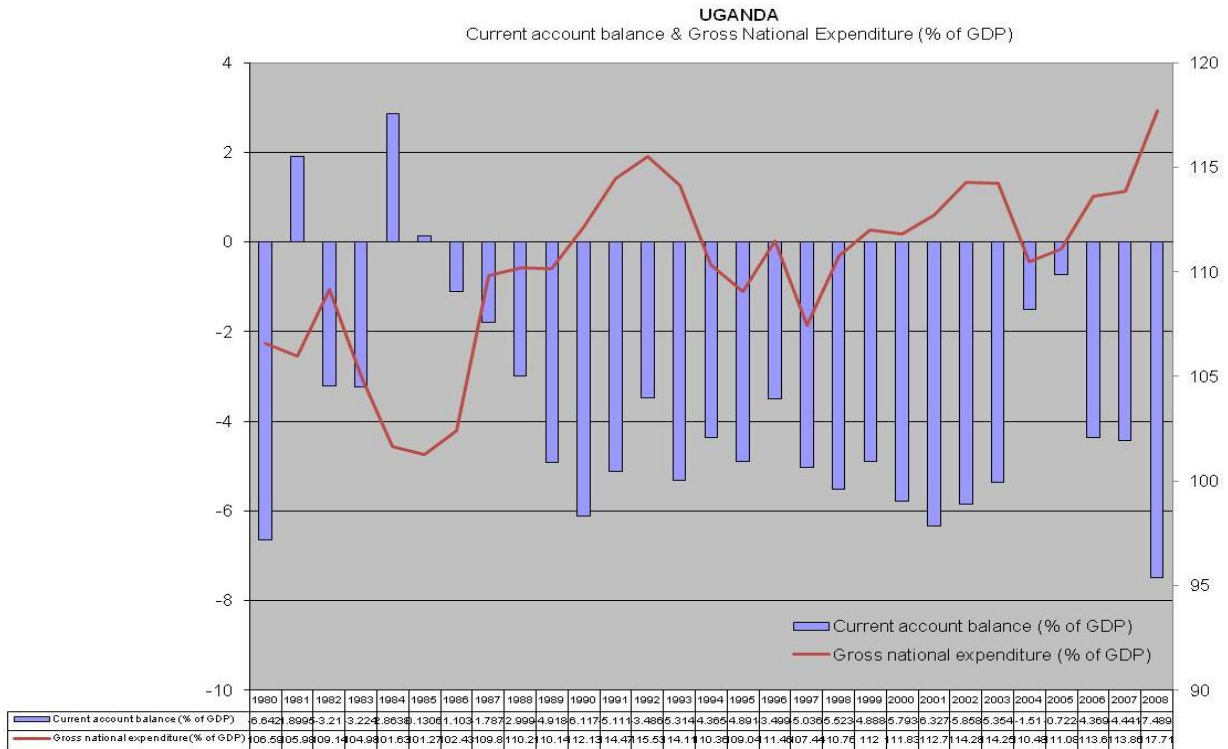
**Access to Capital** - The country continues to struggle with an underdeveloped banking system with high commercial lending rates. To increase the flow and lower the pricing of commercial capital, Uganda should build its credit rating capabilities, improve its ability to govern lending disputes, and, most importantly, increase the number of tier one banks within its marketplace.

Lastly, to spur on continued innovation in Uganda’s transition to an industrialized economy and to pioneer some of the policies listed above, Uganda is urged to implement a **Special Economic Zone (SEZ)** with an industrial focus to increase export sophistication. This incubator of the future would host industrial strength infrastructure and specialized services to encourage an influx of foreign direct investment. This experiment would be a beacon of the future and instill a level of hope and confidence as the country works through the growing pains of a developing economy.

In summary, Uganda is at a crossroads, but the path forward has been illuminated by the preceding analysis. It is time for five years of more solid growth so Uganda can more fully embrace the benefits of the modern global economy.

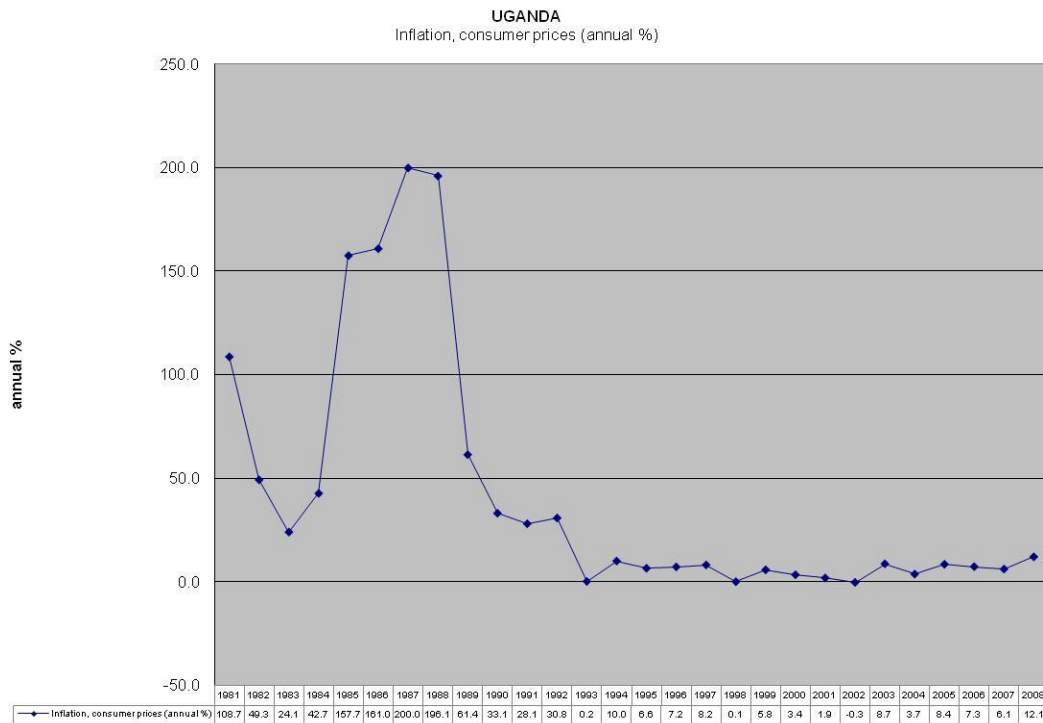
# APPENDIX

FIGURE 1 - UGANDA CURRENT ACCOUNT AND NATIONAL EXPENDITURE



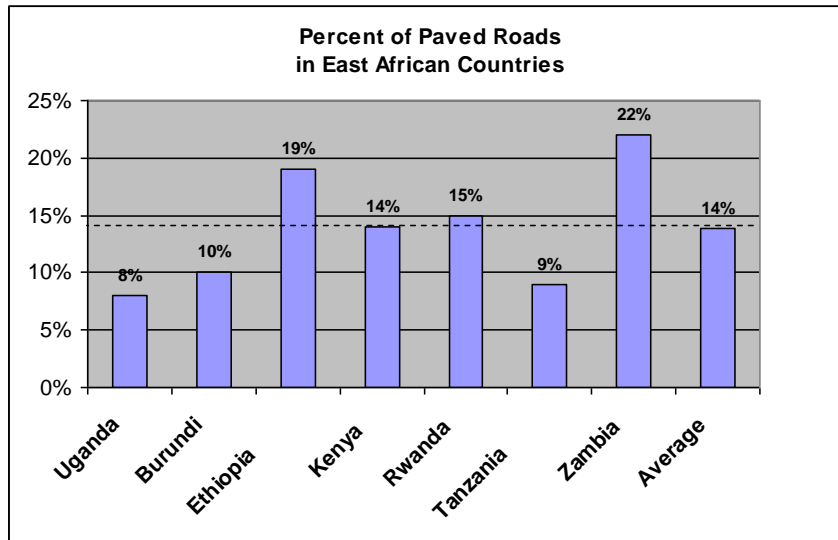
Source: Data from World Development Indicators

FIGURE 2 - UGANDA INFLATION RATES



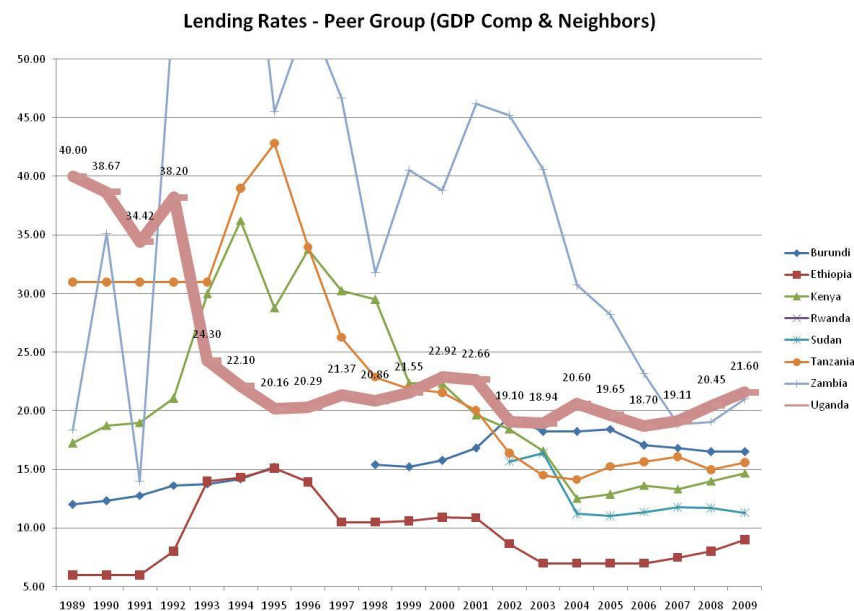
Source: World Development Indicators website (Nov 1<sup>st</sup>, 2009)

FIGURE 3 - PERCENTAGE OF PAVED ROADS IN EAST AFRICAN COUNTRIES



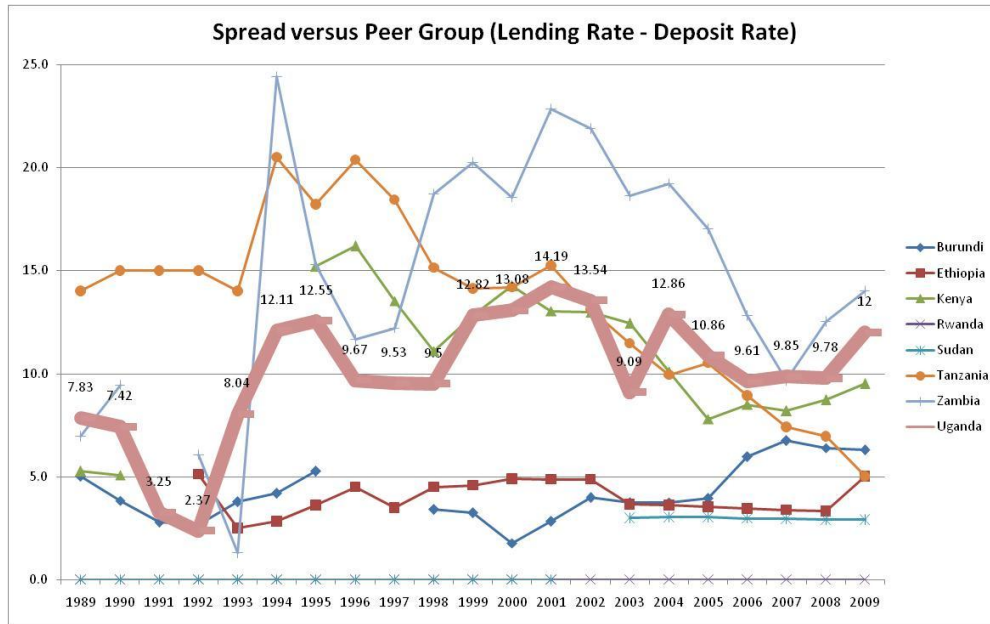
Source: African Development Bank African Statistical Yearbook 2004, and World Bank's World Development Indicators

FIGURE 4 - INTEREST RATES IN EAST AFRICAN COUNTRIES



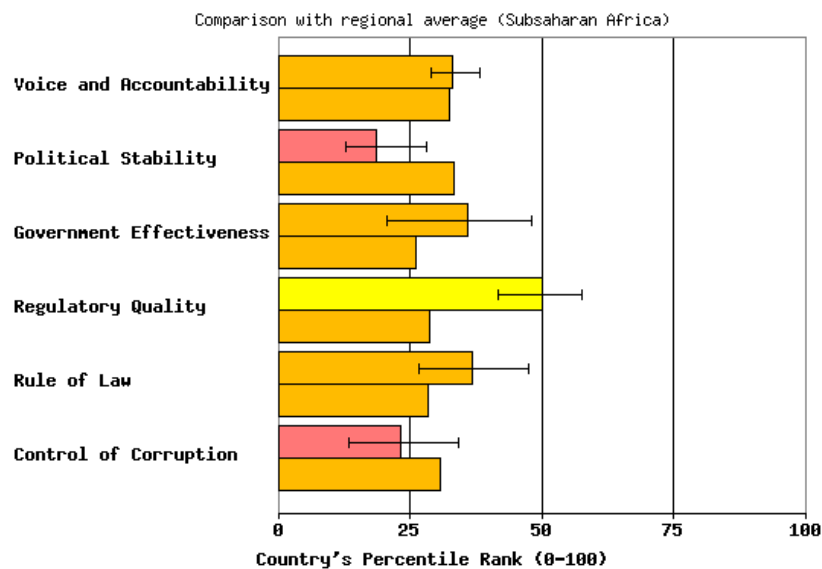
Source EIU – IMF: International Financial Statistics, EIU - Central Bank of Sudan, Economic & Financial Statistical Review

FIGURE 5 - INTEREST RATE SPREAD VERSUS EAST AFRICAN PEER GROUPS



Source EIU – IMF: International Financial Statistics, EIU - Central Bank of Sudan, Economic & Financial Statistical Review

FIGURE 6 - UGANDA CORRUPTION VS SUB-SAHARAN AVERAGE



Source: World Bank's World Governance Indicators website (<http://info.worldbank.org/governance/wgi>)

FIGURE 7 - UGANDA **LOG EXPORT SOPHISTICATION VS. LOG GDP/CAPITA PPP (2005)RELATIVE TO WORLD**

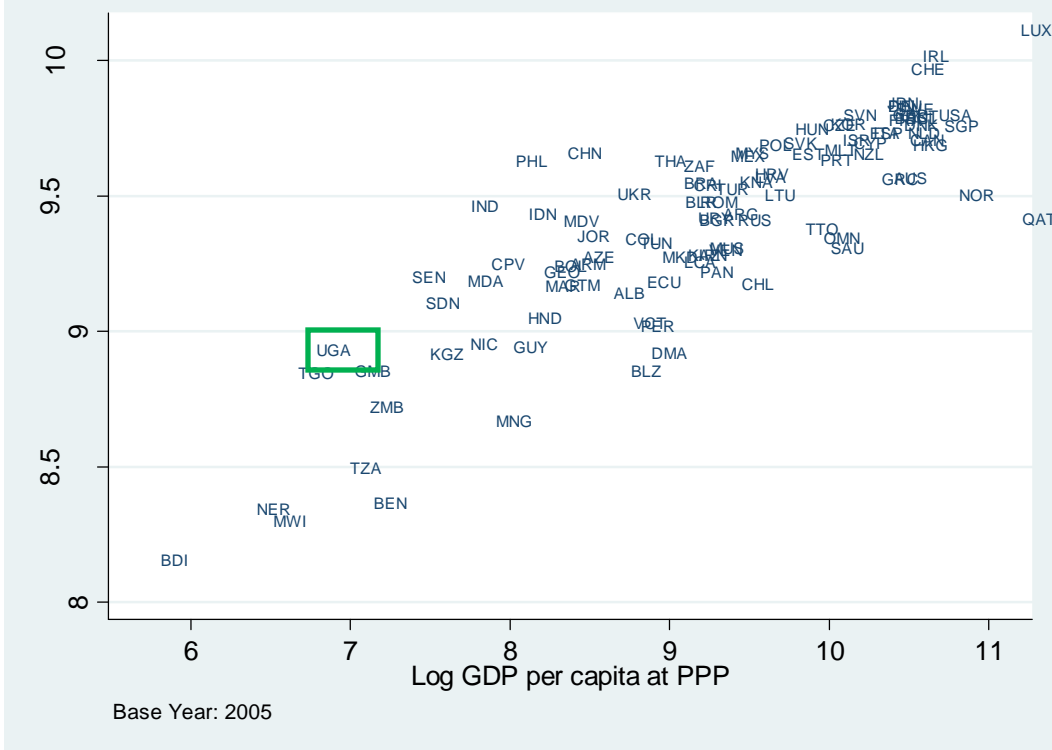


FIGURE 8 - UGANDA **EXPORT COMPLEXITY VS. LOG GDP/CAPITA PPP (2000)RELATIVE TO WORLD**

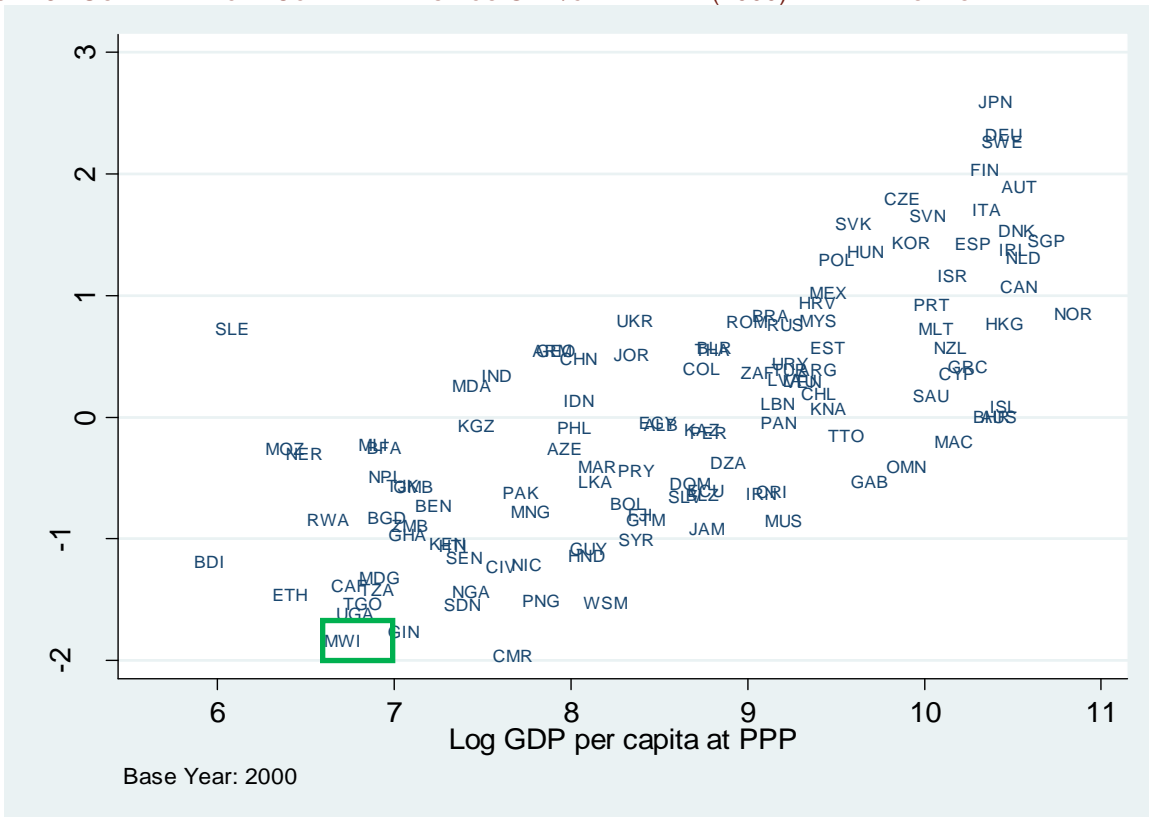


FIGURE 9 - UGANDA OPEN FOREST VS. LOG GDP/CAPITA PPP (2000) RELATIVE TO WORLD

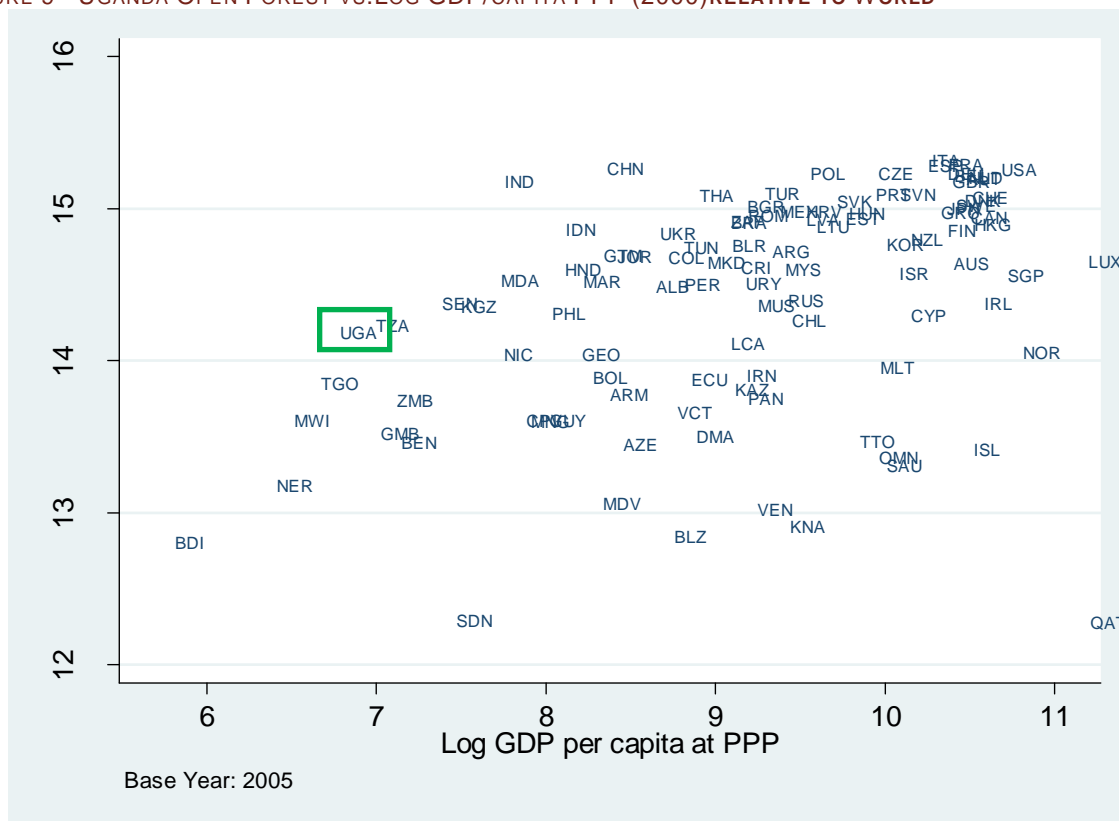


FIGURE 10: INFRASTRUCTURE SPENDING PER CAPITA (SELECTED COUNTRIES)

	INF, per capita		Per Capita Income (Current US\$)
	year	(US\$-person)	
Ethiopia(1)	2004	4.2	96.94
Ghana(1)	2003	10.3	368.87
<b>Uganda</b>	<b>2003</b>	<b>21.0</b>	<b>249.07</b>
Indonesia	2003	26.7	1,111.10
Mexico	1998	44.7	4,422.32
Peru	1998	46.0	2,250.07
Venezuela	1998	57.7	3,901.19
Bolivia	1998	67.4	1,063.75
Brazil	1998	84.0	4,747.54
Ecuador	1998	122.1	1,932.87
Argentina	1998	129.3	8,302.88
Colombia	1998	163.2	2,412.16
Turkey	2004	240.1	4,209.71
Chile	1998	317.3	4,929.49

Note:(1) Only Includes Public Spending

Source: Uganda, Country Economic Memorandum, Vol II”, page 177. World Bank Oct 2007

## ENDNOTES

- <sup>1</sup> World Development Indicators Data
- <sup>2</sup> UNDP Human Development Indices [http://hdr.undp.org/en/media/HDI\\_2008\\_EN\\_Tables.pdf](http://hdr.undp.org/en/media/HDI_2008_EN_Tables.pdf)
- <sup>3</sup> World Bank Report: Oct 2007 - Uganda: Moving Beyond Recovery: Investment & Behavior Change, For Growth
- <sup>4</sup> Venegas, M, 1994 : Economic Adjustment, Agriculture And The Labor Market In Uganda
- <sup>5</sup> Izama, A. Uganda: Unemployment is a National Emergency 2009 <http://allafrica.com/stories/200910120419.html>
- <sup>6</sup> Assignment #4: Inequality and Volatility in Uganda, Harvard Kennedy School, PED 130, Group 26,. 1 Dec 2009
- <sup>7</sup> Kuznets curve explanation : [http://en.wikipedia.org/wiki/Kuznets\\_curve](http://en.wikipedia.org/wiki/Kuznets_curve)
- <sup>8</sup> World Bank: World Development Indicators, 2003 poverty headcount (Rural vs. Urban) data
- <sup>9</sup> Data from Assignment #1, Question 2c using [www.gapminder.com](http://www.gapminder.com)
- <sup>10</sup> Marie Stopes International, Jan 2009, Uganda: Addressing gaps in family planning
- <sup>11</sup> Barungi, B. Exchange Rate Policy and Inflation: The Case of Uganda
- <sup>12</sup> Assignment #3: Growth Diagnostic for Uganda. Harvard Kennedy School, PED 130, Group 26, 16 Nov 2009
- <sup>13</sup> World Bank Enterprise Survey 2006
- <sup>14</sup> Uganda 2002 Population and Housing Census
- <sup>15</sup> Uganda, Country Economic Memorandum, Vol II”, pg 118-120. World Bank Oct 2007.
- <sup>16</sup> World Bank (2007), “Uganda - Country Economic Memorandum, Vol II” and World Bank (2006), “Diagnostic Trade Integration Study (DTIS)”
- <sup>17</sup> Uganda Road Fund website: <http://www.roadfund.ug/>
- <sup>18</sup> Assignment #3: Growth Diagnostic for Uganda. Harvard Kennedy School, PED 130, Group 26, 16 Nov 2009
- <sup>19</sup> [www.transparency.org](http://www.transparency.org)
- <sup>20</sup> Assignment #3: Growth Diagnostic for Uganda. Harvard Kennedy School, PED 130, Group 26, 16 Nov 2009
- <sup>21</sup> Assignment #2: Productive Transformation, Harvard Kennedy School, PED 130, Group 26,. 14 Oct 2009
- <sup>22</sup> Assignment #3: Growth Diagnostic for Uganda. Harvard Kennedy School, PED 130, Group 26, 16 Nov 2009
- <sup>23</sup> Uganda, Country Economic Memorandum, Vol II”. World Bank Oct 2007. sections 6.42, 6.43 and 6.47
- <sup>24</sup> Ibid, section 6.47 & 6.80
- <sup>25</sup> Ibid, section 6.48
- <sup>26</sup> Ibid, section 6.45 and 6.49
- <sup>27</sup> Ibid, section 6.51 and 6.74
- <sup>28</sup> Ibid, sections 6.63 and 6.654
- <sup>29</sup> Ibid, section 6.72
- <sup>30</sup> Ibid, section 6.79
- <sup>31</sup> Ibid, section 6.80
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