

NATIONAL HIGH LEVEL POLICY DIALOGUE ON PUBLIC ADMINISTRATION EXPENDITURE AND GOVERNANCE IN UGANDA

KAMPALA – NOVEMBER 20, 2008

CONCEPT NOTE

In framing government which is to be administered by men over men, the great difficulty lies in this; you must first enable the government to control the governed; and in the next place oblige it to control itself.

Madison, 1987

Introduction

Over the last 15 years, there has been a significant increase in the size of public administration institution in the country. In particular, the continuous increase in the size of the legislature and the executive has become a major cause of concern, debate and controversy. The proliferation of a multiplicity of these institutions and the associated burgeoning public administration expenditure is considered to be a major threat to government efforts to spur economic development, eradicate poverty and deepen democracy. On either side of the debate are those who believe that a big legislature, executive and other associated public offices are essential in maintaining the political stability and tranquility that Uganda enjoys today. While these debates have mainly taken place in the media, there have been no efforts to stimulate a more systematic and evidence based discourse on this important public policy issue.

In order to stimulate a more informed policy debate on the issue of public administration and governance and define an agenda for appropriate reforms, ACODE has undertaken two major studies on the executive and the legislature. Taking a historical approach, the studies examine how the legislature and the executive have increased over the last more than two decades and the associated costs to the tax payer. The findings and recommendations from these studies provide a strong empirical basis for a more informed and change driven dialogue on how public administration expenditure on these two arms of the state can be reduced.

Over the course of undertaking the studies, ACODE has organized a series of advocacy clinics designed to provide an opportunity for stakeholders to inform the studies. The proposed National High Level Policy Dialogue is to bring together senior level policy makers, political leaders, international development partners and civil society leaders to engage in a dialogue on an agenda for reforming public administration expenditure based on these studies. The dialogue is scheduled to take place in Kampala on November 20, 2008.

Public Administration Expenditure, Economic Growth and Governance

Over the last two decades, Uganda has registered measurable economic growth evidenced by impressive GDP growth at an average 6% per annum. This impressive growth trend was largely triggered by the progressive macro-economic policies adopted by the National Resistance Movement Government especially in 1987. Since then, Government has pursued policies such as control of inflation, foreign exchange liberalization, import substitution and poverty eradication programmes. Some of these policies have ensured reasonable macro-economic stability. Targeted investments have led to marginal improvements in key socio-economic indicators including reduction in poverty levels from 56% in 1992 to 35% in 2002 before they increased to 38% in 2004. The Ministry of Finance, Planning and Development estimates poverty levels to have decline again to 33%. In addition, there is also recorded increased primary school enrolment, improved access to health care and generally improved access to water.

In addition to macro-economic stability, the other two factors that have engineered growth in the country are increased domestic revenue and a substantial inflow of international finance through aid and loans. For example, an analysis of donor funds disbursements to Uganda show a significant concentration of aid since 1985. During this period, inflows of international financing through aid and loans have averaged US\$600 million for a period of 21 years. International financing for the national budget is currently estimated to be in the range of 30-40% of total national budget. Donor funding was also coupled with substantial increase in domestically generated revenue which has grown from US\$44 in 1986 to approximately US\$3 billion in 2007.

In spite of these gains, financial inflows and impressive economic growth figures, the structure of the Ugandan economy and society has not transformed in a meaningful way. While many reasons can be advanced to explain this phenomenon, there is also widespread consensus that much of the financial inflows have been eaten up either by corruption or by the burgeoning expenditure on public administration. The fact that there is no end in sight to the increasing bloatedness of public administration institutions is a cause for concern.

The debate on public administration expenditure

The debate on public administration expenditure is largely a subset of the broader debate on public administration. In its simplest form, public administration denotes the institutions of public bureaucracy within a state. It is comprised of the organizational structures which form the basis of public decision-making and implementation; and the arrangements by which public services are delivered. In this broad sense, the bedrock of public administration in countries such as Uganda is the civil service both at the central and local government body.

However, the debate over public administration expenditure has largely intensified because of the increasing costs of public administration institutions outside the mainstream civil service and particularly the legislature and the executive. In the last 20 years, the size of the legislature has increased tremendously although the traditional functions of this arm of the state have not changed. During the first years of the NRM administration, the then National

Resistance Council was increased on several occasions through deliberate decisions mainly to increase representation and achieve broad-based governance. After the promulgation of the 1996 Constitution, the increase in the size of the legislature has largely occurred not by similar deliberate decision-making processes. Rather, the creation of new positions in the legislature has largely been by default on account of creating new administrative units. As a result, there has been no public debate on the optimum levels of members of parliament that may be required to discharge the constitutional functions of the legislature (legislation, representation and oversight)

Similar concerns have been raised with the executive arm of the state. In just ten years after the promulgation of the constitution, the Cabinet has grown from 42 ministries originally mandated by the Constitution to over 70 ministers. This excludes the presidential advisors and presidential assistants who in many ways mirror the structure of the Cabinet. The structure of the executive is even made more complicated by the continuing overlapping of public service positions such as RDCs with the executive.

At a general level, there has emerged overwhelming consensus that a bloated public administration and the associated expenditure are bad for the economy and for good governance. Calls for reducing the size of the Cabinet and the Parliament have been reverberating within the media and the civil society. However, recent trends suggest that there is growing political support of the need to address this issue, cut down on the size of these institutions, and thereby reduce the burden on the tax-paying public, and channel saved resources into productive sectors and the provisions of key infrastructure projects as well as the provision of goods and services.

However, a debate on reducing the size of Parliament and the Executive raises very strong vested interests among political leaders and can easily be lost in bi-partisan political bickering. This is why it is important that any discourse on this issue is based on empirical information and rigorous independent analysis. On the whole, the ACODE studies live out critical areas of public administration expenditure. During the course of undertaking these studies, stakeholders raised key areas such as the administrative costs of running districts and commissions as priority areas for research and analysis. However, these two ACODE studies provide a starting point for an informed dialogue that can set an agenda for reform in this area. The proposed National High Level Policy Dialogue is intended to provide the momentum for a sustained research and debate on this issue.

OBJECTIVES AND EXPECTED OUTCOMES

The overall objective of this policy dialogue is to create and stimulate a sustained debate on the impact of public administration expenditure on governance so as to create momentum for appropriate reforms in this area. The dialogue which will feature presentations of the two studies will help generate a bi-partisan debate on the issue of public administration and governance so that political leaders across the party divide can come together to take appropriate actions based on the recommendations from the studies and those of the

participants at the dialogue. The dialogue is aimed at achieving three specific but inter-related objectives:

1. To create an opportunity for a bi-partisan debate on public administration expenditure and its implications for governance.
2. To create a momentum for appropriate reforms in public administration expenditure.
3. To disseminate the outcomes of the studies.

The main tangible outcome of the dialogue will be a synthesis report of the proceedings covering the key positions in the discussions as well as emerging issues. The proceedings of the dialogue will also be recorded and distributed to interested audiences.

PARTICIPATION AND METHODOLOGY

This dialogue is targeting high level policy makers, political leaders, opinion leaders in local government and civil society as well as development partners. The Dialogue will bring together approximately 80 participants representing these stakeholder audiences. Participation will be by invitation only. Any inquiries about participation can be directed to Annet Nuwagaba (acode@acode-u.org) or Godber Tumushabe (g.tumushabe@acode-u.org; Godbert@stanford.edu).

The dialogue will feature the two presentations. Presentations will be made in power point with appropriate illustrations such as tables, graphs, charts and maps. Each of the presentations will be followed by responses from at least three panelists comprised of Members of Parliament and Cabinet Ministers.

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