

LOCAL GOVERNANCE BRIEFER

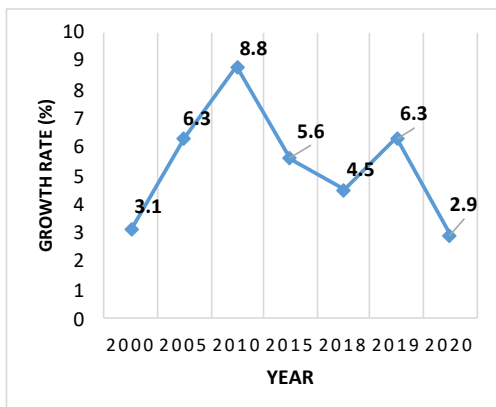
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The Parish Development Model As A Vehicle For Delivering Economic Transformation

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In 2017, I was contracted by Government as a principal consultant for the evaluation of the National Development Plan (NDP2). We carried out the assignment successfully and among the major results of the evaluation was the need for inclusive growth. The argument was that while the country had enjoyed high levels of growth, estimated at an average of 6 per cent per year for the last twenty years, this growth has largely been exclusive. The majority continue to live on the wrong side of the road to growth, while 10 per cent of the population continues to own 35.8 per cent of GDP and in addition to exclusive growth, there is increasing poverty from 19.7 per cent in 2017 to 21.4 per cent in 2021 (UBOS 2021)². Figure 1 shows the trends in GDP growth across the population in the country while Fig 2 clearly shows that wealth is concentrated in hands of few and this situation is growing at 19 per cent.

Fig 1: Growth in GDP 2000-2020



Source: MoFPED 2021

Fig 2: Trends in shares of National income

Income group	Income share % (1996)	Income share % (2012)	Change% (1996-2012)
Highest 10%	29.9	35.8	+19
Highest 20%	44.9	51.1	+13.7
Lowest 20%	7.3	5.8	-20.6
Lowest 10%	3.2	2.5	-21.1

Source: MoFPED 2021

The foregoing evidence is in accord with what I have consistently explained that high macro-economic performance does not necessarily translate into improved wellbeing of the people unless government deliberately intervenes to ensure equitable and inclusive growth.

We have on several occasions advised the government to put in place, structures that translate the highly acclaimed growth at the macro level, to micro benefits that are expressed and felt at the household level. This is where local governments become an important tool in ensuring that planning is bottom-up and project/program implementation is consistent with expressed needs of the population.

It is against this background that the National Planning Authority (NPA) proposed a new development approach - a Parish Development Model³. The essence is that since the parish is the lowest reference administrative unit, it will deliver grass-roots interventions and drive socio-economic transformation at the lowest level. The Parish development model is consistent with the Local Economic Development (LED) approach

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 2 UBOS (2021). Income Expenditure and Poverty, Kampala.
 3 MoFPED (2021). Background to the Budget Fiscal Year 2021/2022.

which we developed in the early 2000s with the Ministry of Local Government. LED was premised on the relatively impressive macro indicators (GDP growth, inflation control) which unfortunately are currently not reflective of the living standards of the local population. Therefore, the Parish development model is aimed at closing this gap. The Parish Development Model is premised on the following objectives:

- To enhance storage, processing and marketing of commodities
- Improving infrastructure and economic services
- Increase financial inclusion
- Improve social services
- Improve Parish-based management information system
- Improve governance and administration
- Enhance mind-set change regarding work ethic, gender considerations, environment and inclusion of persons with disabilities in mainstream development.

The government of Uganda is on record for developing excellent development models but as it is widely known that the challenge has been weak implementation. This Parish Development Model is ideally an excellent approach to economic transformation, but its efficacy will require the following:

1. Organized production and marketing infrastructure: one critical impediment to rural producers in Uganda is that farmers produce only to have bumper harvest which results in plummeting prices, leading to low returns. It is instructive that the Parish Development Model is premised on systems and structures that guarantee good and stable prices for producers. For instance, the recent drastic fall in prices of maize from UGX 1200 per kg to UGX300 per kg cannot motivate farmers to persist in grain production. Under such circumstances, the local economic structures must devise means of cushioning farmers and local entrepreneurs.
2. Financial penetration: UBOS (2017) established that 68 per cent of the Ugandan population was engaged in the subsistence economy, which has reportedly improved to 39 per cent (MoFPED 2021)⁴. The critical issue is that these people are not monetized and therefore, do

not have what to sell and neither do they have money to buy any commodity! The Parish development model needs to emphatically address this issue. In the Nuwagaba – N8 model⁵, it is asserted that; every Ugandan must engage in economic activity, have a target and engage in a family enterprise. This was the magic bullet for East Asian Tigers- Thailand, South Korea, and Malaysia among others. This model is relevant to Uganda. However, the success of monetizing the country and driving business enterprise growth depends on the critical role of local governments. The latter must develop by-laws that regulate vices such as alcohol consumption. It is not tenable for heads of households (men) to spend a whole day engaged in alcohol consumption, while women suffer looking for all wherewithal searching for means of livelihoods of their families. Local governments must develop and implement ordinances against such deviant behaviours and culprits must be sanctioned adequately.

3. Infrastructure and economic services: here, the government must carry out its role in the provision of road infrastructure, for linking production and consumption centres. However, the provision of a road or electricity supply is not enough. Such physical capital investment cannot stimulate economic activity, in a sea of low incomes as the would-be users will not effectively utilize the services. Business enterprise development is driven by one critical factor and that is high purchasing power. This calls for the government to enhance private sector growth, employment creation and subsequent disposable incomes. Specifically, the government must reduce the cost of doing business-, reduce electricity tariffs and ensure affordable interest rates. The critical intervention here is the reduction of government borrowing and strengthening microfinance institutions, which intermediate in the provision of affordable credit to the people at the local level. Producers should access affordable credit, to enhance production, amidst government guarantees for good and stable prices of commodities such as grain. However, the local governments must ensure quality control for products such as grains. This will be the only way to generate higher returns from agriculture production.
4. Mind-set change: The Parish Development

⁴ MOFPED. (2021). Budget Speech FY 2021/2022. Kampala.

⁵ See Nuwagaba. A. (2015). Strengthen export sector performance to stop the Shilling from weakening. Accessible at: <https://www.ugandanewsreleases.com/%EF%BB%BFstrengthen-export-sector-performance-to-stop-the-shilling-from-weakening/>

Model will only achieve desired results if Ugandans realize the value of work. There is a need to enforce a work ethic. How can a family head wake up at 7:00 am only to go to bars! Even the colonial state, which people ostracize as exploitative, could not allow such unbecoming behaviour, where people wake up to go to pool tables at 7:00 am and enjoy games: Then, such people start claiming that "government etuyambe": that literally, the government should help them!! The neo-classical economic theory states that "development is initiated from within". This is replete in many Rukiga-Runyankole proverbs: "amaizi nshabano tigoza ngaro; egabo y'ahamuhanda ogiiha owaawe; "literally meaning that you cannot live on savings of other people". People must develop a value system that espouses hard work, self-determination and independence and self-

sufficiency. And it is the local government, particularly the parish that is near to the people and therefore capable of enforcing such regulations and achieve the set objectives.

Without overly being pedantic, the parish development model would be a panacea for growth and transformation. Unfortunately, it will only see the light of the day, if an appropriate mind-set is created within a conducive economic policy environment. It is a herculean task for the parish development model to realize the desired objective, but it will be futile for Uganda to continue with exclusive and jobless growth, where the majority continue wallowing in deprivation when a few enjoy benefits of so-called growth. The Parish is an excellent structure and tool for driving the Local Economic Development (LED) process. The writing is clear on the wall!