

A POLITICAL CHRONICLE OF UGANDA 2011: MOVING FORWARD, BACKWARD OR STAYING THE SAME?

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Résumé

En 2011, l'Ouganda restera dans les mémoires surtout pour les élections présidentielle et parlementaire tenues en février. Alors que les élections elles-mêmes n'ont pas été marquées par des violences importantes à l'époque, les mois qui ont suivi ces élections de février resteront dans les mémoires au plus haut niveau de violence, en particulier celle de la police nationale et de l'armée qui ont répondu lourdement à la campagne de « marche au travail ». Le candidat de l'opposition et leader du parti d'opposition FDC, Kizza Besigye, a pris secrètement, depuis sa voiture, des photos de scènes particulièrement brutales. Ces photos ont fait le tour du monde.

Comme la politique nationale, la scène internationale et la position de l'Ouganda en tant que force régionale ont également dominé l'économie politique de l'Ouganda. La forte hausse du coût de la vie, l'inflation incontrôlable (28 % en août 2011) et l'effondrement du shilling ougandais par rapport au dollar américain ont eu un impact sur la vie quotidienne des Ougandais qui ont réduit leurs activités de consommation pour faire face à l'augmentation des coûts de l'entretien quotidien, les soins de santé et le transport. Ce déclin économique est en cours au moment où l'Ouganda développe son programme d'exploration du pétrole qui a le potentiel d'apporter de grandes quantités de capitaux étrangers et les flux d'investissement dans le pays. Cependant, la question centrale aujourd'hui est de savoir si l'Ouganda a la capacité de gouvernance et de régulation pour permettre à ces importants gains économiques provenant de l'huile à réduire le niveau de pauvreté auquel fait face la société ougandaise.

1. INTRODUCTION

Uganda in 2011 will be remembered predominantly for the February presidential and parliamentary elections. Whilst the elections themselves were not marred by significant violence at the time, the months following the February elections will be remembered for the high levels of violence, particularly that of the state police and army's heavy handed response to the "Walk to Work" campaign. Video footage of the presidential candidate, and leader of the FDC opposition party, Kizza Besigye being hauled from his vehicle went viral around the world. As well as national politics, the international arena and Uganda's position as a regional force also dominated the political economy of Uganda. The huge rise in the cost of living, uncontrollable inflation (28% in August 2011) and the collapse of the Ugandan shilling against the US dollar have impacted upon the daily lives of Ugandans who have reduced their consumption activities to cope with the increased costs of daily upkeep, family care and transport. This economic decline is occurring at the same time as Uganda develops its oil exploration programme which has the potential to bring vast amounts of foreign capital and investment flows into the country. However, the pivotal question today is whether Uganda has the governance and regulation capac-

ity to enable these significant economic gains from oil to trickle their way down to the poorest in society.

2. NATIONAL ELECTIONS

2.1. Presidential Elections

Although Museveni has been the President of Uganda since 1986, he is theoretically only in his third term of office. The period between 1986 and the 2001 elections were not counted since he was installed as the president and not elected. In accordance with the 1995 constitution, Museveni then stood for and won the allowed two executive terms (in 2001 and 2006). Subsequently, the constitution was changed in 2005 to allow Museveni to legally stand for a third presidential term and it is this third term that Museveni won in February 2011.

On 18 February 2011, Uganda held the second Presidential elections run under the multi-party dispensation since 1980. Overall, the conduct and process of the 2011 elections was noticeably improved compared to the 2006 general elections, including the performance of the Electoral Commission (EC), the statutory body charged with managing and overseeing all national elections. The EC introduced a system of electronically transmitting results from districts to the national tally centre, and sought to increase transparency and confidence by involving political parties in overseeing the printing of ballot papers, and adhering to international best practices of publishing election results by polling station.

However, logistical and administrative failures leading up to the Election Day undermined the effectiveness of the EC and further strained its credibility in the eyes of the public. The EC failed to enforce election laws¹ against vote buying, intimidation, defamation of candidates, and ensure equal protection of candidates by state security organs and by state media agencies to present their manifestos to the people. On Election Day, the mass media reported electoral fraud, absence of election officials, poor preparatory training for returning officers and that several urban and rural polling centres did not start on time due to delays in receiving ballot material. Some polling centres moved without notifying registered voters, while at others, voters including Presidential Candidate Dr. Kizza Besigye² could not find their names when they showed up to cast their ballots, others found their names already ticked, while other polling centres were congested in a tiny

¹ Applicable laws include: the 1995 Constitution of the Republic of Uganda; Cap 140 of the Electoral Commissions Act; 2005 Presidential Election Act; 2005 Parliamentary Election Act; and 2005 Political Parties and Organisations Act.

² BAREEBE, G., "Besigye's name missing at polling station", Kampala, *The Monitor*, Special Reports, 18 February 2011, <http://www.monitor.co.ug/SpecialReports/Elections/-/859108/1110126/-/k2yptg/-/index.html> (accessed 9 July 2012).

and disorganised space unable to conveniently accommodate the large voter turn up³. A report by the Democracy Monitoring Group in Uganda was quoted as providing evidence of “ghost” voters at around 2,000 polling centres where more ballot papers were found than the actual number of people who had voted. However, the Electoral Commission rejected such allegations and challenged the opposition parties to bring forth evidence⁴.

The number of candidates for the 2011 presidential elections increased from five to eight, representing some ten political parties:

- Abed Bwanika (People’s Democratic Party | PDP), a veterinary doctor and professor and presidential candidate since 2001;
- Beti Olive Namisango Kamywa (Uganda Federal Alliance | UFA), a political critic, founder member of Reform Agenda (a political pressure group) and both a former Member of Parliament and senior member of FDC;
- Kizza Besigye Kifefe (Forum for Democratic Change | FDC), former personal doctor to Museveni and 2011 candidate for the Inter-Party Coalition (which includes the FDC, Conservative Party and Justice Forum – commonly known as JEEMA);
- Samuel Lubega (Independent) of the DP splinter group;
- Norbert Mao (Democratic Party | DP), a former District Chair of Gulu, Member of Parliament for Gulu Municipality and Makerere University Guild President;
- Yoweri Kaguta Museveni (National Resistance Movement | NRM) and incumbent;
- Olara Otunnu (Uganda Peoples Congress | UPC), acclaimed international career diplomat, former student leader and civil servant; and
- Jaberu Bidandi Ssali (People’s Progressive Party | PPP), career civil servant and elderly politician and founder of the Decentralised system of governance in Uganda under the NRM.

While four of the presidential candidates were first-time contestants, Abed Bwanika (PDP) and Kizza Besigye Kifefe (FDC) were contesting for the third time, and Yoweri Kaguta Museveni for the fourth respectively and the second time on a multi-party ticket. The profiles of the 2011 presidential candidates confirmed the wealth of politicians Uganda has with reputable skills as international diplomats, long-term civil servants, district governors, political lobbyists and scholarly activists, and the capacity to ascend to the presidency. However, none of the opposition candidates put on a formidable campaign capable of overthrowing the incumbent Museveni.

³ One of the authors, Doreen Lwanga was an official 2011 Election Observer, who went to polling centres around Kampala.

⁴ CLOTTEY, P., “Uganda Electoral Commission Rejects ‘Ghost’ Voter Allegation”; *Voice of America*, News/Africa, 21 February 2011, <http://www.voanews.com/content/uganda-electoral-commission-rejects-ghost-voter-allegation--116704414/157501.html> (accessed 9 July 2012).

Compared to the NRM, opposition political parties were undermined by a lack of funding, weak grassroots base, internal wrangles over party leadership, co-option of their key party members by the ruling NRM party and credibility among the voting public as some were still tainted by their past legacy of bloody politics and civil unrest. Public perception portrayed them as disorganised, undemocratic and lacking strategic direction in their operations. For instance, the departure of Beti Kamywa from FDC, a key founding member and vocal defender of Dr. Kizza Besigye was interpreted as intolerance by top FDC party officials. The failure of opposition parties to rally around one single candidate to run against the incumbent NRM party, and the refusal of DP and UPC to join the Inter-Party Cooperation (IPC) headed by FDC President Kizza Besigye, created a picture of disunity and opportunism within opposition political parties.

Key features of the 2011 presidential elections included the formation of an opposition Inter-Party Coalition (IPC); the registration of new political parties; the tension between Buganda and the central government; and the race for the northern Uganda vote. Overarching concerns across all political parties were security during and after election, governance of the newly-exploited oil, Buganda-Uganda relations and the northern Uganda recovery following the protracted 20 year violent conflict spearheaded by the rebel Joseph Kony of the Lord's Resistance Army (LRA). Within the manifestos of political parties were cross-cutting issues ranging from education, economy, agriculture, health, employment and corruption. Each party highlighted certain issues central to their manifesto. For instance, JEEMA emphasised African Unity as essential for realising Uganda's full potential, CP emphasised cultural and environmental conservation, and DP specially focused on youth and sports. The newly-discovered oil and gas in western Uganda specifically featured in the NRM and UPC campaign manifestos, with emphasis on equitable national benefit.

The 2011 election campaigns were peaceful relative to the 2006 elections, although with incidents of intimidation and violence during election campaigns and on the polling day. Reports indicated incidents of violence, bribery and intimidation of opposition party candidates and their supporters. Security forces were also heavily deployed prior to the elections around Kampala and in rural areas, particularly in northern Uganda, even though the war had ended and people had moved from IDP camps and returned to their "previous" or ancestral homes. For example, the police arrested activists from the Citizens' Coalition for Electoral Democracy in Uganda (CCEDU) as they distributed leaflets asking MPs to return the 20million shillings deposited on their accounts⁵, and asking voters not to vote for any

⁵ Opposition groups argued that this money was in fact a bribe from the government. The official government position was that the money was for MPs "to monitor government programmes." See "Civil society, Police clash over MPs' Shs 20m 'bribe'", Kampala, *The Observer*, 10 February 2011, http://www.observer.ug/index.php?option=com_content&task

MP or leader embroiled in corruption scandals⁶. On Election Day, some accredited national election observers were turned away from observing elections by returning officers and security forces at polling centres where they were posted. Other observers posted to Mityana and Kamwenge districts were arrested by security agents at polling centres and got locked up at police stations on allegations that they were not known area residents, thus a potential disruption to the voting process⁷.

In Kampala, the heavy presence of security forces continued past the presidential and parliamentary elections, by clamping down on opposition rallies protesting the election results, and the ‘walk to work campaign’, using tear gas and physical assault. For instance, on Friday 11 March 2011, Jinja Police Commissioner Jonathan Musinguzi prematurely dispersed a protest rally organized by 2011 opposition presidential candidates Olara Otunnu and Sam Lubega using teargas canisters⁸. Besides high profile cases of FDC President Kiiza Besigye Kifefe, journalist covering elections and post-election opposition demonstrations became victims of police inflicted or police-aided brutality without follow-up police investigation. On Wednesday 23 February 2011, six journalists covering mayoral elections fraud and ballot stuffing at Kakeeka polling station in Rubaga division were brutally attacked by men reportedly supporting the National Resistance Movement candidate Peter Sematimba without police intervention to investigate⁹.

The Inspector General of Police, Major General Kale Kayihura justified the recruitment of additional police constables and ‘village peace protectors’ leading up to the elections as necessary to ensure law and order during the elections¹⁰. Whereas Kayihura distanced the police force from the *Kiboko squad*, a stick-wielding paramilitary group notorious for beating up opposition leaders and their supporters, the public expressed concern over the introduction of new police units with different uniforms, some similar to army uniform. The police also purchased equipment vehicles, new tear gas/pepper gas canisters and pink spray in anticipation of what awaited post

=view&id=12116 &Itemid=59 (accessed 9 July 2012).

⁶ EUROPEAN UNION ELECTION OBSERVATION MISSION (EUEOM), “Final Report on the Uganda General Elections, 2011”, Brussels, 10 March 2011, http://www.eueom.eu/files/pressreleases/english/eueom_uganda2011_final_report_en.pdf (accessed 9 July 2012).

⁷ Personal communication with national election observers posted in Mubende, Kamwenge and Nwoya, 18 February 2011.

⁸ KAIRU, P., GULUMAIRE, A., “Otunnu, Lubega protests dispersed in Jinja”, *The Monitor*, 13 March 2011, <http://mobile.monitor.co.ug/News/-/691252/1123808/-/format/xhtml/-/9gctmd/-/index.html> (accessed 14 July 2011). See also <http://cpj.org/2011/03/cpj-condemns-ugandan-police-attack-at-protest.php>

⁹ “Uganda: CPJ condemns post-election violence against six journalists”, *All Africa*, 24 February 2011, <http://allafrica.com/stories/201102250223.html> (accessed 14 July 2012).

¹⁰ MAKARA, S., *The Management of the 2011 Elections in Uganda*, (no date), <http://www.cmi.no/file/?1376> (accessed 9 July 2012).

elections, most of which were used against demonstrators both pre- and post-election¹¹.

A significant preoccupation in predicting the election outcome was whether the bitter relationship between the Buganda Kingdom and the central government would cost Museveni the 2011 Buganda vote. The legacy of the 2009 unrest between the central government and Buganda, and the introduction of the *Institution of Traditional or Cultural Leaders Act* close to the 2011 presidential elections were expected to translate into lower votes for Museveni from the central (Buganda) region. Tensions reached their threshold in September 2009 when the central government blocked the Kabaka (King of Buganda) from visiting Bunyala County in Kayunga district, a part of Buganda Kingdom claiming cessation. Resultantly, riots broke out within Buganda, leading to the arrest and detention of many Baganda youth and the closure of Buganda Kingdom's CBS Radio station plus four other local language FM Radio stations accused of inciting violence against the central government. President Museveni is quoted as having defended the use of military police, black mambas¹², live bullets and tear gas as necessary to squash hooliganism¹³. Resultantly, the Buganda Kingdom seat at Bulange, Mengo came under siege from the national army, coupled with beatings and killings of Buganda loyalists by the *Kiboko squad* (a provisional force of vigilantes), and the arrest of key Buganda officials (including members of parliament) to hitherto unknown detention centres¹⁴. The closure of CBS radio for twelve months weakened Buganda kingdom economically until it was reopened in October 2010 during the 2011 election campaign period¹⁵. Similarly, the government lost the case of terrorism against eleven Baganda rioters due to lack of evidence and inconvenience in evidence submitted by the prosecution witnesses¹⁶.

The hurried passage of *The Institution of Traditional or Cultural Leaders Bill* with strong influence from Museveni and strong protests from

¹¹ "Kiboko squad investigation reveals too little", *The Observer*, Kampala, 6 March 2011, http://www.observer.ug/index.php?option=com_content&view=article&id=12444 (accessed 9 July 2012).

¹² *Black Mamba* is the colloquial name for a paramilitary group that besieged the High Court dressed in black on 16 November 2005 to prevent the release on bail of Dr. Kizza Besigye Kifefe.

¹³ Ensuing discussions on BBC online equated the siege on Bulange to one by Obote soldiers in 1966. BBC ONLINE, "Ugandans 'killed' in King clashes", 11 September 2009, <http://news.bbc.co.uk/2/hi/africa/8250357.stm> (accessed 9 July 2012)

¹⁴ SSEMWOGERERE, K., "Uganda: UPDF Cannot be Panic Button for Museveni and Besigye", *The Monitor*, 24 June 2010, <http://allafrica.com/stories/201006240472.html> (accessed 14 July 2012).

¹⁵ KIGGUNDU, E., "CBS Radio re-opened!", *The Observer*, 23 March 2010, http://www.observer.ug/index.php?option=com_content&view=article&id=10615 (accessed 9 July 2012).

¹⁶ NBS Television, "DPP now files appeal against 11 Buganda riot suspects", *News* 23 May 2012, <http://www.nbs.ug/2012/05/23/dpp-now-files-appeal-against-11-buganda-riot-suspects/> (accessed 9 July 2012).

Buganda, was seen by Buganda as a deliberate onslaught on the Kabaka¹⁷. Interestingly, neither *The Cultural Leaders Bill* nor other harassment on Buganda significantly dulled Museveni's win in Buganda; claiming over 60% of total votes cast in Buganda¹⁸. An NRM party official boasted, "Buganda love their Kabaka, and they love their Museveni"¹⁹.

In northern Uganda, a region which had voted against Museveni since his first election in 1996, the end of violence and the government's Northern Uganda Recovery Program (NURP) possibly swung the vote in NRM's favour. *The Independent* newspaper had projected that the NRM would benefit from increased visibility in the north by opening up grassroots offices and programmes "preaching NRM peace and prosperity gospel"²⁰. In addition, the split of the northern vote between two presidential candidates from the north -Otunnu and Mao - was expected to affect the opposition in 2011 compared to previous elections. In 2006, Museveni garnered only 29.6 percent of the northern Uganda vote, although his NRM party won 18 of the 57 parliamentary seats in the northern region, compared to 16 by their closest rival FDC and 14 for the Independents, a number that was expected to rise²¹.

In 2011, Museveni won by 56.9% (polling his highest in Nakapiripirit district at 93%) losing only in Amuru (36.75%), Gulu (29.04%) and Nwoya (26.64%)²². Analysts attributed Museveni's win in northern Uganda to fear of a return to war by the population and intimidated by the huge military deployment in the region heading up to elections²³. Others claimed that *The Cultural Leaders Bill*, passed shortly before elections with Museveni's insistence, signalled his suppression of Buganda's historical dominance in Uganda politics, a rival constituency for northerners²⁴. Yet, the dismantling of Internally Displaced Persons (IDP) camps in northern Uganda could also have worked as a positive NRM strategy of breaking a previously effective rallying front for the opposition.

¹⁷ REPUBLIC OF UGANDA, *The Institution of Traditional or Cultural Leaders Bill*, see <http://www.ulii.org/ug/legislation/bill/2010/24>

¹⁸ It is important to note, however, that Buganda is now home to several groups from around the country, with some districts of Buruli, Nakasongola, Ssembabule and Kampala being resident to large non-Buganda.

¹⁹ BYARUHANGA, M., "Why Museveni won the 2011 election", *The New Vision*, Kampala, Opinion, 23 February 2011.

²⁰ MATSIKO, H., "Opposition faces defeat in 2011-study", Kampala, *The Independent*, 10 August 2010, <http://independent.co.ug/index.php/cover-story/cover-story/82-cover-story/3324-opposition-faces-defeat-in-2011-study> (accessed 14 July 2012).

²¹ *Ibid.*

²² See ELECTORAL COMMISSION, *Presidential Elections 2011 District Tally Sheet*, February 20 2011, http://www.ec.or.ug/Elec_results/2011_Pres_dis.pdf (accessed 11 March 2011).

²³ Personal Communication with Dr. Golooba Mutebi, former Senior Research Fellow, Makerere Institute of Social Research, 19 March 2012.

²⁴ Personal Communication with *Deepening Democracy Programme*, Kampala, 17 February 2011.

2.2. Parliamentary Elections

The 2011 Parliamentary elections took place on the same day as the presidential elections on 18 February 2011. About 1,270 candidates contested 238 direct parliament seats and 443 women contested district constituency seats reserved for women. There were also 25 seats for indirectly elected members of parliament: with five each for youth, workers and persons with disabilities, and ten for army representatives who are directly elected by Museveni as the army commander in chief²⁵. Overall, the number of parliamentary constituencies increased from 215 in 2006 to 238 due to an increase in administrative districts from 69 to 112 under the Local Government Act. The re-districting in Uganda is allegedly a political ploy by the ruling NRM government for rewarding political supporters and luring new ones with new districts²⁶. Sometimes, divisions are made to dilute and weaken opposition strong holds. Others have argued that the creation of new districts coupled with a bloated cabinet and huge bureaucracy around the Office of the President, are the main obstacles to Uganda's poverty eradication efforts, good governance, and attainment of economic transformation²⁷.

The 2011 parliamentary elections were the first time that political parties in Uganda held primaries to determine party candidates for the general constituency elections. Only the NRM (the largest political party) fielded candidates in all constituencies across the country, followed by the FDC²⁸ and DP. Eight other parties fielded candidates for parliamentary elections – UFA, PPP, PDP, JEEMA, CP, SDP, UPC and LDT (Liberal Democratic Transparency), in addition to Independent candidates. The majority of Independent candidates were either members of the NRM who felt they had lost out unfairly in their party primaries due to electoral malpractice and favouritism of their opponents by their party leaders or critics within the NRM who felt they stood a better chance standing as independents, especially in rural areas where political parties were not regarded favourably.

The 2011 elections were also held at the District and City levels. At the Kampala Mayoral elections on 23 February 2011, fights broke out at polling stations at Buganda Road Primary School, Bat Valley Primary School and National Theatre between supporters of lead contenders Elias

²⁵ See THE PARLIAMENT OF THE REPUBLIC OF UGANDA, "Composition of Parliament", http://www.parliament.go.ug/index.php?option=com_content&task=view&id=3&Itemid=4 (accessed 14 July 2012).

²⁶ For an analysis of these issues surrounding the creation of new districts see GREEN, E. D., "Patronage, District Creation and Reform in Uganda", *Studies in Comparative International Development*, Vol. 45, No. 1, 2010, pp. 83-103.

²⁷ LUMU, D. T., "Cabinet approves 20 new districts", *The Observer*, 11 July 2012 (posted by Daniel Tugume), <http://www.iuganda.ug/news/local/item/13550-cabinet-approves-20-new-districts.html> (accessed 14 July 2012).

²⁸ The FDC fielded the second largest candidates in the parliamentary elections across the entire country, and now has the second largest representation in the 9th Parliament of Uganda.

Lukwago (Democratic Party member but stood as an Independent), and National Resistance Movement Peter Semantimba, accusing the latter of electoral fraud, rigging and ballot stuffing. The Electoral Commission was also implicated in the accusations for its failure to punish those implicated in the electoral fraud. Consequently, the Electoral Commission postponed the Kampala Mayoral Elections citing irregularities in the voting process²⁹. Several mayoral candidates threatened to withdraw from the race if the electoral commission did not ensure free and fair elections³⁰. When the elections were held the following month, Eric Lukwago, an independent candidate won with 64.41% of the votes, beating Peter Ssematimba who received 33.43%³¹.

2.3. Post-Elections

The securitisation of public space that started during election time continued into the post-election period. The anticipated disruptive public demonstrations against the electoral outcome, particularly within Kampala which is an opposition stronghold, did not occur. On the contrary, the situation was calm with the public going about their daily life, except for some opposition supporters.

Opposition party presidents –especially Olara Otunnu (UPC), Kiiza Besigye Kifefe (FDC) and Nobert Mao (DP) rejected the election results as rigged and denounced the EC as biased in favour of the incumbent Yoweri Museveni and the NRM party³². The FDC complained that their tally centre was ‘hacked into’ and dismantled by the Uganda Communication Commission to deter them from collecting and recording election results as they came in from their election observers/agents³³.

Opposition parties called for demonstrations dubbed “Walk-to-Work” to protest against a stolen election and huge election spending amidst high fuel and commodity cost. Although peaceful, they turned violent and

²⁹ KIGGUNDU, E., “Kampala mayoral elections suspended.” *The Observer*, Kampala, News, 23 February 2011, http://www.observer.ug/index.php?option=com_content&view=article&id=12263 (accessed 12 July 2012).

³⁰ “Kampala Mayoral Candidates Threaten To Withdraw From Race”, <http://www.ugpulse.com/uganda-news/government/kampala-mayoral-candidates-threaten-to-withdraw-from-race/18337.aspx> (accessed 14 July 2012).

³¹ “Uganda: Lukwago Holds Early Lead in Kampala Mayoral Race”, *The New Vision*, Kampala, 14 March 2011; KAGOLO, F., OGWANG, P., “Lukwago is Lord Mayor”, *The New Vision*, Kampala, 14 March 2011.

³² “IPC Rejects 2011 Elections. Uganda Election Marred by violence, electoral malpractices”, *Ugandansatheart*, 20 February 2011, <http://ugandansatheart.org/2011/02/20/ipc-rejects-2011-elections-uganda-election-marred-by-violence-electoral-malpractices/> (accessed 31 May 2012).

³³ Personal communication with the Director of FDC Party Secretariat at the Party Headquarters in Najjanankumbi, February 2011; see MAGULU, M., “FDC calls for MTN boycott”, Kampala, *The Observer*, 27 March 2011, http://www.observer.ug/index.php?option=com_content&task=view&id=12729&itemid=59 (accessed 14 July 2012).

bloody several times when police used tear gas to disperse crowds, fired live bullets and brutally arrested opposition party leaders.

On April 28, 2012, a plain clothed security operative Gilbert Arinaitwe was caught on TV smashing Besigye's car window with a hammer and pepper-spraying him to near blindness. Besigye was then dragged out of the car and bundled onto a waiting police pickup truck before being whisked off³⁴. He later left for Nairobi to seek medical treatment for his eyes, but only after a standoff with government authorities over whether he was allowed to travel outside the country. Incidentally, his return coincided with the day of President Museveni's swearing in ceremony, causing more bloodshed by security forces blocking people who had lined the streets of Entebbe to welcome him back into the country.

3. THE POLITICAL ECONOMY OF GROWTH AND CORRUPTION

At election time, African political parties are not supported for their specific ideological manifestos. More likely is the personalisation of politics where people vote for a particular candidate because of a personal connection to them. As will be discussed, an enormous amount of money was dispensed during the run up to the election, and the election itself. It could be argued that some of Uganda's economic woes are connected to the economic typology of the country, coupled with its history and land-locked position, but as the following section will demonstrate, there is evidence that the economic costs encountered in 2011, were also connected to the operations of the government vis-a-vis the national treasury, in terms of defence spending, election and presidential swearing budget, and facilitation of state house, the executive and legislature. The last few years in Uganda have also been categorised by the new oil programme. For years natural resources generating large foreign currency have been the reserve of other countries, but now, there is the potential for mass oil exploration in western Uganda as oil reserves, estimated to have an extraction capacity of 20-30 years, have been discovered.

3.1. Collapse of the shilling and unregulated money flows

The year 2011 registered the highest inflation rate in Uganda since the inflation rose to 30.82% in 1992. In January 2011, inflation was at 5%³⁵,

³⁴ BOGERE, H., KIGAMBO, G., "Besigye flown to Nairobi for more treatment", *The Observer*, Kampala, News, 20 April 2012, http://www.observer.ug/index.php?option=com_content&task=view&id=13206&Itemid=59 (accessed 31 May 2012).

³⁵ YOUNG, R., "Rapidly rising inflation hits Ugandans hard", *BBC Business News*, 31 October 2011 (downloaded from <http://www.bbc.co.uk/news/business-15524393?print=true>).

but by September 2011 it had accelerated to 28.3%³⁶. In the two months from July to September alone, inflation rose by 10%. This increase in inflation was not unique to Uganda, but the level of inflation was particularly high by comparison to other countries. Among its East African neighbours, Uganda had the highest inflation rate of 21.4% in August 2011, about 4.7% higher than Kenya at 16.67%. The rise in inflation was a combination of several factors, particularly the rise in fuel and food prices, high import dependence, and severe currency depreciation. At the beginning of 2011, the shilling lost 25% of its value against the US dollar with an exchange rate of UGX 2325, further declining to UGX 2901 by September 2011, while the consumer price index (CPI) rose by 2.6%, and food inflation rose from 40.7% in July to 42.9% in September 2011³⁷.

Significant as well was the transfer of national resources to areas of political priority during 2011. In March 2011 it emerged that President Museveni had instructed the ministries of finance and defence to withdraw USD 740 million from the central bank to buy six fighter jets from Russia without parliamentary approval³⁸. The opposition also alleged that by spending 85% of the 2010/2011 national budget by December 2010, the ruling NRM government had used public money to fund its party election campaign³⁹. In fact the incumbent Yoweri Museveni's election campaign alone cost over UGX 400 billion⁴⁰. Another expenditure (mentioned above) was the UGX 20 million from state coffers deposited on the accounts of each Member of Parliament during 2011 election campaigns, allegedly to facilitate "monitoring government programs in their constituencies"⁴¹.

Thus, the excessive unregulated withdrawals from the national treasury and speculative spending from projected oil revenues accounted for the economic woes and high inflation of 2011, amidst inadequate export earnings and low domestic savings. The prudent monetary and fiscal practices and increased in-flow of foreign exchange through FDI, donor aid and remittances from abroad that had supported the impressive economic growth and

³⁶ "Ugandan inflation rate surges to 28.3 pct in Sept", *Reuters*, Kampala, 30 September 2011. By December 2011 inflation had decreased slightly to 27% (see "Uganda 2012 GDP growth likely to slow – IMF", Kampala, *The New Vision*, 25 January 2012).

³⁷ KULABAKO, F., KALUNGI, N., "Inflation hits 21.4%", Kampala, *Daily Monitor*, Front Page, 1 September, 2011.

³⁸ "How Museveni convinced MPs on fighter jets", Kampala, *The Observer*, 7 April 2011, http://www.observer.ug/index.php?option=com_content&task=view&id=12887&Itemid=59.

³⁹ "Museveni's Win in the 2011 Elections: What does it mean for Uganda's Politics?" Ugpulse <http://www.ugpulse.com/government/museveni-s-win-in-the-2011-elections-what-does-it-mean-for-uganda-s-politics/1208/ug.aspx> (accessed 31 May 2012).

⁴⁰ Writing for *The Independent*, Kampala on 3 March 2011, Charles Onyango-Obbo noted that at UGX400 billion, Museveni spent nearly half of what US President Obama spent on his 2008 presidential bid, a figure significant for a country whose GDP is USD 15 billion in contrast to American GDP at USD 14 trillion.

⁴¹ "Civil society, Police clash over MPs' Shs 20m 'bribe'", *The Observer*, Kampala, 10 February 2011.

curbed inflation throughout the 1990s to early 2000s⁴² were not followed in the government's political-economic activities of 2011. However, it is presumed that the new oil sector will propel money into the economy once production starts.

3.2. Growth, oil production and trade

For decades, Uganda has had limited options for economic growth, relying on a few primary export crops, predominantly coffee, to raise foreign capital. The diversification of exports to include non-traditional exports like fish, flowers and vegetables has boosted net export earnings over the years. In 2010, export earnings accounted for 46% of foreign receipts, although due to the higher import receipts and deteriorating balance of payments from USD 1.6 billion in 2009 to USD 2.1 billion in 2010, trade balance was in deficit⁴³.

In recent years, economic growth had reduced from 8.3% to 5.5%⁴⁴, and rose marginally from 5.8% to 6% between 2010 and 2011⁴⁵. The government projects that oil and gas exploration will substantially assist Uganda's growth rate. Furthermore, under the National Development Plan (NDP), Uganda sets a number of targets connected to economic growth indicators. The NDP is a five-year plan, started in 2010, which aims to push Uganda towards being a middle-income country. Its mission is "a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years"⁴⁶.

During most of the 2000s, the majority of foreign money came into Uganda through foreign aid: between 2000 and 2008 bilateral and multilateral agencies donated over USD 10 billion⁴⁷. However, foreign aid has declined as domestic revenue generation increased steadily from UGX 5,114 billion in 1991 (USD 3,288,750) to UGX 180 billion (USD 78,843,600)⁴⁸ by

⁴² KASEKENDE, L. *et al.*, "The African growth experience Uganda country case study", New York, African Economic Research Consortium, Working Paper 8, 2004.

⁴³ UGANDA INVESTMENT AUTHORITY, *Investment Profile, 1991-2010, Internally Generated Data*, Kampala, UIA ICT Department, September 2011 (on file with author).

⁴⁴ CANDIA, S., "Uganda's economic growth rate set to double – Museveni", *The New Vision*, Kampala, 11 November 2011, <http://www.newvision.co.ug/news/29937-uganda-s-economic-growth-set-to-double-museveni.html> (accessed 14 July 2012).

⁴⁵ JUUKO, S., "Uganda's economy to grow 6% in 2011", Kampala, *The New Vision*, 7 October 2011, <http://newvisionuganda.info/PA/8/220/734370> (accessed 14 July 2012).

⁴⁶ REPUBLIC OF UGANDA, *National Development Plan 2010/11-2014/5*, Kampala, 2010, <http://npa.ug/docs/NDP2.pdf>.

⁴⁷ WORLD BANK, "Uganda Country Data", *World Bank Development Indicators Database*, 2011, www.data.worldbank.org.

⁴⁸ Currency conversion at <http://www.oanda.com/currency/converter/>.

the end of 2010⁴⁹. Going forward, government plans to increase investment in the oil industry as a major source of revenue for national development⁵⁰.

The most recent figures from Uganda Revenue Authority show that the highest planned investments over USD 445 million are in electricity, gas and water, reflecting the recent oil discovery in the Albertine region⁵¹. Once oil wells start pumping, government officials speculate to earn 2 billion a year that would propel the country into middle-income status by 2017⁵². Uganda's income from oil could potentially equate to 70% of the current budget⁵³.

Rather than export crude oil, Uganda intends to refine the oil, and export it directly to neighbouring countries. For centuries, African countries have produced raw materials, and exported them elsewhere for production (for example, cotton from Benin, cashew nuts from Mozambique, peanuts from Senegal, tobacco from Malawi). This has largely been due to not having the necessary production capacity, and consequently, larger profits come through the production of a product rather than its extraction in crude form. To maximise the profit from oil, Uganda intends to build an oil refinery. But first, it must decide which multinational companies it will engage with to extrapolate its oil deposits. At present, Tullow Oil is the company chosen by the government, but others are likely to come on board. Tullow Oil is due to start oil production in 2012⁵⁴. Therefore, there is not much time for the government of Uganda to get its oil administrative processes in order, particularly if it wishes to avoid corruption and personal gain— if indeed, it actually wishes to do this.

Yet corruption, misuse of public revenue and secrecy in oil contracting agreements already threaten to undermine benefits from the emerging oil sector. In 2011, the ninth parliament suspended continued oil exploration over allegations that key government ministers received bribes to privilege oil companies and facilitate the sale of assets. A rare bi-partisan parliamentary coalition, spearheaded by Gerald Karuhanga, Youth MP for Western Uganda forced Foreign Affairs Minister Sam Kutesa, Minister of State for Labour Mwesigwa Rukutana, and Government Chief Whip John Nasasira to

⁴⁹ REPUBLIC OF UGANDA, *op. cit.*

⁵⁰ *Ibid.*

⁵¹ MINISTER OF FINANCE, *UIA's Performance in the Financial Year 2010/2011*, Press Briefing by Hon. Aston Kajara, Minister of Finance, Planning and Economic Development, 30 June 2011.

⁵² REPUBLIC OF UGANDA, *op. cit.*; MCCONNELL, T., "Uganda's new oil will have far-reaching effects", *Global Post*, 18 February 2011. www.globalpost.com (downloaded on 22 May 2012).

⁵³ "WILLIAMS, H., "Fresh calls for transparency on Ugandan oil", *The Guardian*, London, 21 March 2012. According to this report, "the "oil sector is expected to generate more than \$2bn annually – equivalent to 70% of the country's current GDP – once commercial production begins in three to five years."

⁵⁴ "Uganda 2012 GDP growth likely to slow – IMF", Kampala, *The New Vision*, 25 January 2012.

step down, and compelled President Yoweri Museveni to address the nation on the controversy. While Tullow Oil, the company implicated in the bribery scandal denied allegations, the political careers of the Minister of Internal Affairs, Hilary Onek and Prime Minister Amama Mbabazi were haunted by circulating documents and WikiLeaks cables that implied they might have taken bribes from oil companies⁵⁵.

The major concern is to prevent Uganda from a 'resource curse' entrapment, a term popularised by economist Paul Collier, highlighting the potential for resource rich countries to be embroiled in conflict. In *Why Nations Fail: The Origins of Power, Prosperity and Poverty*, Acemoglu & Robinson (2012) argue that those with power make choices that create, not wealth, but poverty, and get it wrong not by mistake but on purpose⁵⁶. It is tempting to conclude that President Museveni's actions vis-a-vis the oil sector are against the people's aspirations for peaceful development. First, in April 2011, President Museveni justified his order to purchase the USD 740 million fighter jets (mentioned above) as necessary to protect Uganda's oil sector from enemies across the border and in-country political opposition groups⁵⁷. Then, when the ninth parliament had put a moratorium on further transactions in the oil sector, pending investigations of oil bribery claims, President Museveni went ahead and secretly signed new oil deals between the Uganda government and Tullow for USD 2.9 billion and USD 472 million, amidst cases of a court injunction in Uganda, a parliament moratorium on further oil deals, and cases in international courts⁵⁸.

Another aspect of trade that has developed in recent years has been Uganda's increased links to Southern Sudan. Following the 2005 Comprehensive Peace Agreement between the Government of Sudan and the Sudan People's Liberation Army (SPLA) and the 2006 Juba Peace Agreement between the Government of Uganda and the Lord's Resistance Army (LRA), Southern Sudan became a hub for trade as commodities and basics necessities were transported by road from Uganda into Sudan. The market in Southern Sudan is particularly strong, in some part because it is such a blank canvass, though this could be seen as somewhat surprising given that the new country is emerging after years of conflict. It has been calculated that the trade between Uganda and Sudan, both formal and informal has increased from USD 60 million to USD 635 million in the three years between 2005

⁵⁵ MUHUMUZA, R., "Ugandan Parliament Blocks Foreign Oil Deals Amid Corruption Controversy", *Think African Press*, 14 October 2011, <http://thinkafricapress.com/uganda/parliament-blocks-foreign-oil-deals> (accessed 31 May 2012)

⁵⁶ ACEMOGLU, D., ROBINSON, J., *Why Nations Fail: The Origins of Power, Prosperity and Poverty*, New York, Crown Business, 2012.

⁵⁷ "How Museveni convinced MPs on fighter jets.", Kampala, *The Observer*, 7 April 2011, http://www.observer.ug/index.php?option=com_content&task=view&id=12887&Itemid=59.

⁵⁸ MATSIKO, H., "Tullow Trouble." *The Independent*, Kampala, 10 February, 2012. Cover story <http://www.independent.co.ug/cover-story/5212-tullow-trouble>.

and 2008⁵⁹. Uganda's main export market is Southern Sudan, and in 2009, Southern Sudan imported commodities and food to the value of USD 184.6 million⁶⁰. In such a new and emerging country, an estimated 60,000 Ugandans have to take advantage of the propensity to do business in Southern Sudan⁶¹. This opportunistic trading is not new, and is similar to the trade relations between Uganda and eastern Congo which developed following the Congo Wars in the late 1990s, when large numbers of high ranking Ugandan political figures and army officials began trading with the region⁶². The high demand for goods in Sudan meant that higher profits could be made trading in Sudan than in Uganda. For example, in early 2011, a bunch of bananas costing 7,000/= in Uganda, could sell in Southern Sudan for more than four times that price – even taking transportation costs and tax into account⁶³. The high demand for goods in Southern Sudan not only caused increased prices in Sudan, but also in Uganda from where food and commodity supplies were diverted⁶⁴.

3.3. Livelihood struggles for the majority of the population

In 2011 Uganda witnessed rapid increases in the price of food. This rise was not unique to Uganda – since 2008, the global price of food has increased exponentially. Furthermore, as a land-locked country, Uganda is reliant on consumer goods imported into Mombasa and transported by road to Uganda, thus increasing prices. What was significant was the extent of the price hikes in such a short period. In October 2011, the Uganda Bureau of Statistics (UBOS) calculated that in the past year alone, prices in general had increased by 30% and food prices by 45%⁶⁵. Whilst there are those, such as Bank of Uganda governor, Emmanuel Tumusiime-Mutebile, who attributed rapid price hikes on the global financial situation and “drought in east Afri-

⁵⁹ YOSHINO, Y., NGUNGU, G., ASEBE, E., “Enhancing the recent growth of cross-border trade between South Sudan and Uganda”, in BRENTON, L., ISIK, G. (eds.), *De-fragmenting Africa: Deepening regional trade integration in Goods and Services*, Washington, The World Bank, 2012, p. 43.

⁶⁰ “Uganda can reap big trade from trade with Sudan”, Kampala, *The New Vision*, 18 July 2011.

⁶¹ KRON, J., “As it emerges as a Nation, South Sudan extends the cloud of its neighbor Uganda”, New York, *The New York Times*, 6 July 2011.

⁶² See CLARK, J. F., “Explaining Ugandan intervention in Congo: evidence and interpretation”, *The Journal of Modern African Studies*, Vol. 39, No. 2, 2001, pp. 261-287. This included Museveni's brother Salim Saleh.

⁶³ WOMAKUYU, F., “Locals earning big from trade with Southern Sudan”, *The New Vision*, Kampala, 7 February 2011. Taking into account the transport and taxation costs, traders can earn substantially more by trading with Southern Sudan compared to trading locally in Uganda.

⁶⁴ For a comparison of food prices in northern, central and western Uganda and Southern Sudan see YOSHINO, Y., NGUNGU, G., ASEBE, E., *op. cit.*, p. 46.

⁶⁵ YOUNG, R., “Rapidly rising inflation hits Ugandans hard”, *BBC Business News*, 31 October 2011 (downloaded from <http://www.bbc.co.uk/news/business-15524393?print=true>).

ca”, others such as Makerere University Professor Augustus Nuwagaba blamed the government. According to Nuwagaba, “The impact should have been the same in all the countries in the same ecological zone, implying there is definitely another internal reason.” For this he believed that “The [internal] reason is management of fiscal policy, especially during the elections when a lot of money was spent.”⁶⁶

The price of sugar was particularly striking as increased demand and limited supply caused substantial price hikes. Between April and September 2011, 1kg of sugar rose from 2,600 shillings to nearly 8,000 shillings⁶⁷. To deal with the huge rise in sugar prices, and a limited import market due to high taxation⁶⁸, the government allowed companies to import up to 25,000 tons of sugar tax-free⁶⁹. The government initiative began in September, but even two months later, the zero tax on imports that was allowed for selected companies had not caused a reduction in Ugandan sugar prices. Even after the import of sugar, the price remained high as some merchants benefited from maintaining the inflated price⁷⁰. For example, Kakira Sugar were “given rights to import sugar under a Government-crafted temporary arrangement was by last weekend selling a 50kg bag of locally produced sugar at sh 140,000 while the imported one went for sh. 223,000.”⁷¹ According to one report, “Kakira, which is Uganda’s largest sugar producing company accounting for almost a half of all output, has seen its production fall by about 40% due to the insufficient supply of sugarcane.”⁷² By March 2012, the price of sugar in local markets had reduced to 2,800 shillings per 1kg (which merchants were buying for 2,600 shillings per 1kg), only slightly higher than its cost prior to the price hikes⁷³.

4. CONCLUSION

The political events of 2011 illustrate a number of points: The incumbent NRM, handed another five-year mandate, should deliver on its promises, particularly the fight against corruption that should start in-house. For instance, the NRM should provide accountability for its source of party financing to defray public fears that it is using tax payer’s money to finance

⁶⁶ Quoted *ibid*.

⁶⁷ “Sugar prices stay high in Uganda”, Dar es Salaam, *The Citizen*, 19 September 2010.

⁶⁸ In Uganda, import tax on sugar is at 100% in order to protect local production.

⁶⁹ MUSINGO, D., “Sugar imports trigger price confusion”, Kampala, *The New Vision*, 22 September 2011.

⁷⁰ AHUMUZA, F., “State sugar prices remain high”, Kampala, *East African Business Week*, 13 November 2011. The tax concessions made little difference to sugar price because it took a long time to get the sugar imports; and regional demand was high because of bad harvests and droughts.

⁷¹ MUSINGO, D., “Sugar imports trigger price confusion”, *The New Vision*, 22 September 2011.

⁷² *Ibid*.

⁷³ “Sugar prices fall further”, Kampala, *The New Vision*, 2 March 2012.

its private party activities. The NRM should also stop using public resources, such as security organs and government vehicles in contravention of the Presidential Act, 2005. Suppression of opposition political space and the remilitarisation of public life, an increasing feature of the NRM governance system should cease, to allow people express themselves freely and demand for a true democracy. Through manipulative legislative and judicial processes, the NRM is undermining efforts begun in 1995 to build constitutionalism and a parliamentary democracy. Taking advantage of its majority representation in parliament, President Museveni bribed NRM party members to pass controversial laws unlawfully, such as the law to remove presidential term limits in 2005⁷⁴ and *The Institutions of Cultural and other Traditional Leaders Bill* in 2011 that passed without the required quorum. It still remains to be seen whether the NRM will deliver on its campaign promises this time, which in the past have always ended as soon as elections are over.

Except for the incumbent NRM, political parties in Uganda seem to exist for elections, die once they end and resurface around the next election. They spend little time mobilising at the grassroots, selling their agenda beyond the main capital and building their financial base. They should refocus their energies on building a grassroots base, articulating their message to every Ugandan and extricate themselves from the crimes of the pre-1986 political process committed by government officials and organs in their names.

It is true that political parties try to exert pressure for change on the government using public demonstrations, courts of law and media amidst tight control and suppression by the state and security organs. However, their efforts would benefit more from inter-party planning and mobilising the public, without seemingly worried that that would diminish their individual party features. Yet they could also articulate to the public that, whereas they have a shared goal of building a people's democracy and holding government accountable to the electorate, they do not always have to act in unison, and not doing so should not be interpreted as political bickering, divisions or immaturity. Still, there are elements of the electoral process in Uganda that opposition political parties cannot control, which need to be rectified if the ground is ever going to be levelled.

The level of electoral malpractice during campaigns continued into the actual elections with ballot stuffing, intimidation of voters and absence of registered voters' names on EC registers. Whereas there is no law which bars political parties from establishing tally centres to record their scores, both President Museveni and EC Chair Badru Kiggundu threatened to arrest anyone who declared own results, following FDC's announcement that it

⁷⁴ During debates in the 7th Parliament to remove the constitutional term limits in 2005, Lwemiyaga MP Theodore Ssekikubo revealed that each pro-Movement MP had been offered Shs 5m (the equivalent then of USD 2,882.97 at oanda.com) from their party as inducement to support the amendment.

would set up an independent tally centre. In fact, FDC officials claimed that their tally centre was subverted by the Uganda Communication Commission (UCC) to stop results coming in from across the country during the vote count.

The government of Uganda is placing too much optimism on the impact that oil and gas exploration will have on the economic development of Uganda. In 2011, President Museveni projected that Uganda's growth rate would double as a result⁷⁵. But all Uganda's economic problems cannot be solved by the discovery of oil. Uganda is predominantly a rural economy where the majority of its population are engaged in subsistence farming. Oil exploration will not affect them unless huge amounts of oil revenue are used for public expenditure, and this seems unlikely. One of the major challenges for Uganda is to operate the oil industry with stringent management of the oil industry, and to use the gains in export earnings and tax revenue to the advantage of the Ugandan economy, and social provision for ordinary Ugandans. Further down the supply chain is the challenge of ensuring that local people affected by the oil exploration are not disenfranchised. If one examines, for example, the case of Chad, and the more long-term case of Nigeria, it is clear that local populations have suffered greatly from the production of oil, rather than benefiting from it⁷⁶.

Antwerp, July 2012

⁷⁵ CANDIA, S., "Uganda's economic growth rate set to double – Museveni", Kampala, *The New Vision*, 11 November 2011.

⁷⁶ For example, see ALBERT, M., "Chad: A country in crisis", *World Policy Journal*, Vol. Fall 2008.