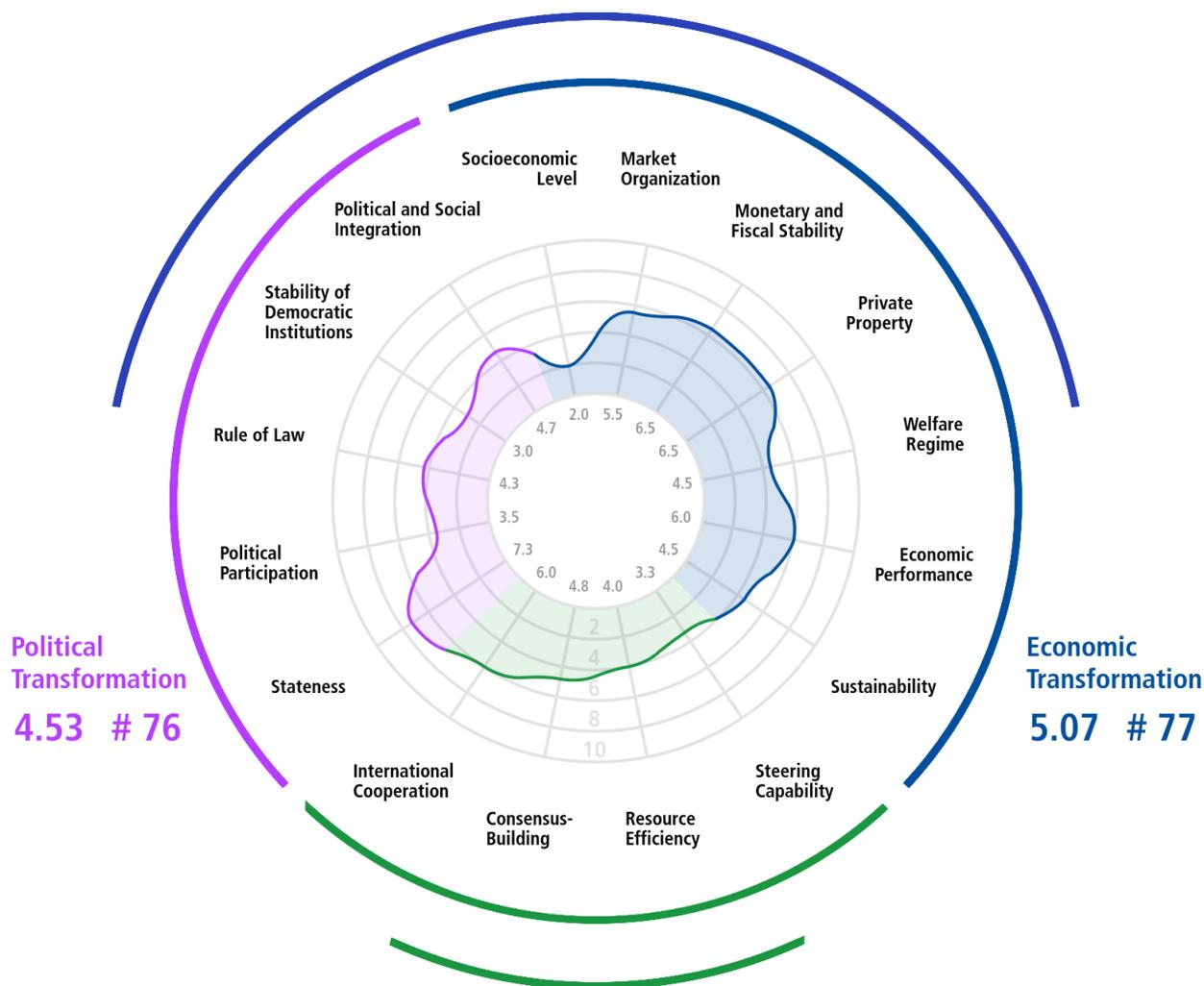


# Uganda

## Status Index

**4.80 # 80**

on 1-10 scale out of 137



**Political Transformation**  
**4.53 # 76**

**Economic Transformation**  
**5.07 # 77**

## Governance Index

**4.24 # 87**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2024**. It covers the period from February 1, 2021 to January 31, 2023. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2024 Country Report – Uganda. Gütersloh: Bertelsmann Stiftung, 2024.

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**Key Indicators**

Population	M	<b>47.2</b>	HDI	<b>0.525</b>	GDP p.c., PPP \$	<b>2694</b>
Pop. growth <sup>1</sup>	% p.a.	<b>3.0</b>	HDI rank of 189	<b>166</b>	Gini Index	<b>42.7</b>
Life expectancy	years	<b>62.7</b>	UN Education Index	<b>0.473</b>	Poverty <sup>3</sup>	% <b>71.9</b>
Urban population	%	<b>26.2</b>	Gender inequality <sup>2</sup>	<b>0.530</b>	Aid per capita \$	<b>54.9</b>

Sources (as of December 2023): The World Bank, World Development Indicators | UNDP, Human Development Report 2021-22. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

## Executive Summary

Overall, the state of democracy in Uganda faces a significant threat due to President Yoweri Museveni's prolonged hold on power, which has lasted for more than three decades. Since his electoral victory in the most recent general election in January 2021, President Museveni has continued to consolidate his authority.

During the review period, there has been a concerning deterioration in the status of human rights and freedom. The civic and political space has shrunk due to the implementation of stringent laws, the suppression of opposition voices, and attacks on independent civil society organizations. The previously existing elite political consensus has broken down, and contentious politics now dominate the landscape. The prospects for a smooth presidential succession are uncertain, as General Muhoozi Kainerugaba, President Museveni's son, aims to succeed his father, despite being legally prohibited from participating in politics as a serving army officer. Furthermore, President Museveni has not given any indications or declared his intention to step down.

From an economic standpoint, Uganda's macroeconomic outlook may seem stable and robust. However, the overall economic performance is precarious, particularly for a nation with a young demographic, rapid population growth and significant socioeconomic challenges. Despite a commitment to free markets and economic openness, Uganda has experienced only modest GDP growth, and its per capita GDP is close to meeting the criteria for lower-middle-income status. Nevertheless, a substantial portion of the Ugandan population continues to live in conditions of material deprivation, with high poverty levels. Income and wealth inequality are on the rise, and both external and domestic debt are increasing. Although the economy has exhibited some growth, it has not led to significant structural changes or socioeconomic transformation. Ultimately, Uganda remains a poor country, despite efforts to transition it into the lower-middle-income category.

## History and Characteristics of Transformation

Uganda won its independence through a relatively democratic process, with an elected government led by Executive Prime Minister Milton Obote and an unelected ceremonial president, Edward Mutesa, who also served as the monarch of the Kingdom of Buganda. This period held great promise for the newly formed nation, as was the case in many African countries gaining independence.

However, it didn't take long for the democratic political settlement established at independence to unravel. The process began in 1964 and reached its climax in the 1966 crisis, which led to President Mutesa fleeing the country following a military assault on his palace in Kampala. Prime Minister Obote subsequently became president under a new republican constitution, and the traditional kingdoms that were part of the independence constitutional arrangement were abolished. A state of emergency persisted for years, particularly in central Uganda. Political parties were banned, and Uganda became a one-party state. The government initiated the nationalization of companies and businesses and declared a shift toward socialism. During this period, civil liberties and basic rights were severely violated, with numerous arrests and detentions without trial, including cabinet ministers who fell out of favor with Obote.

In a dramatic turn of events, Obote was overthrown in a violent coup in January 1971 by his army commander, Idi Amin, who ruled with an iron fist until he was ousted in 1979 by a coalition of Tanzanian military forces and Ugandan exiled armed groups, including the Front for National Salvation. The man who eventually took power in 1986 and continues to rule Uganda to this day is Yoweri Museveni.

Amin's rule was marked by extreme human rights violations, economic decline, burgeoning state corruption and widespread abuse of power, which continued to affect Uganda for years to come. Following Amin's removal in 1979, Uganda experienced a period of political turbulence and instability, with three different governments in less than two years. Subsequently, Milton Obote returned to power for the second time in December 1980, after a disputed general election and a series of guerrilla rebellions that began in 1981.

The most organized and ultimately successful of the guerrilla groups was Yoweri Museveni's National Resistance Army (NRA), which seized power in January 1986, overthrowing a short-lived military junta regime under General Tito Okello that had toppled Obote in July 1985. By this point, Uganda's economy had been severely affected by poor policies and armed conflict, and the state was on the brink of collapse. Society was scarred by years of instability and violence.

Museveni's government promised a fundamental change in politics, economics and society. It introduced a grassroots-based participatory democratic system known as "resistance councils" and a consultative constitution-making process that concluded in 1995, leading to the first general elections in more than a decade in 1996. Uganda also adopted neoliberal economic policies and embraced free market economics as part of economic restructuring that began with currency reform in 1987.

Nearly 40 years later, the country's democratic progress has taken a step backward. Museveni's leadership has become more autocratic, and his administration has deviated from the democratic and liberation ideals proclaimed in 1986.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

In Uganda, the state maintains a substantial monopoly on the use of force, even though there are recurring issues of misuse of this power by members of the armed forces, driven either by personal motivations or political factors. While there are no armed groups posing a significant challenge to the central government, occasional acts of terrorism have occurred in recent times.

While the national army and police possess the minimum strength and capabilities required to maintain order and security, there are notable shortcomings within the armed forces. These include a lack of professionalism, instances of corruption and abuse of authority, particularly within the police force. Furthermore, the military is often influenced by political elites, particularly the president, which compromises its ability to provide security in an impartial and professional manner. Incidents of violent crime and armed robberies have at times raised doubts about the government's control over the use of force.

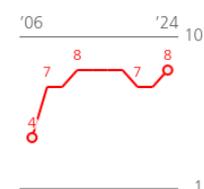
Overall, Uganda's state exhibits a relatively high level of coercive capacity, effectively maintaining a monopoly over the use of violence, notwithstanding the issue of politicization. This is particularly remarkable when considering the nation's history of instability and insecurity and when comparing Uganda to its regional counterparts.

The rebel Allied Democratic Front (ADF), which is now affiliated with the Islamic State (IS) group, is arguably the only surviving insurgent group to have recently engaged in acts that threaten Uganda's national security. However, the government has managed to address the ADF threat with the support of its armed forces and security apparatus.

Question  
Score

Monopoly on the  
use of force

8



1

Much like many postcolonial states in Africa, Uganda experiences ongoing debates and discussions regarding the legitimacy of its nation-state. However, these debates do not typically escalate to the level of challenging the existence of the nation-state itself, such as through secessionist movements. While certain ethnic groups and regions, like the Buganda region in central Uganda, advocate for greater autonomy through demands for federalism, other groups in areas like the Rwenzori region in the west and the north have expressed secessionist sentiments.

Despite these regional and ethnic aspirations for greater independence or autonomy, the majority of ethnic groups in Uganda and the broader population identify with the nation-state. It's worth noting that while some Ugandans may prioritize their ethnic group identity over their identity as Ugandan citizens, no ethnic group or part of the country is denied citizenship rights.

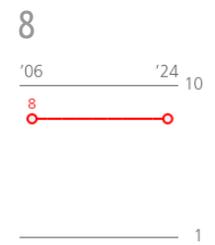
Uganda does not have an official or state religion. However, religiosity and faith play significant roles in the country's political and legal processes. Religion may not directly dictate government policies, but it is a central element of political discourse and can influence election outcomes. In certain regions, like the southwestern part of Uganda, divisions between Catholics and Protestants can impact political contests. In the capital city of Kampala, Muslims often vote as a united bloc, which can result in the election of Muslim political leaders despite not being the majority. Additionally, Pentecostal Churches have gained influence among sections of the political class, including the presidency. However, the most influential religions in Uganda are the traditional ones, namely Anglican/Protestant and Catholic.

While the Ugandan state, primarily through its parliament, plays a significant role in policy development, there have been instances where bills were postponed or not passed due to disagreements between parliament and religious or traditional beliefs. An example of this is the Domestic Relations Bill, which faced opposition rooted in religious and traditional dogmas.

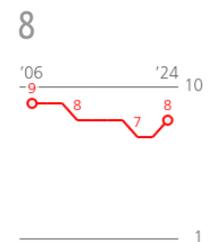
While there are some isolated instances of effectiveness in specific areas, and the tax administration functions reasonably well, the overall structure of the administrative state in Uganda is burdened by various issues. These include both petty and significant corruption, incompetence, a lack of accountability and inadequate supervision.

The introduction of a decentralized system has led to improvements in certain aspects of service delivery at the local levels. However, the overall picture is far from ideal. Water and sanitation services are predominantly available in urban areas, with much of rural Uganda lacking access to running water and properly managed sewage infrastructure. Approximately 55.9% of the population has access to clean water, and only 19.8% have access to basic sanitation.

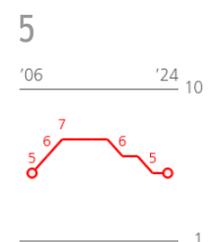
#### State identity



#### No interference of religious dogmas



#### Basic administration



Access to electricity is also limited, despite an increase in power supply to the national grid. Notably, there has been significant growth, with an estimated close to 60% of urban Ugandans having access to electricity. The World Bank estimated that approximately 42% of the entire nation had access to electricity in 2020.

## 2 | Political Participation

General elections in Uganda have been held on a regular basis every five years since 1996. These elections take place at both the national and subnational levels and are administered by the Electoral Commission. On paper, the Electoral Commission is constitutionally independent and autonomous, free from undue influence or direction.

While there are laws governing elections, including those outlined in the national constitution, these laws are selectively applied and often violated, particularly by the incumbent party and president, with little consequence. The excessive involvement of the police and military in the electoral processes poses a significant threat to their credibility. Each election cycle is marred by widespread state-sponsored violence against opposition parties, their leaders and supporters, as well as independent candidates.

Equitable access to the media, especially the public broadcaster and the government-owned national newspaper, the New Vision, is lacking. These outlets exhibit a bias toward the incumbent president and his party. While some races, notably for members of parliament and local government leaders, feature competitive and credible electoral processes and outcomes, the overall electoral environment in Uganda is plagued by irregularities, illegalities, and inefficiencies that undermine its fairness, freedom and credibility.

The balloting process is supposed to be secret and confidential, but there are instances of intimidation and attempts to influence rural voters, particularly the illiterate, to vote a certain way or even vote on their behalf. Presidential elections are often perceived as lacking integrity, as the incumbent President Museveni enjoys unfair advantages and significant latitude that other contestants do not.

The 2021 elections were marred by these shortcomings. An internet and social media blackout effectively denied the opposition access to media coverage. Numerous irregularities reported in many constituencies on election day put the opposition at a disadvantage.

Free and fair elections

4

'06 '24 10



1

Uganda's legal and constitutional provisions contain several checks and balances, including safeguards against excessive executive power by the president or his representatives. However, a persistent issue is that Uganda's constitution and other laws are frequently violated without consequences, especially when these violations either align with the president's interests or are done at his direction. This problem stems from the overwhelming authority of the presidency and the president's perception that he is not subject to many checks and balances.

For instance, members of parliament possess the authority to veto presidential nominees, but they rarely exercise this power effectively. Instead, unofficial and less visible actors can exert influence through informal channels in ways that elected officials and leaders cannot. An example of this is the elected Lord Mayor of Kampala, who often faces frustration and interference from central government members through both legal and illegal means simply because he belongs to the opposition and opposes the president vigorously. While elected leaders can generally wield their authority without interference, there are covert and opaque methods through which the authority of opposition leaders can be undermined due to the extensive presidential powers granted by the constitution and bolstered by the strong personality of the incumbent, who initially came to power through military means.

Furthermore, politics in Uganda is heavily influenced by commercial interests. Consequently, the president and his allies frequently resort to financial incentives or military force to coerce politicians who resist presidential demands. Decentralization, meant to extend governance to remote areas of the country, often ends up serving as an extension of the ruling party's or president's influence in these regions.

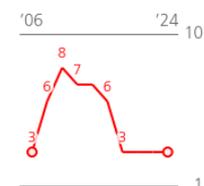
The right to associate and assemble is a fundamental part of Uganda's Bill of Rights. However, it is also one of the most frequently violated rights by state actors, particularly the police and military. While private individuals are allowed to form or join associations, and political parties have the right to exist and recruit members, the overall civil and political environment in the country has become increasingly constrained, with a shrinking civic space in recent years.

Supporters and actors from the ruling party can freely convene meetings and rallies, protest and hold processions. In contrast, opposition parties and independent civic actors often find their gatherings dispersed or their freedom to assemble, including the right to protest, denied. The police and military often use the pretext of the Public Order Management Act (POMA) to restrict the opposition's access to certain venues or their ability to engage in public activities that are otherwise legal and freely undertaken by ruling party actors.

Opposition supporters and members of civil society face both overt and covert threats and intimidation. Should they proceed with peaceful protests, they are often met with repression and violence from the police and military.

Effective power to govern

3



Association / assembly rights

3



Uganda has maintained a fairly robust and lively media landscape for several decades, but the freedom of the media and the right to free expression are frequently violated, both in subtle and blatant ways. The constitution guarantees freedom of expression, and any limitations on it must be “demonstrably justified in a free and democratic society.”

Independent media outlets, such as the Daily Monitor, have endured challenging periods and routine harassment from the state to continue providing platforms for free expression and speech. Over the years, the courts have issued some landmark rulings, including the nullification of laws against publishing false news, criminal sedition, and, most recently, a section of the Computer Misuse Act that criminalized communication aimed at “disturbing the peace, quiet or right of privacy of any person without a legitimate communication purpose.” However, as is often the case with the application of the law, there is a risk that it could be selectively used to stifle legitimate criticism.

Journalists in Uganda often face intimidation, harassment and imprisonment. Media organizations that are perceived as crossing certain lines can be shut down. Journalists and their respective media outlets also practice self-censorship in an environment that is generally hostile to a free press. In the lead-up to the January 2021 elections, Facebook was shut down, and it remains inaccessible without the use of a VPN. It has become routine for the government to shut down the internet and disable certain mobile phone services, like money transfers, on the eve of elections.

Moreover, scholars and the academic community do not enjoy the unrestricted intellectual freedom expected in a free and democratic society, further highlighting the challenges to free expression and free press in Uganda.

### 3 | Rule of Law

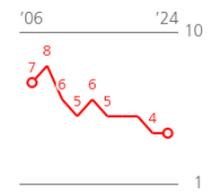
While the concept of separation of powers is enshrined in the constitution of Uganda, in practice, it is largely nonexistent. The executive branch, primarily represented by the president, wields nearly unchecked powers, often disregarding the roles of the legislature and the judiciary.

The effectiveness of parliamentary work and oversight is compromised by the ruling party’s ability to maintain supermajorities. The National Resistance Movement (NRM) is heavily influenced and controlled by the president, to the extent that any actions or decisions that may challenge his authority or interests are often thwarted by the NRM parliamentary caucus.

In recent years, the judiciary has become more compliant and submissive, particularly in the appointment of “cadre judges” who are sympathetic to or supportive of the NRM and President Museveni. These judges do not consistently exercise independent judgment, especially in cases involving the president or the NRM’s interests. The scrutiny of nominees for cabinet and judiciary positions lacks rigor and

Freedom of expression

4



Separation of powers

4



independence, resulting in parliament’s vetting of presidential appointees becoming more of a rubberstamp process.

Additionally, the president has significant influence over the selection of the speaker and deputy speaker of parliament, essentially determining the leadership of the legislative body. As a result, these leaders often serve at the president’s discretion, given his pivotal role in their appointments.

Furthermore, key appointments in both the civil service and political offices are solely at the discretion of the president, consolidating his authority and control over the government.

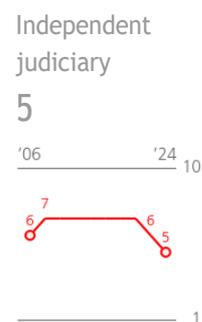
In the past, Uganda’s judiciary was relatively independent and efficient in delivering justice. However, in recent years, there has been a significant deterioration in the country’s judicial branch due to undue political influence, corruption and overall inefficiency. One key factor contributing to this decline is the manner in which judges are appointed by the president, making them susceptible to political pressure and intimidation by the appointing authority. Consequently, many judges find themselves at the mercy of the president.

While the constitution outlines provisions for an independent and professional judiciary, the current political environment does not support judicial independence and efficiency. It has become common for court orders to be disregarded, and courts are sometimes used for politically motivated prosecutions and baseless charges. There is a substantial backlog of cases, exacerbated by the president’s failure to appoint the required number of judges at various levels of the judiciary. Suspects are often held for extended periods without appearing in court or being granted their constitutionally mandated right to a bail hearing.

A recent high-profile case exemplifies these challenges, where two opposition members of parliament were detained for over a year on murder charges. Efforts to have them apply for and be granted bail were obstructed, highlighting the government’s power to obstruct due process and justice. Eventually, the two members of parliament were granted bail, albeit under somewhat opaque circumstances.

Political corruption in Uganda is widespread and deeply entrenched. The rule of the National Resistance Movement (NRM) is, in some respects, connected to elements of political corruption, where corrupt individuals are integrated into the broader ruling establishment and have a vested interest in preserving the existing state of affairs. This form of political corruption has become ingrained in the system, functioning as a complex network.

As a result of this network, powerful individuals, their associates and cronies often evade prosecution when accused of abuse of office and corruption. Cases are selectively prosecuted, and the Inspectorate of Government (IG), responsible for initiating and prosecuting corruption cases, is often unable to pursue cases against the most influential figures, sometimes referred to as the “big fish.” While a few high-



profile cases may be prosecuted sporadically, they often involve individuals who have fallen out of favor with the existing power structure.

There is an anti-corruption division within the court system that has dealt with and resolved corruption cases over the years. However, given the widespread and audacious nature of corruption in Uganda, the efforts of the anti-corruption court and the IG only scratch the surface. Their impact is not particularly impressive, especially considering that many well-known individuals who have engaged in corrupt practices and abused their positions have never faced trial in court.

Furthermore, the president frequently intervenes in corruption cases, either directly or indirectly, interfering with due process and exacerbating the challenges of combating political corruption in Uganda.

Civil rights are an integral part of the Bill of Rights within the constitution, and they are comprehensively articulated and guaranteed. However, in practice, violations of civil liberties and individual freedoms are widespread, and the available legal remedies are limited and often ineffective.

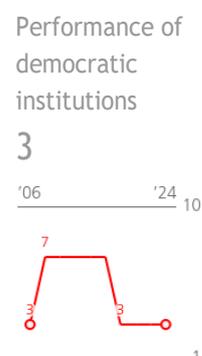
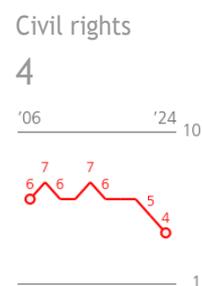
Instances of illegal loss of life caused by state actors rarely result in due compensation. Freedom of movement and other personal liberties, particularly those of prominent opposition leaders, are frequently violated without proper justification or accessible legal recourse. The overall civic environment has been steadily deteriorating, with citizenship rights, including the right to demand political accountability, being eroded through state repression and intimidation.

Several civil society organizations work tirelessly to advocate for civil and human rights on behalf of various segments of the population. However, at times, these organizations must conform to government-defined parameters, which can limit their effectiveness in defending civil rights.

#### 4 | Stability of Democratic Institutions

The 1995 constitution brought the establishment of several crucial institutions for democratic governance, and for some years, they held the promise of democratic consolidation and effectiveness. However, in recent years, these institutions in Uganda have become unstable and unable to uphold a system of governance that can genuinely be termed democratic.

Despite claims of being a democracy by the government and its top leaders, Uganda, at its core, has transitioned into an authoritarian system of rule. In this system, the president wields supremacy over all institutions, and a select few powerful individuals hold more sway than entire institutions themselves.



There is potential for revitalizing and reinvigorating democratic institutions in the future. However, the success of this endeavor will hinge on how the transition from President Museveni is managed and the direction taken by the government and the president who succeeds him.

At the rhetorical level, there is a broad consensus in Uganda about a belief in democratic institutions, although there are segments of the public and political elites who are critical of Western-style liberal democracy. For instance, the president has publicly declared that Uganda is “the most democratic country in the whole world” and strongly asserts that he is a democratically elected president who submits to the will of the voters every five years.

However, beyond this rhetoric and public pronouncements, in practice, there is often a disregard for democratic institutions and procedures. There is a tendency to prioritize personal power ambitions and interests over the adherence to norms and standards that would solidify democratic institutions.

In certain situations, state organs, particularly at the local government level, may be compelled to adhere to other sources of authority, such as kingdoms or religious leaders, when making political decisions.

## 5 | Political and Social Integration

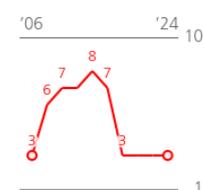
Political parties first emerged in Uganda during the 1950s, shortly before independence. However, the experience of multiparty politics in the country has been limited and unstable. Multiparty politics had a brief existence between independence in 1962 and the shift to a one-party system in 1966. There was another brief return to party politics between 1980 and 1985, followed by a ban on parties from 1986 to 2005. This means that Uganda has had limited exposure to genuine and stable multiparty politics, and political parties lack deep roots based on social or class interests.

The main parties formed in the 1950s included the Democratic Party (DP) and the Uganda People’s Congress (UPC). While DP had religious and ethnic affiliations, UPC, although also linked to the Anglican church, had a more nationalistic appeal. These political parties had specific social bases but did not have clearly defined ideological positions.

Party activities were banned from 1986 to 2005, during which time the ruling National Resistance Movement (NRM) operated as a political party while officially claiming to adhere to a no-party system. Since the return to multiparty politics in 2005, the ruling NRM and President Museveni have used legal means and state coercion to suppress political party activities. The president often co-opts opposition party leaders and members by offering them ministerial positions, weakening the opposition.

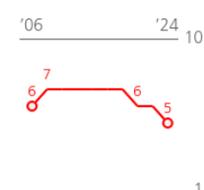
Commitment to democratic institutions

3



Party system

5



The party system in Uganda is characterized by clientelism, fragmentation and polarization. While the NRM maintains supermajorities in the national parliament, there is often a high turnover among members of parliament, especially within the ruling party. Overall, genuine and robust party politics is lacking in Uganda, with parties and the party system existing more in name than in the properly structured manner expected in a democracy. Elections have become heavily monetized, making it prohibitively expensive for the average person to run for office.

The interest group environment in Uganda is characterized by weakness and fragmentation. Cooperatives of farmers and producers, which were once prominent, saw a gradual decline after the National Resistance Movement (NRM) came to power in 1986. Professional associations and trade unions also lack a significant and influential presence. One of the most powerful associations is arguably the Uganda Law Society, but it primarily represents a small and elite segment of the population and is not immune to influence from the ruling class.

The Kampala City Traders Association (KACITA) is another influential association, but its ability to effectively push the government is limited because many business actors are cautious about antagonizing the government to avoid risking business opportunities or becoming targets of government actions, such as taxation.

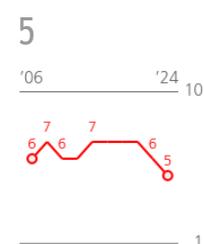
Much of what is referred to as civil society in Uganda consists of non-governmental organizations (NGOs) that may not necessarily represent the interests and aspirations of the broader population. The state has implemented stringent requirements that make it difficult for NGOs and associations to operate freely. As a result, group organizing around specific interests and member activities is limited in scope.

Afrobarometer surveys consistently reveal widespread and general approval of democracy as a system of government in Uganda. Despite frustrations and disappointments with elected leaders and the government's performance in delivering public goods, both the general population and the elite class tend to believe in and endorse democratic governance. Voter turnout in elections is typically high, and political campaigns generate significant enthusiasm and interest.

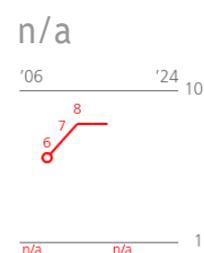
However, the repeated instances of election rigging and the lack of fairness in electoral processes have eroded trust in procedural democracy. The average Ugandan generally supports a system of governance that resembles democracy, even if it may not align with the Western model of democracy.

This aspect of Uganda's governance system is a weak point. As autocratic rule has deepened and state repression has intensified, often accompanied by financial inducements to compromise opposition leaders, a sense of mistrust and suspicion has grown among groups and individuals who would otherwise work together to promote good governance. Consequently, there is more fragmentation and social disarray than cooperation and coordination on political matters.

#### Interest groups



#### Approval of democracy

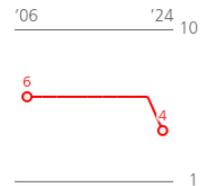


#### Social capital

4

The presence of professional and member associations with the capacity to assert demands on the government is notably lacking, as group and associational life has been undermined by an unsupportive social and political environment.

There is evidence to suggest that the political system sometimes deliberately discourages cooperation among citizens. Even self-help or community initiatives, such as Savings and Credit Cooperative Organizations (SACCOS), have become politicized. There is a belief that the president intentionally keeps Ugandans impoverished to maintain control. The president has been quoted as saying that it is advantageous to keep people without money because wealth leads to corruption. However, at the broader societal level, Ugandans tend to cooperate in self-help activities, such as fundraising and community actions, to address shared challenges.



## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Uganda is a country facing significant poverty issues. Despite a consistent expansion of the economy over the past three decades, with an average GDP growth rate exceeding 5%, a large portion of the population continues to live in poverty. The percentage of people in absolute poverty has decreased significantly, dropping from over 60% in the early 1990s to approximately 20% just prior to the COVID-19 pandemic. However, the overall socioeconomic landscape is marked by widespread poverty and increasing inequality.

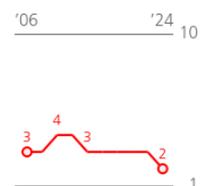
While certain segments of society have benefited from the country's GDP growth, many others have been left behind. Economic growth has not led to meaningful structural transformation and inclusion, primarily because sectors that the majority of the population rely on for their livelihood, such as agriculture, have experienced lackluster growth or even negative growth in some cases.

The increase in GDP has not translated into improved living standards for the majority of Ugandans. Several government poverty eradication programs, including Prosperity for All, Operation Wealth Creation (OWC), Parish Development Model (PDM), and others, have proven unsuccessful due to issues such as corruption and politicization.

Question  
Score

Socioeconomic  
barriers

2



Economic indicators		2019	2020	2021	2022
GDP	\$ M	35348.2	37605.4	40510.2	<b>45559.2</b>
GDP growth	%	6.4	3.0	3.5	<b>4.7</b>
Inflation (CPI)	%	2.9	3.3	2.2	<b>7.2</b>
Unemployment	%	3.6	4.5	4.3	<b>4.3</b>
Foreign direct investment	% of GDP	3.6	2.3	2.7	<b>3.3</b>
Export growth	%	4.3	-1.2	0.2	<b>-19.8</b>
Import growth	%	7.1	0.4	18.9	<b>-8.0</b>
Current account balance	\$ M	-2507.7	-3551.9	-3553.4	-
Public debt	% of GDP	37.6	46.4	50.6	<b>48.4</b>
External debt	\$ M	13971.1	17207.2	19217.0	-
Total debt service	\$ M	299.9	692.5	751.6	-
Net lending/borrowing	% of GDP	-3.4	-6.1	-7.9	-
Tax revenue	% of GDP	12.2	11.4	12.5	-
Government consumption	% of GDP	8.8	9.5	9.9	<b>9.8</b>
Public education spending	% of GDP	2.3	2.6	2.6	<b>2.6</b>
Public health spending	% of GDP	0.6	0.7	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.7	2.7	2.6	<b>2.1</b>

Sources (as of December 2023): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

Uganda operates as a market economy and is widely regarded as one of the most liberalized economies in Africa. The country embarked on extensive economic reforms during the 1990s, which included privatization, liberalization and deregulation. These reforms were carried out with the support and approval of international organizations like the IMF and the World Bank.

Although there is a significant informal sector in Uganda, the government, led by the president, has consistently adhered to the principles of a free market economy. For instance, during a period of sharp price increases, particularly in fuel and food prices in 2022, the president remained firm in his stance that the government would not intervene by reducing taxes or providing subsidies to lower fuel prices, a strategy adopted by some other African countries, including neighboring Kenya and Tanzania.

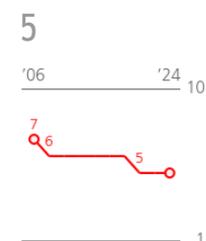
While the legal and institutional framework for promoting free markets and economic competition may not be as robust as desired, the Museveni government's commitment to free market principles is considered one of the most steadfast in Africa. It's important to note that political connections and cronyism can influence the private sector, with certain businesses receiving preferential treatment and government contracts. However, both in law and political rhetoric, the government maintains an unwavering dedication to free market policies.

Uganda's regulatory framework and legal structure are characterized by weaknesses, but more importantly, enforcement is often elusive unless it aligns with the interests of the president and other influential figures. Managing and prosecuting economic crimes and other forms of illicit activities is a challenging task due to the limited capacity of the state, which is further undermined by political forces and widespread corruption.

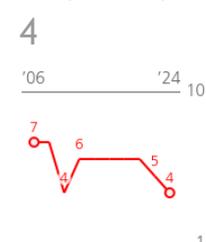
The country lacks robust antitrust legal and institutional mechanisms, and even in cases where sanctions are in place, their enforcement remains feeble. While there is a financial intelligence agency, it tends to be politically weaponized and is not effectively utilized for addressing actions that distort the economy.

Transparency and consistency are notably lacking in the government's approach to granting tax exemptions, tax holidays and other investment incentives. In fact, investment policies tend to favor foreign investors over local ones. Foreign investors often receive tax grace periods and subsidized utilities like electricity and water, creating an unfavorable competitive environment for local businesses. Local firms that do succeed often have influential connections within the government.

### Market organization



### Competition policy



Uganda maintains a predominantly free trade regime that aligns with the government's commitment to open markets. The movement of goods is generally unrestricted, and the government has reduced tariffs, especially non-tariff barriers. This open trade policy is evident in the abundance of Chinese goods in the Ugandan retail market, reflecting the country's commitment to free trade. As far as I am aware, there are no significant exceptions to this policy.

Foreign companies also enjoy various benefits, including the freedom to repatriate 100% of their profits to their home countries. It is worth noting that some companies may appear to be foreign-owned, but in reality, they may have Ugandan politicians or members of the first family involved behind the scenes.

Uganda's banking sector is fully liberalized and has undergone significant deregulation. Government-owned banks are nearly absent, with only a few banks where the government holds a small stake, but even these operate independently of government influence. Foreign banks have made significant inroads into the banking sector, and many of the major banks are foreign-owned.

Initially, the central bank appeared to be effective in supervising banks and ensuring the stability of the banking sector. However, recent events have raised questions about its effectiveness. The controversial takeover of Crane Bank by the central bank and its subsequent sale to DFCU Bank, which resulted in a legal battle reaching the country's supreme court, has raised concerns.

The central bank has been without a governor for over a year following the death of the long-serving governor, and the appointment of a new governor by the president is subject to presidential influence. The capital market sector remains underdeveloped, with limited activity on the stock market and a small number of companies listed. While the banking sector has been stable in recent years, it is challenging to assess if it meets minimum international standards due to covert activities and political influences.

## 8 | Monetary and fiscal stability

Uganda's central bank has been widely recognized for its efficiency and prudence, although there are differing opinions, particularly from an ideological and policy perspective. Over the past 30 years, the Bank of Uganda has maintained reasonably sound macroeconomic stability through prudent monetary policies.

Inflation has been a recurring challenge, including during the period from 2020 to 2022 due to the global pandemic. However, the central bank has been effective in managing inflation levels and bringing them down when they start to rise. For example, during 2021/2022, the headline inflation rate was estimated to be around 6%.

### Liberalization of foreign trade



### Banking system



### Monetary stability



The government operates a flexible exchange rate regime, and the central bank seldom intervenes in currency markets unless it is necessary to bring stability during periods of rapid depreciation of the Uganda shilling. While the central bank generally operates independently, there have been occasional interferences and questionable actions.

Uganda relies on deficit budget financing, which poses a significant problem. Government spending often does not align with long-term development goals. Every financial year, there are substantial supplementary budget requests submitted to parliament, indicating budgetary indiscipline within the executive branch.

The government holds a sizable domestic debt portfolio, and external debt has been rapidly increasing, surpassing the 50% of GDP threshold. The current account balances tend to provide only a six-month window of sustainability.

## 9 | Private Property

Within the framework of a liberalized economy and free markets, private property ownership in Uganda is legally guaranteed, and in practice, the government does not engage in expropriation or arbitrary seizures of private property. However, there is an issue with questionable acquisitions of land and other state properties through the use of state coercive power by politically connected individuals.

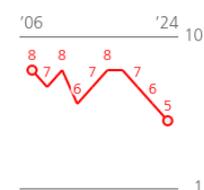
Senior army officers often use their power and positions to evict vulnerable and impoverished individuals. Corruption and abuse of office further complicate property dispute resolutions, leading to illegalities and controversies. The state's ability to enforce property rights is hindered by its weak administrative apparatus.

Most public companies in Uganda were privatized during the 1990s and early 2000s, but this privatization process was marred by corruption, mismanagement and impropriety. The government has maintained its commitment to a private sector-led economy but has realized that the private sector has not fully met its expectations. As a result, the government has taken steps to support and de-risk the private sector by establishing state-owned enterprises (SOEs) and engaging in public-private partnerships (PPPs).

The government's industrialization policy is primarily executed through PPPs, with many of the partners being Chinese companies. Additionally, the government recently revived the national airline and still owns one of the largest media organizations in the country. Overall, private capital and corporations have a significant presence in Uganda's economy, which is highly privatized. Success, particularly for large companies, often depends on their relationships and associations with the government and state powers.

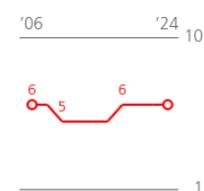
### Fiscal stability

5



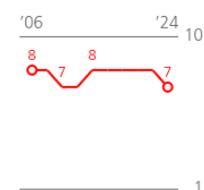
### Property rights

6



### Private enterprise

7



## 10 | Welfare Regime

Uganda lacks a well-structured welfare state. While the government and president occasionally distribute material handouts, especially during election campaigns, there is no systematic and carefully planned approach to providing safety nets for Ugandans facing socioeconomic difficulties. The government did introduce free universal primary and secondary education, but there are significant concerns about the quality and accessibility of education, with very low completion rates for primary education. Public universities receive government funding for staff salaries, some limited research funding and tuition for a small number of students, but there is limited government involvement in promoting higher education and research. Universal health care is not available, and public health facilities face endemic problems, including shortages of human resources and basic supplies.

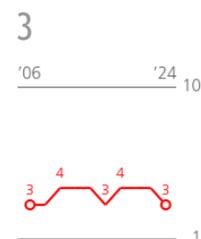
The pension scheme for civil servants raises questions, with cases of ghost payments and some pensioners not receiving their entitled savings. Many poverty eradication schemes have also been ineffective due to corruption. The Senior Citizens' Grant (SCG), targeting older persons with support from development partners, has benefited only a small number of people since its commencement. Additionally, the sustainability of the program is uncertain if donors withdraw their support.

Uganda has a legal framework that promotes equity and nondiscrimination. Government policy explicitly prohibits discrimination on any grounds, and commendable efforts have been made to promote women in political positions and executive offices. A form of affirmative action for young women is in place with regard to access to university and secondary education. While there is no official policy of promoting one group over another, it's worth noting that the president's ethnic group has historically dominated many public sectors and government positions.

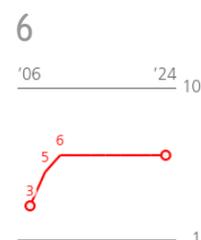
However, when it comes to lucrative government contracts and accessing certain opportunities in both the public and private sectors, merit is not always the sole determining factor. There are elements of nepotism, favoritism and cronyism that influence the allocation of government contracts and access to various opportunities. In theory, policies promote equal access to education and justice, and the law explicitly prohibits discrimination based on sectarian groups.

Despite these legal provisions, in practice, ethnicity, nepotism and clientelism often play significant roles in the allocation of resources, public jobs and the provision of social services among different regions. This has led to a widespread perception that the president favors individuals from his ethnic group and region.

### Social safety nets



### Equal opportunity



### 11 | Economic Performance

Uganda’s economy has shown resilience over the years, maintaining relative stability even during the COVID-19 pandemic. The government implemented stringent anti-Covid policies, including extended lockdowns and curfews, which had an impact on the post-pandemic economic recovery. While the economy hasn’t fully bounced back from the pandemic, the Bank of Uganda reported a growth rate of slightly over 3% for the 2021/2022 fiscal year. This is significantly lower than the more than 5% average growth rate observed in the two decades leading up to the pandemic.

Uganda has experienced economic growth in the last 5 years; however, a significant portion of the population continues to live in poverty. The incidence of absolute poverty declined from over 60% in the 1990s to about 20% just before the pandemic. This economic growth has not translated into meaningful socioeconomic transformation for the majority of Ugandans. Several sectors, such as services (banking, hospitality and telecommunications) and construction and real estate, have thrived with substantial foreign capital investments. However, these sectors are not major employers of Ugandans.

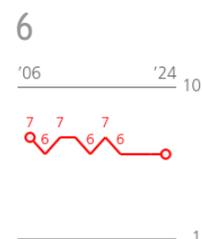
Agriculture, on the other hand, which remains the primary source of livelihood for most Ugandans, has seen its contribution to GDP decline rapidly. Despite its importance, funding for the agricultural sector has been minimal, and fluctuating prices of agricultural products have compounded the challenges faced by those reliant on agriculture for their livelihoods. Additionally, the government has struggled to increase its tax-to-GDP ratio, which has remained stagnant at around 13% for more than a decade, making it one of the lowest in Africa and even lower than the continental average.

### 12 | Sustainability

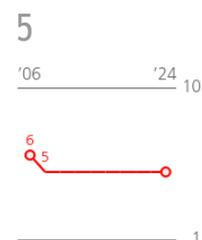
Uganda is grappling with severe environmental degradation and destruction, which has emerged as one of the nation’s most pressing issues. The country’s forest cover has dwindled significantly from approximately 15% of the total area in the 1990s to less than 10% by the onset of the COVID-19 pandemic. The responsibility for regulating and overseeing activities that impact the environment falls upon the National Environmental Management Agency (NEMA), a statutory body. However, NEMA faces significant challenges in terms of enforcement capacity and political will.

One alarming trend is the widespread construction in wetlands and land reclamations, which have adverse effects on the country’s ecological landscape. Kampala, the capital city, has been particularly susceptible to unprecedented flooding, and floods have caused extensive damage in low-lying areas across the country. Additionally,

Output strength



Environmental policy



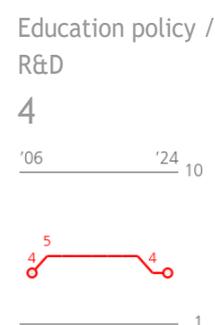
regions with highlands, such as the Mount Elgon area in eastern Uganda, have experienced devastating mudslides.

The government’s response to the environmental crisis has been inadequate, with President Museveni often prioritizing business and investment considerations over environmental protection. A contentious issue currently at the forefront is the construction of a crude oil pipeline spanning nearly 1,000 miles (about 1,500 kilometers) from the oil fields in Hoima, western Uganda, to the Tanzanian port of Tanga. Human rights and environmental advocates have raised concerns regarding this project, and the government’s response has been insufficient in addressing these concerns.

The government of Uganda has expressed its commitment to promoting education, but there is a notable lack of emphasis on ensuring quality and effective training. While there are policies in place for universal free primary and secondary education, as well as substantial investments by the government and development partners in the education sector, issues such as corruption and various inefficiencies have hindered the delivery of quality education to Ugandans.

The government’s track record of supporting research and development is subpar. It is only in recent times that the government has started allocating some funds, albeit less than \$10 million annually, to Makerere University, the country’s leading research institution. This suggests that the government may not fully appreciate the critical role of research and innovation in national development, despite occasional recognition from the president, particularly in the context of natural sciences. Efforts have been made to increase the salaries of science teachers, reflecting an emphasis on science education.

In terms of international benchmarks, Uganda’s U.N. Education Index for 2021 stands at 0.473, and public expenditure on education amounted to 2.6% of GDP in 2020.



## Governance

### I. Level of Difficulty

Uganda faces significant structural constraints that impede its development. These constraints range from inadequate physical infrastructure to its landlocked geography, surrounded by neighboring countries plagued by conflicts that often spill over into Uganda. Furthermore, the population's low levels of prosperity and human development capacity hinder their productivity and overall well-being. These challenges are further compounded by historical issues that persist and remain unresolved, such as interethnic tensions and complex land tenure systems that hinder productive investments.

Ethnicity plays a prominent role in Ugandan politics, with each sitting president often directing economic development initiatives, resource allocation and political appointments toward their own ethnic group and region. This has resulted in imbalanced regional development, where certain areas receive more attention and resources than others.

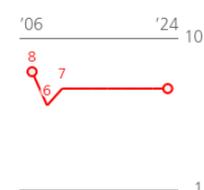
Additionally, some regions in Uganda are susceptible to natural disasters such as landslides and droughts. To date, the government has not taken adequate measures to address and mitigate these recurring challenges.

Civil society in Uganda is characterized by its weakness and underdevelopment. There are several factors contributing to this situation. Firstly, the legal and political environment in the country is not conducive to robust civil society activities. Additionally, Uganda's history since gaining independence has been marked by violent conflicts and confrontations rather than a focus on problem-solving through civic engagement.

In Uganda, the traditional concept of civil society, characterized by organized interests and interest aggregation, is relatively weak. Instead, the predominant civil society entities are NGOs and community-based organizations (CBOs) primarily engaged in development work, with a limited number of advocacy organizations. Membership-based organizations are scarce, and the trade union movement, along with the cooperative movement, was significantly weakened during the economic liberalization and privatization era of the 1990s. Consequently, there are few strong and independent workers' unions or associations, especially within the productive sectors.

Structural  
constraints

7



Civil society  
traditions

8



Furthermore, the government has a history of closing down NGOs that it perceives as “dangerous” or whose activities it deems “dubious.” Civil society organizations that are seen as aligning with the opposition may also face closure, and their members may be arrested on fabricated charges. Consequently, the operating environment for CSOs in Uganda remains volatile and challenging.

Armed rebellion has mostly ceased in Uganda, with the exception of the activities of two rebel groups, the Allied Democratic Front (ADF) and the Lord’s Resistance Army (LRA). However, both of these groups are now primarily based in neighboring countries, with the ADF operating out of the Democratic Republic of the Congo and the LRA in the Central African Republic. The ADF has become an affiliate of IS and recently claimed responsibility for a series of bomb blasts in and around Kampala. While the threat of armed violence and rebellion within Uganda is currently low, there are significant social tensions that could potentially escalate into conflict in the future. Land disputes, in particular, have the potential to lead to violent confrontations.

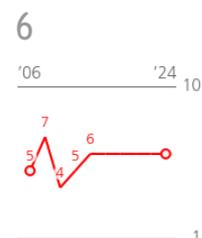
On the political front, Uganda faces challenges due to the absence of a minimum elite consensus and agreement on rules of engagement. This has resulted in highly confrontational and sometimes violent politics, especially during election periods. The ruling party is dealing with factional struggles related to succession, and opposition parties are characterized by fragmentation and deep internal divisions. Although religious conflicts have diminished from their historical levels, denominational differences still exist and have the potential to exacerbate existing social divisions and conflicts.

## II. Governance Performance

### 14 | Steering Capability

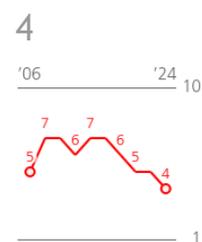
Uganda has developed a series of long-term development plans, with the latest being the National Development Plan III (NDP III). However, the country’s commitment to executing these long-term strategies for transformation has been less than satisfactory. NDP III serves as Uganda’s blueprint for economic development, aiming to increase average household incomes and enhance the quality of life for its citizens. The plan seeks to achieve these goals by focusing on key growth opportunities, promoting value addition, and strengthening the private sector’s capacity to stimulate growth and job creation, with a primary emphasis on agriculture and industrialization. The implementation period for NDP III spans from 2021 to 2025.

Conflict intensity



Question Score

Prioritization



While President Museveni often speaks about overcoming structural constraints and historical obstacles to growth, his actions and strategic initiatives have not aligned with his rhetoric. One significant factor contributing to this lack of long-term strategic vision and prioritization is Museveni's own pursuit of power and the imperative of regime survival, which often lead him to favor short-term tactics over the hard work required for long-term development. It's not uncommon for the president to shy away from pursuing fundamental reforms, such as land reform, due to the potential political risks that could threaten his standing and stability.

The public administration, both at the central and subnational levels, is plagued by issues of bloat, corruption and inefficiency. However, the president's reluctance to take decisive action is rooted in the fact that this system serves his political interests. Additionally, budget allocation does not prioritize long-term national objectives, as evidenced by the disproportionate allocation of resources to entities like the State House and the Office of the President, which receive more funding than critical sectors like tourism and agriculture. Poverty alleviation programs have often been ad hoc and short-term in nature, marked by widespread corruption and embezzlement.

The state's capacity to implement policies and programs effectively, as well as the government's ability to oversee its initiatives, is alarmingly deficient. This deficiency arises from a variety of factors, including widespread incompetence among public officeholders, who are often appointed not based on merit but through nepotism and cronyism. Moreover, corruption among the political elite and resource constraints further compound the issue. Uganda's bureaucratic state exhibits severe weaknesses in its ability to implement policies, especially those related to progress and development.

However, it is important to note that the government demonstrates relative strength in implementing policies related to repression against political opponents and coercing citizens who oppose the ruling group. In this regard, the state exhibits coercive strength. Still, it remains notably weak at executing progressive and developmental policies and programs effectively.

There is a striking lack of learning from past experiences within the government. Despite numerous failed programs and policies from the past, there is no discernible evidence that the government has absorbed valuable lessons from these failures. Bureaucratic red tape, which often involves corruption, remains a significant obstacle to successful implementation. Government officials frequently engage in rent-seeking behavior, obstructing the efficient use of public resources. Regrettably, the government has not effectively addressed this administrative weakness.

Monitoring and evaluation efforts appear to be more about following trends and appearing fashionable than facilitating genuine learning and reform. Poverty alleviation programs are frequently rebranded, but the underlying operational strategies often remain unchanged, leading to similar outcomes. There is limited investment in generating new knowledge to comprehend the root causes of program and policy failures.

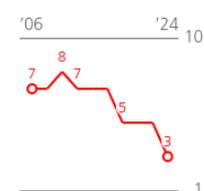
#### Implementation

3



#### Policy learning

3



In summary, there is a lack of political willingness and readiness to introduce substantive changes. Notably, new poverty eradication programs are frequently launched during election periods, suggesting that these initiatives serve primarily as political tools to secure votes.

### 15 | Resource Efficiency

Uganda faces significant deficiencies in its legal and rational bureaucratic state. The lack of professionalism is a pervasive issue, and public officials often lack accountability. The auditor-general, who maintains a relatively independent and professional stance, excels at uncovering major shortcomings and endemic problems within the public sector. Each year, the auditor-general submits audit reports to parliament, and parliamentary oversight committees subsequently conduct investigations based on the auditor-general’s findings. However, these audits and investigations frequently fail to trigger meaningful reforms or improvements in the state’s administrative capacity. Additionally, they often do not result in the serious punishment of wrongdoers.

Furthermore, meritocracy is not firmly established as a norm and practice. Appointments to public service and political offices often show signs of nepotism. While recruitment processes may appear transparent and open on paper, informal, political and sectarian factors often influence appointments within the public sector. The public sector, as a whole, is bloated, leading to a significant burden on the national budget. The government struggles to maintain a balanced budget and relies heavily on borrowing to finance its operations, both domestically and internationally. The national debt has surpassed 50% of GDP and is projected to continue rising, potentially reaching 53% in 2023. Debt servicing, according to the budget framework paper for 2022/2023, is expected to consume more than 30% of domestic revenue.

In summary, rationalized budgeting and efficient resource management are not central aspects of the government’s approach to governance. While some government entities, such as the Uganda Revenue Authority, the Uganda Registration Services Bureau, the Treasury and the central bank, exhibit pockets of efficiency, the broader Ugandan public sector remains fundamentally dysfunctional and falls short of the standards expected of a modern government apparatus.

Coordination in Uganda exists mainly on paper, with multiple entities responsible for various aspects of governance. There is a parliamentary budget office, a government policy implementation unit within the Office of the Prime Minister, and a presidential office responsible for government policy formulation and monitoring. In recent years, the government has attempted to streamline its operations by merging several departments and agencies. However, this effort has led to significant duplication and the creation of multiple power centers, primarily serving as sites for patronage and rewarding regime supporters.

Efficient use of assets

3

'06 \_\_\_\_\_ '24 10



Policy coordination

6

'06 \_\_\_\_\_ '24 10



These power centers are dispersed throughout all levels of governance, from the central government down to local administrations. As a result, there is a general lack of coherence and synchronization in the execution of policies and programs, making it challenging to achieve desirable and robust outcomes. Despite the existence of well-written and articulated policies and programs, the ability to implement them in a coordinated and coherent manner has been a persistent challenge in Uganda.

Corruption in Uganda is endemic to government operations. It is employed as a political tool to maintain control and power, making it more than just a symptom of government inefficiency – it is a deliberate strategy.

Uganda has established numerous anti-corruption agencies and institutions, including the Inspectorate of Government, the Public Accounts Committee, the Local Government Accounts Committee in parliament, the Directorate of Public Prosecutions, the Criminal Investigations Directorate of the police, the auditor-general and the anti-corruption division of the High Court, among others. Additionally, civil society organizations like the Anti-Corruption Coalition of Uganda, the Uganda Debt Network, Transparency International Uganda and others are dedicated to fighting corruption.

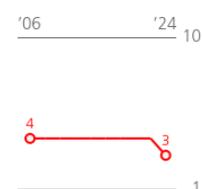
Despite the presence of these multiple agencies, actors and initiatives, corruption has surged in Uganda in recent years. Ironically, some of the institutions intended to combat corruption, such as the police and the judiciary, are often ranked as the most corrupt in public surveys. The root of this problem can be traced not only to the social and historical context but also to the country’s political landscape.

**16 | Consensus-Building**

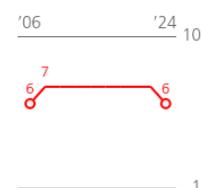
The consensus that was enshrined in the 1995 constitution regarding Uganda’s democratic governance has significantly eroded, in particular since the 2011 elections. The country has been caught in a state of contentious politics, marked by opposition defiance and a lack of consensus on the basic rules for political engagement. The opposition does not recognize Museveni’s government as legitimate, while Museveni does not consider the opposition as legitimate actors in the political arena. This impasse has led to a lack of common ground for moving forward.

From Museveni’s perspective, he sees himself as a democrat, but the opposition views him as a military ruler who came to power through force rather than through legitimate elections. This deep division has put Uganda’s democracy at risk, as existing institutions are not effectively used for structured political engagement and dispute resolution. While there is a general agreement that democracy is the preferred form of government, there is a stark disagreement on how democracy is being practiced and the boundaries of what is deemed acceptable or not.

Anti-corruption policy  
3



Consensus on goals  
6



There is also no consensus on this matter. The government’s recent shift toward public-private partnerships, the revival of the defunct Uganda Development Corporation as an authority, and the establishment of SOEs indicate a lack of a clear economic development strategy. However, some sections of the opposition advocate for a mixed economic approach in which the government actively participates in markets and the economy. Interestingly, this is where the NRM originally started before adopting a predominantly IMF-influenced economic orthodoxy. Within the NRM itself, there are notable voices that have opposed the free market orthodoxy, such as former Finance Minister Dr. Ezra Suruma, but these voices are often marginalized or sidelined.

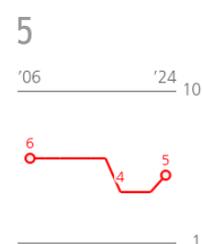
The extent to which anti-democratic actors exist in Uganda is a matter of debate, and it’s challenging to provide a definitive answer. The distribution of power and influence currently favors those who wish to maintain the existing status quo, which is inherently undemocratic and unprogressive. However, there are individuals and groups that have the potential to drive positive change, contingent upon the presence of windows of opportunity and favorable circumstances that could persuade those vested in the status quo to support or align with those advocating for better governance. The outcome remains uncertain and will depend on future developments.

Uganda faces numerous potential divisions and flashpoints that have the potential to lead to social disorder. Despite the government and president’s proclaimed opposition to sectarianism and divisive politics, their practices, such as favoritism, nepotism and ethnic-based political appointments, contradict their stated position. Over time, the president has assumed a role as the ultimate problem solver, leading to a situation where little is resolved without his direct intervention. There is a lack of deliberate and principled efforts to foster consensus and dialogue, which could help alleviate the issues related to social divisions and political rifts.

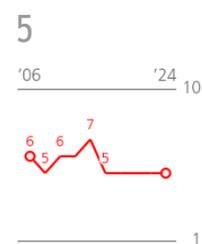
While there are currently no overt interethnic conflicts, there are underlying tensions and simmering animosities that could erupt into open conflict in the future, potentially leading to disastrous consequences. The existing system and institutional framework are ill-suited to address these divisions and conflicts effectively. Uganda lacks strong social and political institutions capable of mediating disputes and moderating conflicts, especially concerning resource access and utilization, particularly in cases related to land and water.

Consultation in Uganda is not structured and systematic; instead, it tends to be ad hoc. Members of civil society and individual citizens can present their views to parliament during public hearings on proposed laws or constitutional amendments. However, there has been a shift in recent years, with the NRM government taking public views and sentiments less seriously in policymaking and legislation. In the early years of this government, there was a deliberate and genuine consultative approach to governance, but this has receded as President Museveni’s rule has become more autocratic.

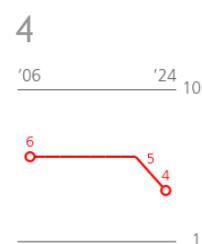
Anti-democratic actors



Cleavage / conflict management



Public consultation



There have been instances of legislation and constitutional changes in recent years that faced opposition from civil society groups and the public but were passed regardless. While the NRM and Museveni still engage in consultation and seek input, these efforts tend to prioritize supporters and voices that align with their positions. Given that the NRM holds a majority in parliament, it is easier for them to pass policies that align with the president’s interests.

National reconciliation is a critical issue for Uganda, particularly in the aftermath of the conflict with the Lord’s Resistance Army (LRA) rebel group. Efforts toward reconciliation were initiated by the Acholi Religious Leaders Peace Initiative (ARLPI). In the early 2000s, the Amnesty Act was enacted, providing amnesty to rebels, except for top leadership figures. However, little progress has been made in this regard during the period under review.

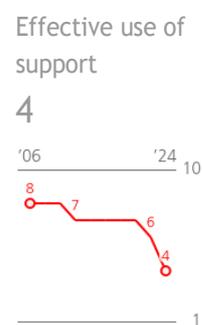
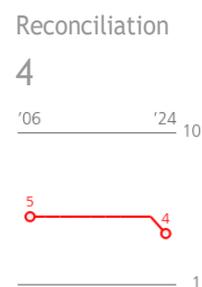
The pursuit of reconciliation and healing is expected to be a significant challenge for any future leader after President Museveni. The current president is not inclined to engage in dialogue or address the wounds of past conflicts, political crimes and other issues. Presently, there are many victims of state brutality, unexplained incidents of physical torture, mysterious murders, human rights violations, property deprivation and various social grievances. President Museveni, however, remains steadfast in his belief that he has led Uganda in the right direction, despite the reality that many segments of the population harbor deep grievances, mistrust and even disgust toward the government.

There are individuals and groups, particularly within the opposition and civil society, who have attempted to file a case against Museveni and other government officials at the International Criminal Court (ICC). The suggestion that Museveni could potentially face trial upon leaving power may further motivate him to remain in office for an extended period.

### 17 | International Cooperation

Under Museveni’s leadership, Uganda was long considered a favorite of Western donors. However, this has waned in recent years due to a decline in human rights and governance standards. Some Western actors have grown critical and skeptical of President Museveni and his government. Despite this, major external donors remain actively involved in Uganda, with the addition of newer actors like China, Japan, Türkiye and Iran.

However, despite the substantial amount of donor aid that has been invested in Uganda over many decades, there is little tangible progress to show for it. This highlights the challenges of relying on donor aid for global development. A significant portion of the aid, particularly from the United States and the European Union, has been directed toward supporting the regime, especially in light of Uganda’s role in the war on terror and its deployment of troops to Somalia.



Foreign aid has not been strategically utilized for the long-term prosperity of the country. While there have been some positive outcomes in areas such as health and infrastructure development, there is a pervasive issue of misusing donor funds, with resources often directed more toward sustaining the regime rather than advancing the nation as a whole.

Museveni has adeptly navigated the complex landscape of regional and international diplomacy, all while pursuing military interventions in various contexts. He has been an active and effective diplomat within organizations like the East African Community, the African Union, the United Nations and in his relationships with major Western and non-Western powers.

Museveni's diplomatic approach has garnered favor with the United Nations and Western nations, especially in the context of peacekeeping operations and critical interventions aimed at restoring stability in neighboring countries. His willingness to deploy Ugandan troops in situations of potential instability has earned the trust of entities like the European Union and the United States. These Western powers are concerned about the proliferation of global terror networks in Africa and the potential consequences of regional instability.

As a result, Museveni has successfully leveraged his position to portray himself as a reliable ally, particularly in matters related to security. However, despite these diplomatic achievements, his government's record on human rights and democracy within Uganda has been marred by significant and concerning issues. Uganda is a signatory to several important international treaties and conventions, including the Rome Statute that established the International Criminal Court. Notably, Uganda was the first state party to refer a domestic situation to the Court, leading to the first indictments. Nevertheless, Museveni later expressed his opposition to the ICC after it indicted Sudan's El Bashir and the Kenyan leaders Uhuru Kenyatta and William Ruto. These Kenyan leaders were initially under trial even after assuming their respective presidential roles, but the cases against them were eventually dropped.

Uganda has actively participated in advancing regional trade within the East African Community and the recently established African Continental Free Trade Area (ACFTA). Furthermore, Uganda plays a significant role in discussions within United Nations agencies, such as the Human Rights Council. Despite its concerning domestic human rights record, Uganda consistently emphasizes its commitment to upholding fundamental rights and freedoms on the international stage.

Through its permanent mission to the United Nations, Uganda has been vocal about participating in discussions on climate change. President Museveni has argued that developed nations bear responsibility for climate change and has emphasized that impoverished countries like Uganda should have the opportunity to utilize their fossil fuel resources.

#### Credibility

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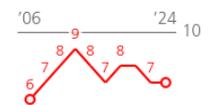
Under Museveni's leadership, Uganda has played a significant role in driving regional cooperation and integration within the East African Community (EAC) and promoting continental unity through the African Union. Museveni considers himself a pan-Africanist with a mission to unify Africa and foster shared prosperity. This vision has involved diplomatic and peaceful efforts as well as military actions, which have, unfortunately, contributed to complex regional security dynamics and sometimes led to militaristic responses when diplomatic engagement might have been more effective.

Due to his lengthy rule, autocratic tendencies and aspirations toward regional dominance, some regional leaders have viewed Museveni with suspicion. For instance, Tanzanian leaders have been cautious and hesitant about embracing Museveni's assertive push for EAC integration. Furthermore, in the years immediately following his rise to power in 1986, neighboring countries like Kenya, Congo and Rwanda were wary of Museveni's potential plans to export his revolutionary ideas to these nations. Interestingly, this indirectly became a reality in Congo and Rwanda.

In the period considered, Uganda reestablished diplomatic and political relations with neighboring Rwanda. The relationship between the two countries had become strained due to mutual accusations of supporting rebel groups and engaging in espionage activities. After a three-year closure, the borders between Rwanda and Uganda were reopened in January 2022.

## Regional cooperation

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## Strategic Outlook

Uganda has arrived at a complex and critical political crossroads involving the challenge of managing the presidential succession. General Muhoozi Kainerugaba, President Museveni's son and believed heir apparent, has stirred controversy since early 2022. Despite being a serving army officer, he has openly displayed ambitions to succeed his father. General Kainerugaba has defied legal prohibitions against engaging in political activities and making political statements, using Twitter to make bold and sometimes alarming pronouncements, even on sensitive security matters. Curiously, his father, who also serves as his commander-in-chief, appears either unable or unwilling to rein him in. The potential bid by Muhoozi to succeed Museveni adds a layer of complexity to an already intricate situation, posing significant challenges to a peaceful and democratic transfer of power. Internal divisions within the ruling NRM party further compound the potential for a political crisis.

Uganda's overall political system requires a thorough reevaluation and restructuring. The minimum elite consensus established in the 1995 constitution has eroded. A national dialogue involving all key stakeholders is imperative to forge a new national consensus and redefine the rules of political engagement. At this juncture, only dialogue can redirect Uganda's political trajectory toward a more positive course.

Current economic strategies are unsustainable as the country faces a rapidly growing youth population and rampant youth unemployment. The government must shift its strategy to focus more seriously on the long-term expansion of productive sectors. This is crucial if the country is to create opportunities, foster inclusive economic growth and, thereby, provide a decent standard of living for the masses who are currently struggling. Ad hoc development and anti-poverty programs, such as the recent Operation Wealth Creation run by the military, should be replaced with strengthened administrative and bureaucratic capacities within the state. This infrastructure will facilitate the implementation of policies and programs for socioeconomic transformation.

Addressing the land question is also of utmost importance to prevent future conflicts, particularly given widespread large-scale evictions and dispossessions. Pursuing the concept of a land fund could be a viable approach to achieving land equity and justice and countering mass evictions by large landowners.

The government's economic policy, characterized by an uncritical commitment to open and free markets, requires reconsideration and moderation. Beyond ensuring macroeconomic stability and fostering private, especially foreign, investments, the government should undertake targeted and strategic interventions to stimulate productive sectors and promote local industrial growth. Rationalizing national budget allocation in favor of productive sectors and other areas of the economy, such as tourism, will facilitate value addition and expand economic opportunities, thereby reducing over-reliance on the forthcoming oil sector.