HUMBOLDT-UNIVERSITÄT ZU BERLIN
Faculty of Agriculture and Horticulture

RURAL SERVICES AND POVERTY ALLEVIATION IN UGANDA

Master thesis in the study program: Integrated Natural Resource Management (INRM)

Submitted by: Kwapong Nana Afranaa

Supervisor: Prof. Dr. Markus Hanisch
Division of Cooperative Sciences

Berlin, 10th September 2008
# TABLE OF CONTENTS

- List of Figures vi
- List of Tables vi
- List of Boxes vi
- List of Abbreviations vii
- Acknowledgement ix
- Abstract x

## Chapter One: Introduction .................................................................1
  1.1 Background .................................................................1
  1.2 Problem statement...........................................................2
  1.3 Research Objectives........................................................3
  1.4 Research questions and hypothesis.......................................3
  1.5 Contribution of Research to RSP Project ............................3
  1.6 Structure of the Research ..................................................4

## Chapter Two: Literature Review ................................................................5
  2.1 Development – a global concern .........................................5
  2.2 Understanding Poverty ......................................................7
  2.3 Defining poverty...............................................................7
    - 2.3.1 Resource Based View ..............................................8
    - 2.3.2 A Capability View .................................................8
    - 2.3.3 A World Bank View .............................................9
    - 2.3.4 OECD View ......................................................10
  2.4 Causes of poverty .............................................................11
    - 2.4.1 Lack of income and assets to attain basic necessities ..........12
    - 2.4.2 Voicelessness and powerlessness ................................12
    - 2.4.3 Vulnerability to adverse shocks, linked to an inability to cope with them ....13
  2.5 Instruments for Poverty Reduction .........................................14
    - 2.5.1 Basic social services for human development .................14
    - 2.5.2 Facilitating Empowerment .....................................15
    - 2.5.3 Enhancing Security .............................................15
  2.6 Theorizing Service Provision Problems ...................................16
    - 2.6.1 Nature of Public goods ........................................16
4.2.4 Instruments for Field Survey .................................................................60
4.2.5 Secondary Data Sources .................................................................60
4.3 Limitation of Field Survey .................................................................60

Chapter Five: Case Studies ........................................................................62
5.0 Applying the IAD Framework to Case Studies .................................62
5.1 Case 1: Using the IAD Framework to Study Access to Rural Services and Poverty outcomes in Kachooso Village ..................................................63
  5.1.1 Introduction: Kachooso Village .........................................................63
  5.1.2 The Action Arena: Actors and Action Situation ...............................64
  5.1.3 Institutional factors influencing the action situation .......................65
  5.1.4 Attributes of Community influencing the Action Arena ....................67
  5.1.5 Physical/Material Conditions Influencing the Action Arena ..........69
  5.1.6 Pattern of Interaction .....................................................................70
  5.1.7 Evaluative Criteria .........................................................................71
  5.1.8 Outcomes and Classification of Village: “Emerging Civil Community” ....72

5.2 Case 2: Using the IAD Framework to Study Access to Rural Services and Poverty outcomes in Otang Village ..................................................74
  5.2.1 Introduction: Otang Village .............................................................74
  5.2.2 The Action Arena: Actors and Action Situation ...............................74
  5.2.3 Institutional factors influencing the action situation .......................76
  5.2.4 Attributes of Community influencing the Action Arena ....................77
  5.2.5 Physical/Material Conditions Influencing the Action Arena ..........79
  5.2.6 Pattern of Interaction .....................................................................80
  5.2.7 Evaluative Criteria .........................................................................81
  5.2.8 Outcomes and Classification of Village: “Conflict Trapped Community” ....81

5.3 Case 3: Using the IAD Framework to Study Access to Rural Services and Poverty outcomes in Agiret Village ..................................................83
  5.3.1 Introduction: Agiret Village .............................................................83
  5.3.2 The Action Arena: Actors and Action Situation ...............................83
  5.3.3 Institutional factors influencing the action situation .......................84
  5.3.4 Attributes of Community influencing the Action Arena ....................85
5.3.5 Physical/Material Conditions Influencing the Action Arena ..........................87
5.3.6 Pattern of Interaction ..................................................................................87
5.3.7 Evaluative Criteria.......................................................................................88
5.3.8 Outcomes and Classification of Village: “Enterprising Community”..........89

5.4 Case 4: Using the IAD Framework to Study Access to Rural Services and Poverty outcomes in Katuugo Village .........................................................90
5.4.1 Introduction: Katuugo Village ...................................................................90
5.4.2 The Action Arena: Actors and Action Situation .........................................91
5.4.3 Institutional factors influencing the action situation .................................92
5.4.4 Attributes of Community influencing the Action Arena ...........................93
5.4.5 Physical/Material Conditions Influencing the Action Arena .................94
5.4.6 Pattern of Interaction ................................................................................95
5.4.7 Evaluative Criteria......................................................................................96
5.4.8 Outcomes and Classification of Village: “Resource Insecurity Community” ..96

5.5 Service Outcomes in the Villages ..................................................................98
5.6 Summary ........................................................................................................101

Chapter Six: Conclusions and Recommendations .............................................103
6.1 Summary of findings .....................................................................................103
6.1.1 Introduction ...............................................................................................103
6.1.2 Theoretical Literature Review ..................................................................103
6.1.4 Methodology ............................................................................................104
6.1.5 Description of Case Village Types ............................................................105
6.2 Recommendations for four case villages ....................................................105
6.3 Implication for Policy ...................................................................................107
6.4 Implication for further research ...................................................................109
6.5 Criticism of Research Approach ..................................................................110

Declaration  111
References  112
### List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMZ</td>
<td>German Federal Ministry for Economic Cooperation and Development</td>
</tr>
<tr>
<td>CAO</td>
<td>Chief Administrative Officer</td>
</tr>
<tr>
<td>CIA</td>
<td>Central Intelligence Agency</td>
</tr>
<tr>
<td>DAC</td>
<td>Development Assistance Committee</td>
</tr>
<tr>
<td>DWD</td>
<td>Directorate of Water Development</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>HIPC</td>
<td>Highly Indebted Poor Countries</td>
</tr>
<tr>
<td>IAD</td>
<td>Institutional Analysis and Development Framework</td>
</tr>
<tr>
<td>IFPRI</td>
<td>International Food Policy and Research Institute</td>
</tr>
<tr>
<td>ILRI</td>
<td>International Livestock Research Institute</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>LC</td>
<td>Local Council</td>
</tr>
<tr>
<td>LG</td>
<td>Local Government</td>
</tr>
<tr>
<td>MAAIF</td>
<td>Minister of Agriculture, Animal Industry and Fisheries</td>
</tr>
<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>MFI</td>
<td>Microfinance Institutions</td>
</tr>
<tr>
<td>MFPED</td>
<td>Ministry of Finance, Planning and Economic Development</td>
</tr>
<tr>
<td>MOH</td>
<td>Ministry of Health</td>
</tr>
<tr>
<td>NAADS</td>
<td>National Agricultural Advisory Service</td>
</tr>
<tr>
<td>NWSC</td>
<td>National Water and Sewerage Corporation</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
</tr>
<tr>
<td>NHS</td>
<td>National Household Survey</td>
</tr>
<tr>
<td>NRA</td>
<td>National Resistance Army</td>
</tr>
<tr>
<td>NUSAF</td>
<td>Northern Uganda Social Action Fund</td>
</tr>
<tr>
<td>NWSC</td>
<td>National Water and Sewerage Corporation</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PAF</td>
<td>Poverty Action Fund</td>
</tr>
<tr>
<td>PEAP</td>
<td>Poverty Eradication Action Plan</td>
</tr>
<tr>
<td>PMA</td>
<td>Modernization of Agriculture</td>
</tr>
<tr>
<td>PTA</td>
<td>Parent Teacher Association</td>
</tr>
<tr>
<td>RC</td>
<td>Resistance Council/Committee</td>
</tr>
<tr>
<td>SACCOS</td>
<td>Savings, Credit and Cooperative Organizations</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Name</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>SOCCADIDO</td>
<td>Soroti Catholic Diocese Integrated Development Organization</td>
</tr>
<tr>
<td>TAC</td>
<td>Teso Anti-Corruption Coalition</td>
</tr>
<tr>
<td>UCB</td>
<td>Ugandan Commercial Bank</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>UNICEF</td>
<td>United Nations International Children’s Emergency Fund</td>
</tr>
<tr>
<td>UPE</td>
<td>Universal Primary Education</td>
</tr>
<tr>
<td>UPPAP</td>
<td>Uganda Participatory Poverty Assessment Project</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>USE</td>
<td>Universal Secondary Education</td>
</tr>
<tr>
<td>VEDCO</td>
<td>Volunteer Efforts for Development Concern’s</td>
</tr>
<tr>
<td>WDR</td>
<td>World Development Report</td>
</tr>
<tr>
<td>WFP</td>
<td>World Food Program</td>
</tr>
</tbody>
</table>
Acknowledgements

This research was conducted within the Project “Making Rural Services Work for the Poor: The Role of Rural Institutions and their Governance for Agriculture-Led Development” which is jointly coordinated by the International Food Policy Research Institute, Washington D.C, USA, and Humboldt University Berlin, Germany financed by the German Federal Ministry for Economic Cooperation and Development (BMZ). I will like to appreciate the effort of all the researchers from IFPRI and Humboldt University who came up with this important research project.

I wish to express my gratitude and appreciation to the following persons who helped in various ways to this research: To my supervisor Prof. Dr. Markus Hanisch, many thanks for your constant support, guidance and motivation throughout the writing of the thesis. Prof. Dr. Dr. h.c. Harald von Witzke, I appreciate your time and effort and very useful comments on my work.

To Todd Benson, Ephraim Nkonya, Prof. Bashaasha, special thanks for your counselling and support during my field study in Uganda. I will like to appreciate John Ilukor for his time and tremendous support during the case studies in the Kumi, Soroti and Lira District. To Julius Twinamidase thanks for helping me out in the case study in Nakasongola district.

To all my interview partners in the various districts, I am grateful for your time and for the information you shared with me. To my four village member and their local leaders thank you all for making time for the focus group discussions and household interviews.

To all my friends, thanks for your prayers, counselling and concern. I will like to appreciate Adarkwah family, Coffie Family, Mensah Family, Okae Family, Dennis Awitty, Francis Obeng, Simeon, Liza, Guilia, Chief, Richard, Gabby, Abigail and all my friends who supported in one way or the other.

To my family, Dad and Mum thanks for giving me the opportunity to be educated. I owe this work to you. Thanks for your love and support. To all my siblings, thanks for your care and support. To my love Richmond Asante, thanks for giving me a shoulder to lean on during difficult times.

What shall I say unto the Lord all I got to say is thank you Jesus. For how far you have brought me Lord I am truly grateful.
Abstract

This study analyses the interplay between local conditions, provided services and poverty outcomes in four different villages in Uganda. The study considers what it takes to make rural services work under particular local conditions, considering also the mechanisms by which services may contribute to poverty alleviation.

The study begins with a theoretical review of development studies, poverty, public services and decentralization, followed by Ugandan country context review on poverty and rural services. Quantitative and qualitative methodological approaches are used for investigating four case villages are described. The IAD framework is used to categorize and analyze the qualitative case studies. Four categories of case villages with differing local conditions and accessibility to rural services are classified.

The study finds that: a) different local conditions may determine the success of rural services provided in reducing poverty. b) By means of a decentralized provision of many different rural services that match local preferences, poverty may be reduced. c) Good local governance facilitates service provision and hence reduces poverty. d) Where provided services represent the preferences of the beneficiaries, poverty may be reduced. e) Access to a particular combination of rural services (complementary services) may result in poverty reduction. f) Where there is a cooperate production of the rural service, a sense of ownership and responsibility is created and such services may be effective in reducing poverty.

The study concludes with suggestions on implication for further research.
Chapter One: Introduction

1.1 Background
A real challenge to development is that, there is a group of countries that are falling behind and often failing. Most of these poor, numbering over a billion are in Africa and Central Asia (Collier 2007:3). Poverty, a multidimensional phenomenon is a result of their underdevelopment. Causes attributed mainly to a lack of income and assets to attain basic necessities such as food, clothing, acceptable levels of education and health. Also voicelessness, powerlessness and vulnerability to adverse shocks linked to an inability to cope with them (World Bank 2001: 16 - 19).

How to alleviate the suffering of the not so fortunate trapped in poverty has been of concern to world leaders. In the year 2000, global strategies on human development were developed by setting the Millennium Development Goals. Provision of basic social services such as education, health care services, safe water, transportation, security and facilitating empowerment was seen as a possible strategy to promote human development. Governments have the responsibility of providing such essential social services which the private markets are not willing to produce or under-produce for the development of its citizens out of poverty.

Whether these services when provided will work for the poor in terms of its accessibility, quality and quantity is worth considering. Most often these social services provided for the poor to bring them out of poverty have failed to work for them for a number of reasons. That is not to say that service provision have not worked elsewhere. Service provision has helped to alleviate poor people out of poverty. Thus, it will be important to generate knowledge on which services work where, why it works, and how? How can services provision be made to work for the benefit of the poor?
1.2 Problem statement

Uganda is a country with widespread poverty concentrated mostly in the rural areas where over 80% of the population live and derive their livelihood from agriculture which contributes 31.7% of the countries GDP (Uganda 2008:1).

Poverty though widespread has regional differences, higher in the north and to a lesser extent in the east and central regions (MFPED 2007:5). Progress has been achieved in reducing poverty from 56% in 1992/93 to 31% in 2005/06 (Uganda 2008:1). This achievement shows that the government economic reforms and policies have generated substantial welfare increasing opportunity that enabled a significant fraction of the population to move out of poverty (Okidi and Mckay 2003: 3).

Poverty Eradication Action Plan (PEAP), the government’s main antipoverty framework adopted to eradicate poverty sets four main goals: 1) Creating a framework for economic growth and transformation; 2) Good governance and security; 3) Actions which directly increase the ability of the poor to raise their incomes and 4) Actions which directly improve the quality of life of the poor (PRSP 2000). The government has set ambitious targets to reduce poverty headcounts to 10% by 2017 which is well above the 28% target by 2015 set for the MDG target 1.

Basic rural services that are pro-poor like health, education, agricultural extension, transport, water and sanitation are provided by the government to help reduce poverty. To improve efficiency, service provision has been decentralized. The government idea to adopt decentralization policy according to Onyach-Olaa (2003) was to empower the people to increase their participation in decision making and determine how they should be governed, improve public service provision by making the citizens demand the type and quality of public services they want and enhance governments responsiveness to the peoples needs and be accountable to them.

Over a decade of decentralizing service provision in Uganda, poverty still remains an issue with different outcomes among rural communities. Some communities have been lifted out of poverty others have failed to come out of poverty. Many quantitative studies have been done on the decentralized nature of local governance in Uganda but little studies have however focussed on empirical evidence of how decentralized nature of service provision is accessible to the rural poor and its effect on poverty outcomes.

---

1 The Millennium Development Goal target 1 seeks to eradicate extreme poverty and hunger.
Without empirical assessment of local conditions that may be influencing service provision and accessibility, it cannot be known for sure why though service provision has been decentralized different results have been obtained in terms of reducing poverty. Why some rural areas are developing out of poverty whiles other areas are still entrenched in poverty?

1.3 Research Objectives
This research seeks to find out more about mechanisms by which rural services may contribute to unfolding poverty. The study will analyse the interplay between local conditions, provided services and poverty outcomes in four different villages in Uganda.

1.4 Research questions and hypothesis
This study considers two main research questions:

Q1. What does it take to make rural services work under particular local conditions?
Q2. What are the mechanisms by which rural services may contribute to poverty alleviation?

By means of a decentralized provision of many different rural services that match local preferences poverty may be reduced. Also, where provided services represent the preferences of the beneficiaries and where provided services are in line with the applied rules and institutions in a community, services may unfold poverty effects. Access to a particular combination of rural services (complementary services) may result in poverty reduction. Lastly, different local conditions may determine the success of rural services provided in reducing poverty.

1.5 Contribution to RSP Project
This research will contribute to the RSP project – “Making Rural Services Work for the Poor – The Role of Rural Institutions and Their Governance for Agriculture-Led Development” – which is jointly coordinated by the International Food Policy Research Institute, Washington D.C, USA, and Humboldt University Berlin, Germany financed by the German Federal Ministry for Economic Cooperation and Development (BMZ).
The overall goal of the project is to improve the livelihoods of poor households in rural areas by improving the provision of services that are essential for agricultural and rural development. By improving rural service provision, the project also aims at contributing to reaching the Millennium Development Goals. The purpose of the project is to provide policy-relevant knowledge on strategies or interventions that empower the rural poor – men and women - to participate in local governance, demand the services they need, and hold service providers accountable (RSP Proposal: 1). This research study aims at contributing to the project goal by analyzing cases of poverty in rural Uganda. The study uses a case study approach to understand the local situation that may have influence on service provision and accessibility and the mechanisms by which services can be made to work for the poor considering the existing local conditions.

1.6 Structure of the Research

This research study is structured into five main chapters. Chapter one introduces the research study, stating the background of the study, research hypothesis and objectives. Chapter two gives a theoretical literature on development, poverty, public services and decentralization of service provision. This chapter is followed by a Ugandan country context review on poverty and rural services in chapter three. Chapter four describes the methodology for the study introducing the theoretical framework for the study and a description of the quantitative and qualitative approach to the case study. Chapter five gives a description of four case studies using the IAD framework and a Chapter six which compares the case villages. Chapter seven the last chapter, gives a conclusion of the research, summary of findings, recommendations and implication for policy and further research.
Chapter Two: Literature Review

2.1 Development – A Global Concern
Development as defined by Collier is about giving hope to ordinary people that their children will live in a society that has caught up with the rest of the world. The real challenge to development is that there is a group of countries that are falling behind and often failing. Most of these poor, numbering over a billion are in Africa and Central Asia, where the average life expectancy is fifty years, infant mortality is 14% and long term child malnutrition is 36% (Collier, 2007:12).

Over the years, after the Second World War till now, strategies to development have had a shift in paradigm. The Second World War had affected the development of countries and its people and development strategies were therefore sought for.

The 1960’s, regarded as the ‘Development Decade’ saw economic growth by investment in physical capital like infrastructure, machinery, buildings and support for poor countries through foreign exchange. These were seen as a primary necessary way to development. Much to their disappointment, they became aware by the 1970’s that having physical capital was not enough; the human resource capital had to be developed as well. Investment in health and education to promote growth in incomes of the poor people was the way adopted. Development aid and donor support were provided to poor countries to develop their human resource capital.

The period 1980’s saw a free open market with market forces in place as the way to development. Promoting labor intensive growth through economic openness and investment in infrastructure as well as providing basic services to poor people in health and education. The 1990’s was a period where good governance was considered the way to development. A condition for a government receiving donor support was to have good governance\(^2\). Decentralization policy therefore was sold as a key strategy to good governance as well as having civil society participation in decision making processes, contributing to a sense of ownership, promoting accountability and reducing corruption. (Ritzen and Stiglitz 2005:71; World Development Report 2000: 6).

\(^2\) Good governance refers to the effectiveness of government. Good governance has six main dimensions, ie. Voice and accountability, government effectiveness, lack of regulatory burden, rule of law, independence of the judiciary (Kaufmann et al 1999 cited in Santiso 2001:5)
The millennium continued the campaign of good governance coming up with the Millennium Development Goals.

The eight specific Millennium Development Goals (MDGs) all seek to promote development by 2015. Aid agencies are in the frontline implementing projects aimed at promoting development. Burnside and Dollar assert that “aid has a positive impact on growth in developing countries with good fiscal, monetary, and trade policies. In the presence of poor policies on the other hand, aid has no positive effect on growth” (Burnside and Dollar 2000:2). Easterly et al noted that the implication of the above is that aid can promote economic growth, and also crucial that foreign aid be distributed selectively to countries that have adopted sound policies (Easterly et al 2004: 774).

Most societies have been lifted out of poverty, others however still remain poor and the question arises why some are still poor? Why some fail to develop? Collier points out four reasons for this which he calls traps: **Conflict Trap, Natural Resource Trap, Landlocked with Bad Neighbors and Bad Governance in a Small Country**. As explained by Collier civil wars and coup d’état can trap a country in poverty. Countries like Chad, Sudan and Democratic Republic of Congo have failed to develop due to the conflict trap. Endowment of a country with natural resources should have been a good thing but some developing countries endowed with resources have failed to develop other economic activities, resources have messed politics, and contributed to the natural resource trap. A country like Nigeria finds itself in such a situation. Landlocked countries such as Uganda with bad neighbors will certainly not develop fast enough given the fact of its neighbors it relates with. Bad governance in a country like Zimbabwe with it bad policies and high levels of corruption will certainly take years to recover and develop. Bad governance may be one causal factor leading a country into poverty.

Poverty cannot be a thing of the past if the poor countries fail to develop; change has to come from within these countries supported by policy instruments of international bodies. In the next section concepts of poverty, an outcome of underdevelopment of a country, its causes and instruments to reduce poverty will be discussed (Sec 2.2).

---

3 With bad neighbours, Collier meant neighbours who have also failed to develop as well - “Kenya, which has been stagnant for nearly three decades; Sudan, which has been embroiled in civil war; Rwanda, which had experienced genocide; Somalia, which completely collapsed; the Democratic Republic of Congo, the history of which was sufficiently catastrophic for it to change its name to Zaire; and finally Tanzania which invaded it” (Collier 2007:55)
2.2 Understanding Poverty

In previous section (2.1), I present some of the general challenges to development, why some countries are failing to develop resulting in underdevelopment of its citizens. Poverty is a result of such underdevelopment. In order to understand what poverty is, I begin this section by giving various definitions of poverty. The idea behind this is to give knowledge on how to identify the poor from the non-poor (Sec. 2.2.1), what has been the contributing factors resulting in some people being poor whiles others are not (Sec. 2.2.2), and what has been done or can be done to alleviate people out of poverty? (Sec 2.2.3)

Poverty is an everyday reality for more than half of the world population. A fifth of the world’s population or 1.2 billion people live on one dollar or less a day (Ritzen 2005:14). Poverty is often viewed as deprivation of basic resources such as food, clothing, shelter, income but includes other aspects such as voicelessness, vulnerability, exposure to risk, participation in community decision making, illiteracy, ill health, environmental degradation and gender inequality. Poverty causes pain and suffering and is undesirable; the plight of the not so fortunate poor has been of major concern for years in the world of development. The World Bank, IMF and UN in the year 2000 declared global strategy on human development by setting the Millennium Development Goals (MDG). The first goal calling on halving the proportion of people living in extreme poverty – and those suffering from hunger – between 1990 and 2015 (UN 2004). Understanding what poverty is and its dynamics will serve as a stepping stone to help poor people work their way out of poverty.

2.3 Defining poverty

How we define poverty is critical to political, policy and academic debates about the concept. It is bound up with explanations and has implications for solutions (Lister 2004:12). Different researchers have defined and explained poverty in different ways agreeing on no single common definition of poverty. I present four different perspectives on poverty.
2.3.1 Resource Based View
Pioneering work by Booth (1892) and Rowntree (1901) did set the ground for many further studies on poverty. Booth described poverty as one “not having sufficient income to meet his minimum needs standards” (Booth 1892:62, quoted by Gazeley and Newell 2007: 5).

Rowntree in his definition, described poverty as:

“a level of total earnings insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency and families ‘whose total earnings would be sufficient for the maintenance of merely physical efficiency were it not that some portion of it is absorbed by other expenditures, either useful or wasteful” (Rowntree 1901: 86-87).

Both Booth and Rowntree gave a subsistence definition of poverty based on human basic needs, having less than what is objectively defined in society as an absolute minimum.

Townsend gives a broader definition of poverty not limited only to subsistence needs; he describes the inability of a person to participate in society due to a lack of resources as poverty. Townsend states:

“Our general theory, then, should be that individuals and families whose resources, over time, fall seriously short of the resources commanded by the average individual or family in the community in which they live, whether that community is a local, national or international one, are in poverty” (1962: 225).

This definition has been criticized for not including non-material elements and also seen as being confined to areas of life where participation or consumption in society are determined by command over financial resources (Lister 2004:13)

2.3.2 A Capability View
Nobel Prize economist Amartya Sen gives an alternative perspective on definition of poverty, where he argues that poverty definition should not be restricted to basic needs for subsistence living and resources and proposes a capability approach to defining poverty. The capability approach developed by Sen and Nussbaum is based on the approach of living seen as ‘being and doing’ with the quality of life to be assessed in terms of the capability to achieve valuable functions. Functions they define as
representing parts of the state of a person in particular the various things that he or she manages to do or be in leading a life. *Capabilities* of a person reflect the alternative combination of functioning the person can achieve and from which he or she can choose one collection (Sen 1993:31), in other words the substantive freedom he or she enjoys to lead the kind of life he or she values (Sen 1999: 87). Sen’s emphasized that income was only valuable in so far as it increased the capabilities of individuals and thereby permitted functioning in society (Philip and Rayhan 2004:9).

The United Nations Development Program (UNDP) has adopted the capability approach of definition and defines poverty as “the denial of opportunities and choices most basic human development to lead a long healthy, creative life, to have a decent standard of living, to enjoy dignity, self esteem, the respect of others and the things that people value in life. Human poverty thus look at more than a lack of income, since it is not the sum total of human lives, the lack of it can not be sum total of human deprivation” (UNDP 1998: 25).

### 2.3.3 A World Bank View
The World Bank acknowledges Sen’s capability approach of understanding poverty but identifies a shortfall of the approach for not including other forms of human deprivation such as vulnerability, exposure to risk, voicelessness and powerlessness. They put a definition of poverty based on the perspective of the poor, thus - “To be poor is to be hungry, to lack shelter and clothing, to be sick and not cared for, to be illiterate and not schooled, but for poor people, living in poverty is more than this” (World Bank 2000: 15). Poverty as expressed by poor above is simply put “a life without human dignity” (Ritzen, 2005: 14). It is an outcome of economic, social, and political processes that interact with and reinforce each other in ways that can worsen or ease the deprivation poor people face every day (World Bank, 2001:37). Understanding the complexity of the multidimensionality of poverty gives a better understanding of the causes and better options to finding a solution to poverty reduction.
2.3.4 OECD View

The Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) reveals the interactive dimension of poverty and well being (Figure 1). According to DAC, the concept of defining poverty should encompass the causal links between the core dimensions of poverty and the central importance of gender and environmentally sustainable development. Five core dimensions are presented; Economic capabilities which mean the ability to earn an income, to consume and to have assets, which are all keys to food security, material well-being and social status. Human capabilities are based on people’s access to health, education, nutrition, clean water and shelter which are core elements of well-being as well as crucial means to improving livelihoods. Political capabilities include human rights, a voice and some influence over public policies and political priorities. Socio-cultural capabilities concern the ability to participate as a valued member of a community referring to social status, dignity and other cultural conditions for belonging to a society which are highly valued by the poor themselves.

Protective capabilities include how people withstand economic and external shocks which imply vulnerability to social, economic, or security-related shocks (OECD 2001: 38-40)

Figure 1: Interactive dimensions of poverty (Adapted from OECD 2001: 39)
The different core dimensions are interrelated, where each by affects and is affected by all the other dimensions making it important to understand the multidimensional interrelations.

While definitions are a matter of choice (Tiebout, 1956:180); I choose to draw from the various definitions of poverty presented above and adapt for this study the OECD’s perspective of multidimensionality of poverty and well being which incorporates Sen’s capability view, resource base view, OECD view and World Bank view. This broad definition gives a wider basis for analyzing and understanding the dynamics of poverty. It is important to analysis poverty in order to understand and be able to identify who are the poor households, individuals or groups in a society thus, to identify the poor from the non-poor in the society (Baccanfosu 2004: 3). Also, for monitoring the degree to which policy goals have been met, for assessing the impact of particular policies and programs (OECD 2000: 41).

2.4 Causes of Poverty
Having an understanding of what poverty means and how it is defined I proceed to point out some of the contributing factors resulting in poverty. The complexity and multidimensionality of poverty presents a challenge to understanding and finding solutions to the causes of poverty. The OECD perspective points out five dimensions of poverty – economic capabilities, human capabilities, political capabilities, socio-cultural capabilities and protective capabilities. Understanding the causes of the various dimensions of poverty gives a key to finding answers and solutions to poverty reduction.

The World Bank (2001) presents the following causes of poverty highlighted by the poor: a) Lack of income and assets to attain basic necessities b) Voicelessness and powerlessness c) vulnerability to adverse shocks, linked to an inability to cope with them.
2.4.1 Lack of income and assets\(^4\) to attain basic necessities such as food, shelter, clothing, and acceptable levels of health and education.

As the economic growth of a country increases, the country gets richer and income poverty decreases as such, the poor on the average also gets richer. Engaging in a form of business to be able to raise income is one major concern of the poor to overcome poverty. However, many poor have little or no level of education which limits their chances of using their capabilities to function in the society. Nearly a billion people entered the 21st century unable to read a book or sign their names, two – third of whom are women (UNICEF 1999). Based on enrolment data, about 72 million children of primary school age in the developing world were not in school in 2005; 57% of them were girls (UN 2007). Children kept from school would deny them the opportunity of obtaining well paid jobs that would revert the cycle of poverty.

Poor health contributes greatly to poverty. An unhealthy individual work less, gains less income and spends some of the little income on treatment of his health as a result increasing his level of poverty. Infectious diseases continue to blight the lives of the poor across the world. An estimated 40 million people are living with HIV/AIDS, with 3 million deaths in 2004. Every year there are 350–500 million cases of malaria, with 1 million fatalities: Africa accounts for 90 percent of malaria deaths and African children account for over 80 percent of malaria victims worldwide (UNDP 2007:25).

2.4.2 Voicelessness and powerlessness

Voicelessness and powerlessness forms the institutional basis of poverty. Both formal and informal institutions mediate and limit poor people’s access to opportunities, their ability to make themselves heard or to influence or control what happens to them (Narayan \textit{et al} 2000). This helplessness subjects them to rudeness, humiliation, shame, inhumane treatment, and exploitation at the hands of the institutions supposed to protect them (World Bank 2004). For instance, in most African society’s inequality exist among men and women. Women are most often discriminated in having access and ownership to economically productive assets such as land, access to credit or savings to engage in

\(^4\) There are several kinds of assets: “ Human assets – e.g. Capacity for basic labour, skills and good health
Natural assets – land ; Physical assets – access to infrastructure ; Financial assets – social assets – networks of contacts and reciprocal obligations that can be called on in time of need, and political influence over resources” (World Bank 2004: 34)
any form of business hence, making them financially dependent and limit their participation in household and/or community decision making.

2.4.3 Vulnerability to adverse shocks, linked to an inability to cope with them

The risks that poor people face as a result of their circumstances are the cause of their vulnerability. But the deeper cause is the inability to reduce or mitigate risk or cope with shocks—a cause that both draws from and feeds into the causes of other dimensions of poverty. Low levels of physical, natural, and financial assets make poor people especially vulnerable to negative shocks (World Bank 2004: 34 - 35).

Most of the world’s poor live in the rural areas and rely on an agricultural based livelihood, farming on marginal lands and depending on uncertain rainfall for production. If the rains fail, the poor are particularly vulnerable to crises. They have no alternative form of employment or income and may suffer from hunger. The Food and Agriculture Organization (FAO) calculates that of the developing countries 820 million hungry, half are farming families, surviving off marginal lands prone to natural disasters like drought or flood, and one in five belong to landless families dependent on farming. About 10 percent live in communities whose livelihoods depend on herding, fishing or forest resources (WFP 2008).

I have mentioned three main causes of poverty - lack of income and assets, voicelessness and powerlessness and vulnerability to adverse shocks – which results in the multidimensional nature of poverty. How these causal factors are addressed is discussed next in Section 2.5.
2.5 **Instruments for Poverty Reduction**

After an understanding of the multidimensional nature of poverty, how the poor can be identified and causes of poverty, the causal factors resulting in poverty, the next step is to find out measures on how to attack poverty and alleviate people out of poverty. Poverty with its multidimensionality requires widespread commitments to solve the problem. The world leaders (General Assembly) at the United Nations Millennium Declaration in 2000 declared in Paragraph 11:

‘*We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want.*’ (UN 2000, paragraph 11)

The Millennium Declaration led to the adoption of the Millennium Development Goals for human development, a global strategy to overcome poverty. Three main policy elements stand out when it comes to strategies to reduce poverty: A) Promoting basic social services for human development, B) Facilitating empowerment and C) Enhancing security

2.5.1 **Basic social services for human development**

Human developments includes the expansion of income and wealth as well as adequate nutrition, safe water, good and affordable medical services, schools and transportation, decent shelter and employment, and secure livelihoods. Access to education and health are two most important ways the poor can escape poverty (WDR 2004:1). Education of the deprived and marginalized poor especially women and girls have a strong impact on their well being and that of their family. Educated children can easily escape the cycle of poverty as they stand the chance of landing a job and a source of income for their upkeep and that of their family. Individuals enjoying good/better health are more productive and contribute to the economic development. Wide access to quality social services engenders economic growth by increasing people’s productive capabilities (OECD 2001:47).
2.5.2 Facilitating Empowerment

Empowerment requires democratic governance with popular participation in policy-making, program design and implementation, a civil society with representative community organizations, human rights and the rule of law. Enhancing the capabilities of the poor to influence political and social processes that affect their lives and making them aware of their rights enhances the confidence of the poor and influences their participation in development (OECD 2001:46). State institutions should be more accountable and responsive to poor people, strengthening the participation of the poor in political processes and local decision making and removing the social barriers that result from disruption of gender, ethnicity, race and social status (World Bank 2001: 33).

2.5.3 Enhancing Security

That is, reducing poor people’s vulnerability to ill health, economic shocks, policy-induced dislocation, natural disasters, violence, as well as helping them to cope with adverse shocks when they occur (World Bank 2001: 33). Poor people perceive insecurity as a major dimension and a cause of poverty. Crimes, conflicts and calamities increase the poor’s vulnerability to poverty. The risks facing the poor are substantial and have a variety of sources, including livelihood risks due to food shortages, sickness, old age, natural calamities, and also unemployment, other economic adjustment shocks. Enhancing security includes strategies that minimize the poor persons risk and vulnerability - Conflict prevention and resolution, post-conflict reconstruction, natural disaster preparedness and relief, and work on rights-based governance (OECD 2001:48). For poverty to be reduced, measures need to be taken on all three strategies, thus social service provision, empowerment of the people and promoting security. Considering the mentioned strategies, the question arises – who is responsible for ensuring that strategies are implemented to benefit the poor? In order words, who is responsible for providing social services? Security? Empowerment of the local people? The government has the responsibility of providing such services which the private market may not be willing to provide. NGOs may support in providing such services or the locals themselves may have to bring these strategies where the government has failed. In the next section (2.6) I will consider the nature of these services (Public goods/services) necessary for reducing poverty which has to be provided by the government.
2.6 Theorizing Service Provision Problems

This section considers public goods and its provision. In Section (2.6.1) I will focus on the nature of public goods and the problems with such goods, considering some theories on public goods. I continue to discuss four categories of goods under which public services provided by the government may be classified and the challenges likely to be faced by such types of goods (Sec 2.6.2) and in the last section (Sec. 2.6.3) I conclude by discussing public sector (government) provision of public goods.

2.6.1 Nature of public goods

Samuelson defined public, common or collective good as goods “(Xn+1, ..., Xn+m) which all enjoy in common in the sense that each individual's consumption of such a good leads to no subtraction from any other individual's consumption of that good, so that Xn+i = Xn+j simultaneously for each and every ith individual and each collective consumptive good” (Samuelson 1954: 387). In other words such goods are consumed by several individuals even those who do not contribute to the production of the public good without diminishing the availability of the good to any one of the individuals. Tiebout (1956: 417) chooses an alternative definition to Samuelson’s and describes public good simply as “one which should be produced, but for which there is no feasible method of charging the consumer”.

Public goods are characterized by non-excludability and non-rivalrous consumption. Non-excludability means the difficulty in excluding non-contributors from enjoying the benefits of consumption of the produced public good or service so long as nature or the efforts of others produce it. Non-rivalry refers to the fact that an individual’s consumption of the good does not foreclose its use or enjoyment by others or an individual’s ability to consume a good or service is not diminished by allowing additional individuals to consume it (Cowen 1992)

Due to the characteristics of public goods or services, its provision may be faced with inefficiencies. According to Gibson et al. (2005: 36) “In a basic public goods problem, a set of actors, who are all in similar positions, must decide whether or not to take costly actions that generate a net loss for each individual but produces a net benefit for the actors as a group … when the individuals cost of providing a public good are more than the individuals benefits derived from it, even though when many contribute they are better off, standard theory holds that public goods will be under produced”. Non-
excludability of non-contributors provides an incentive for free riding – i.e. not contributing to a joint effort whiles others does but deriving the benefits from consuming the public good – which results in market failures. Rational individuals will act in their own self interest and not in the common interest of a group.

The theory of public services and externalities implies that non-rivalrous consumption may give rise to pricing inefficiencies even when it is possible to exclude those who do not pay for a good or service (Cowen 1992). Market pricing is an efficient mechanism for private goods but not for public goods. With public goods for a given quantity, individuals will not automatically self-select their optimal price, but will instead wish to pay the lowest price possible when they cannot be excluded from consuming the good. The social optimum level may not be produced because of non-excludability (Figure 2 below).

Figure 2: Optimal Provision of a Non-excludable Public Good, The Free-Rider Problem, and Market Failure (Web note chapter 7: 5)

D1, D2, D3, D4 shows the total demand for 1, 2, 3, and 4 individuals respectively, MC is the marginal cost of providing the public good X. X4 will not be provided when there is excludability and the temptation to free-ride. The private market will not produce such a good as individuals are not willing to pay for the good and will only provide X1

---

5 With private good I mean goods that are characterized by exclusion and rivalry in consumption.
where the marginal cost of providing the good equals the individual’s marginal benefit of purchasing the good. However in the case of provision of public goods this point (X1) is less than the social optimum level.

“One logical problem is that even if market production fails to reach the theoretical ideal of Pareto efficiency, there is no guarantee that government production will be any more efficient than private production” (Holcombe 1997: 5). Aside the issue of efficiency, another major obstacle in the provision of public services is the problem of **revelation of preferences**. The government is tasked with providing public services but how can the government know or measure the preferences of individuals who consume the public good they are providing in order to satisfy them in the same sense as the private market does? Tiebout (1956) and Tideman and Tullock (1976) explain preference revelation problem and describe mechanisms by which the government can efficiently allocate public goods. Tideman and Tullock (1976: 1146) use a demand revealing process to describe a process where ‘each individual is offered a chance to change the outcome that would occur without his vote by paying a special charge equal to the net cost to others that results from including his vote in the decision. Because the special charge on any one person is not paid to any other person, a very small budget surplus results. Tiebout considers communities supplying bundles of public services to its citizens and the citizens revealing their preferences by voting with their feet. Cowen (1992: 14) describes the essence of Tiebout’s model simply in the following words “if the mountain (a public good) cannot come to Mohammed, then Mohammed must go to the mountain.”, thus if the provision of a public good presents inefficiencies then communities should provide a lot of public services and allow individual consumers to reveal their preferences by moving to the community that best meet their preference position.

Tiebout presents a local government model where he makes some extreme assumptions which have been heavily criticized by many economic theorists. He makes the following assumptions:

1. Consumer-voters are fully mobile and will move to that community where their preference patterns, which are set, are best satisfied.
2. Consumer-voters are assumed to have full knowledge of differences among revenue and expenditure patterns and to react to these differences.
3. There are a large number of communities in which the consumer-voters may choose to live.

4. Restrictions due to employment opportunities are not considered. It may be assumed that all persons are living on dividend income.

5. The public services supplied exhibit no external economies or diseconomies between communities. (Tiebout 1956: 183)

Tiebout’s model avoids the public goods problems of free riding, preference revelation and inefficiency. He simply argues that an individual’s preferences are revealed by his choice of location; those who choose to belong to a given community are subject to taxes or user fees that finance the provision of goods; If an individual is inefficiently excluded from the use of a service a public good or service, he can simply move to a community where that exclusion is not practised (Cowen 1992). Tiebout concludes by saying that “If consumer-voters are fully mobile, the appropriate local governments, whose revenue-expenditure patterns are set, are adopted by the consumer-voters” (Tiebout 1956: 191).

Once there is the possibility of prefect mobility and the possibility of a large number of communities with greater variance among them, the consumer comes closer fully realising his preferences position. As I will be analysing different services produced by communities for which the individuals have to decide on which services they want to access based on their individual preferences, I consider Tiebout’s model important for this study. Samuelson’s theory on public goods is as well relevant to this study as the problems of public goods will certainly arise in providing public service for the community. I therefore base the study of public goods on these two theories. To increase understanding on the various problems faced in the public sector provision of public goods, I follow Ostrom’s presentation of types of goods (Sec. 2.6.2) and in (Sec 2.6.3) describe why and how it is efficient for the public sector (local government) to produce public goods or services.
2.6.2 Types of Goods

Government presents different kinds of public services to its citizens. Such services fall under different categories of goods. Ostrom presents four types of goods presented in Table 1 below. I present these categories of goods since later on in this study I will analyse different types of services which fall under different categories of goods not just limited to being private or public goods.

<table>
<thead>
<tr>
<th>Types of Public Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual Use</strong></td>
</tr>
<tr>
<td>(Rivalrous)</td>
</tr>
<tr>
<td><strong>Exclusion</strong></td>
</tr>
<tr>
<td>Feasible</td>
</tr>
<tr>
<td><strong>Exclusion</strong></td>
</tr>
<tr>
<td>Infeasible</td>
</tr>
<tr>
<td><strong>Common Pool Resources</strong></td>
</tr>
<tr>
<td>e.g. fish taken from an ocean, water pumped from a ground water basin</td>
</tr>
<tr>
<td><strong>Public Goods</strong></td>
</tr>
<tr>
<td>e.g. peace and security of a community, national defence, air pollution control, etc</td>
</tr>
</tbody>
</table>

Table 1 Types of goods (Ostrom 1977: 6)

Exclusion is feasible for private and toll/ goods as such the private market can deliver such goods. Toll/ Club goods can be used jointly but a price is charged for accessing such goods or services. Only individuals who are willing to pay for the benefit they derive from consuming the good can have access to the good or service, for instance a government may charge a fee for individuals using a highway. Such arrangements with Toll goods may result in monopoly supply. With Common Pool Resources and Public Goods the cost of excluding individuals from not consuming the good is very high. The use of common pool resources by one individual however precludes use of some fixed quantity of a good by other users. In the real world most goods and service provided by the government are of the public good, toll good or common pool resource type (Ostrom 1977).
2.6.3 Government Provision of Public Goods

Private markets will not produce or under-produce public goods because of the difficulty of exclusion and the potential incentive for individuals not to pay for the benefit they derive from consuming the goods. Gibson et al (1992) claim that unless the participants themselves are able to find ways of reaching enforceable agreements, or external authorities enforce effective rules, we should expect an inefficient provision of most public goods. Adequate rules governing who will provide a public good and how the good should be provided have to be established to avoid a situation in which the good is under-produced.

The government has a role to produce such goods which the private market is not willing to produce. According to Holcombe, the public goods theory of public expenditure suggests that the government acts in the public interest, but an alternative view is that government activities are undertaken for the best interests of those who govern. Fortunately, because the income of the government comes from the productivity of its citizens, there is often considerable overlap, so that what is in the interest of government's citizens is also often in the best interest of those who govern (Holcombe 1997:15).

To Summarize, the government has the responsibility of providing public goods/services necessary for the development of its citizens, such public goods are characterized by non-excludability and non-rivalrous consumption and as a result faces problems of free-riding, preference revelation and under-provision. Tiebout model explains that to ensure efficiency in provision of public goods a decentralized system should be adapted assuming perfect mobility and a sufficiently large community. Decentralization of public service provision by the government is with the idea of providing services that meet the preferences of the people. I discuss decentralization further in the next section (Sec. 2.7), the concepts and approaches, the advantages and disadvantages of decentralization.
2.7 Decentralization

In the preceding sections I have discussed issues on poverty as a setback to development, public goods or services provided by the government to benefit citizens and in this section I will focus on decentralization as an efficient delivery strategy to be adopted by the government in providing public services. I begin the section by referring to general literature on the concepts of decentralization and explain the advantages and challenges of decentralization.

2.7.1 Concepts and approaches of decentralization

There is no single accepted or unambiguous definition of decentralization, mainly because decentralization can vary substantially in scale and scope across countries (Steiner 2006:20). Decentralization has basically been defined as the transfer of authority and responsibility for public functions from a higher level of government to subordinate or quasi independent government organization or from government to non governmental organizations or the private sector (Rondinelli 1983; Collins and Green 1994). Several categories of decentralization have been identified in the literature. Rondinelli (1983) describes four main types of decentralization: fiscal, political, administrative and economic decentralization (Figure 3). Drawing distinctions between these various concepts is useful for highlighting the many dimensions to successful decentralization and the need for coordination among them. Nevertheless, there is clearly overlap in defining any of these terms and the precise definitions are not as important as the need for a comprehensive approach (Neven 2002:2).
Figure 3: Forms of Decentralization (Adopted from Rondinelli 1983)

**Fiscal decentralization** refers to the set of policies designed to increase the revenues or fiscal autonomy of sub-national governments. Fiscal decentralization policies can assume different institutional forms. An increase of transfers from the central government, the creation of new sub-national taxes, and the delegation of tax authority that was previously national are all examples of fiscal decentralization. Fiscal decentralization implies that local authority become more responsible for local revenue and expenditure assignment (Steiner 2006:21).

**Political decentralization** is the set of constitutional amendments and electoral reforms designed to open new or activate existing but dormant or ineffective spaces for the representation of sub-national polities (Falleti 2004:8). Political decentralization policies are also designed to devolve electoral capacities to sub-national actors and make them and the citizens more influential in political decision-making at the local level.

**Economic decentralization** refers to the transfer of certain functions from the public to the private sector (Steiner 2006:21). *Administrative decentralization* comprises the set of policies that transfer the administration and delivery of social services such as education, health, social welfare, or housing to sub-national governments (Falleti, 2004:7). There are three major forms of Administrative decentralization—deconcentration, devolution and delegation. *Delegation* refers to transfer of functions to the local level but the ultimate responsibility lies with central government, *Deconcentration* is the transfer of functions from central ministries to their field agencies, *Devolution* refers to transfer of both functions and decision-making authority to legally incorporated local government (Litvack 1998:1)

Many Intellectuals have battled with the issue of decentralization advocating for or against it. Advocates have based their arguments on theories of fiscal federalism developed by Oates (1972) and Musgrave (1959) which concerns the division of public-sector functions and finances in a logical way among multiple layers of government (King 1984 cited in Saltman et al 2004:7). Oates theorem states that:

“For a public good – the consumption of which is defined over geographical subsets of the total population, and for which the costs of providing each level of output of the good in each jurisdiction are the same for the central or the respective local government – it will always be more efficient (or at least as efficient) for local
governments to provide the Pareto-efficient levels of output for their respective jurisdictions than for the central government to provide any specified and uniform level of output across all jurisdictions” (Oates, 1972: 35).

Oates developed his theorem based on the realization that not all public goods have similar characteristics and that different areas have different preferences for public goods. Thus, the supply of public goods must be fitted to the different requirements of different groups. Central governments often ignore the preferences and differing spatial characteristics or might not be well informed about clients and hence might supply a uniform package. As Bruno and Pleskovic (1998: 298) put it, “a one size-fits-all approach does not deliver a basket of public goods that is optimal for all citizens”. Some citizens will be forced to consume more or less than they would prefer to consume. Oates argues that a highly decentralized public sector with many sub national jurisdictions who posses complete knowledge of the state of their constituency would be able to provide pareto-efficient level of outputs that match the preferences of the citizens.

In the next section (Sec. 2.7.2) I present some of the benefits likely to be derived from decentralization and the challenges and risk in decentralization.

2.7.2 The Benefits and Challenges of Decentralization
Decentralization processes have been argued to have both positive and negative aspects. Advocates for decentralization have argued that decentralization has the advantages of:

- High level of Political participation (Ribot et al 2002; Crook and Manor 1998)

Decentralization enhances broad based participation of local citizens either through representation or direct involvement. Citizens’ motivation to participation increases when they perceive their involvement in decision making to be in their own interest. Increase in popular participation leads to increases in democracy, efficiency and equity. Locals are empowered to participate in decision making processes which concern their interest.

- Strengthening Accountability (Seabright 1996; Paul 1991)

Accountability is critical if devolved powers are to serve local needs efficiently and equitably. Decentralization enhances downward accountability making officials more
accountable to the locals and seeing to their needs. Local citizens can hold their elected officials accountable if their activities and output do not meet the intended goals and standards

- Public service performance (Rondinelli 1983; Putnam 1993)

Decentralization increases efficiency in service provision by better matching the services provided to the preferences of the people. The elected local officials providing these services have local information on the preferences of the people and want to meet the revealed preferences of the locals. As such the services they provide with the resources available to them are the kind of services that the locals prefer.

- Allocative efficiency (Prud’homme 2003)

Different locals and regional jurisdictions express differences in preferences; locally elected officials to provide services that meet the preferences of the locals. The local government is therefore able to distribute its limited resources efficiently to match the revealed preferences of its locals.

- Good local governance (Tiebout 1956; McKinnon and Nechyba 1997)

Knowledge of sub-national government on local problems is increased resulting in policies that fit local situation since local governments are held accountable for outcome of policies. If the available resources meet the promised expenditure, then the local officials will like to fulfill their promises by meeting the preferences of the locals.

Critics on the other hand, argued that there are potential disadvantages in the process of decentralization. Thus decentralization leads to macroeconomic instability - reduction in government’s control over public resources making macroeconomic policies difficult to implement (Prud’homme 1995; Tanzi 1996; Falleti 2004), Soft budget constraints - (Falleti 2004; Stein 1998; Rodden 2000) Enlargement of bureaucracies – increase in government levels implying a higher cost in decision making (Falleti 2004), Deterioration in service quality and delivery if local administration is weak – low capacity of local government officials in terms of education and experience (Rondinelli, 1983), Local elites or interest groups capturing control (Rondinelli 1983) and association of decentralization with slow growth (Davoodi and Zou 1998).

The whole idea of decentralization was developed based on insight from the developed countries, which recorded success and this idea was sold out to the developing countries as well. The fact that it may have worked out well for the developed world did not mean that it will perfectly work for the developing world. The institutional structure in the
various countries mattered a lot. The theory on decentralization and fiscal federalism made several assumptions which Prud’homme (2003) has analyzed and found not to hold for developing countries. The model assumes that: The main difference between the various local or regional jurisdictions is in their respective tastes or preferences, however in reality, the main differences are in income, whether household income or potential tax income. The model assumes that the taxpayers/voters of each jurisdiction will express their preferences in their votes. But even in the case where local elections exist, they are usually decided on the basis of personal, tribal, or political party loyalties. A third hypothesis was that locally elected mayors will satisfy the preferences thus revealed. But this does not often happen because of the gross mismatch between available resources and promised expenditures. Finally, even if mayors wanted to satisfy the preferences of the electorate and had enough resources to do so it is not clear that they would be able to persuade the local bureaucracy to go along. Prud’homme concludes by saying that the potential gains in allocative efficiency (which happens to be one of the major reasons to decentralize) resulting from decentralization are likely to be rather small in the case of developing countries (Prud’homme 2003: 208).

Let alone the challenges in obtaining allocative efficiency, successful results in implementing decentralization policy will not be achieved in situations where the channels of accountability is not well established. Locals should be able to hold their elected representatives accountable for the output of their activities. If there are proper mechanisms in place elected officials will bear in mind the consequences of under producing the desired output. For accountability to be effective, structures such as monitoring, auditing and evaluation by a third party, competitive elections and procedures for recalls should be well established (Steiner 2006).

Where accountability is low, other inefficiencies set in as well: elite capture, corruption, Clientelism and Patronage. Corruption simply put as - funds for development being directed to the pockets of public officials for their private gains. Elite capture refers to the influence of local elite (economic, social or political elites) on policy-making, administrative and political decision making for their own benefit. Patronage is defined as the politically motivated distribution of favors, such as the special treatment of a particular geographical area in the provision of public goods and services to certain groups of people, often of the own kin. Clientalism refers to the exchange or brokerage of specific resources and services, such as land or office, to individuals, who are not
necessarily of the own kin (Steiner 2006). These four mentioned challenges pose a challenge to governments that have adopted the decentralization especially in the developing countries. Decentralization will be a successful strategy for delivering services to meet the preferences of locals if the threats mentioned above are carefully considered. Despite the numerous challenges, government provision of public services works quiet well in a decentralized government structure.

2.8 Summary

All that I have discussed in this chapter I summarize briefly in this section. Some countries especially in Africa and Asia have failed to develop mainly due to bad governance, bad resource management, conflicts and political instability. The outcome of underdevelopment is poverty. Poverty a multidimensional factor with five dimensions: economic, human, political, socio-cultural and protective capabilities. The main causes being a lack of income and assets to attain certain basic necessities, voicelessness and powerlessness and vulnerability to adverse shocks. Instruments necessary to address poverty is promotion of basic social services for human development, facilitating empowerment and enhancing security. The government is mainly responsible for providing public services, security and citizen empowerment. They are characterised by non-excludability and non-rivalry consumption which explains why the private market does not provide such goods but the government. Challenges in the provision of public goods are free riding, preference revelation problem and under-provision. For efficiency in provision, Tiebout, Oates and others suggest a decentralized system in provision assuming perfect mobility and a sufficiently large community. Decentralized service provision by government with the advantage of increased efficiency by better matching services to local preferences may lead to poverty reduction and development of the citizens. Citizens may support or counteract respective policies or even self organize needed services.

From this reasoning, I come up with the following hypothesis that:
A. By means of decentralized provision of many different rural services that match local preferences poverty may be reduced.
B. Good local governance facilitates service provision and hence may reduce poverty.
C. Different local conditions may determine the success of rural services provided in reducing poverty.

To these hypotheses I consider the question: **What does it take to make rural services work under particular local conditions?**

I also pose a second question: **What are the mechanisms by which rural services contribute to poverty alleviation?**

Supported with the hypotheses that:

D. Access to a particular combination of rural services (complementary services) may result in poverty reduction.

E. Where there is a cooperate production of the rural service, a sense of ownership and responsibility is created and such services may be effective in reducing poverty.

F. Where provided services represent the preferences of the beneficiaries, poverty may be reduced.

G. Where provided services are in line with the applied rules and institutions in a community, services can unfold poverty alleviating effect.

I now focus on my main task in this study in section three, concentrating on my interest country –Uganda. Uganda is a resource rich developing country, struggling its way out of poverty after years of bad governance and political instability. Decentralization policy has been adopted but why is poverty still an issue? What are the local dimensions of poverty that determine the preferences of the locals for particular public services? What has been the impact of the decentralization policy on provision and access to rural services?
Chapter Three: Rural Services and Poverty in Uganda

In Chapter Two, I established the theoretical background for the study discussing theories on development economics, poverty, public goods or services and decentralization. In this chapter, I begin by giving an introduction to the country of study - Uganda, its historical and political background on what has been some of the contributing factors to the current state of the country (Sec. 3.1). Poverty and inequality status then are discussed in Sec 3.2. The government antipoverty strategies developed and implemented to solve the issue of poverty is discussed in Sec 3.3. Rural services provided by the government to improve the livelihood of the poor are discussed in Section 3.4. In Section 3.5, I discuss decentralization of service provision in Uganda, its historical background and how it has been implemented. Sec. 3.6 gives a summary of the chapter.

3.1 Uganda Country Context

Uganda is a landlocked country located in the eastern part of Africa. It is bordered by Democratic Republic of Congo, Kenya, Rwanda, Sudan and Tanzania. It lies across the equator at 0° 19′ N, 32 ° 35′ E and has a total area of 236,040 sq km of which 1991,710 sq km are land and 36,330 sq km covered by water. The climate is tropical and varies across the country due to the variation in altitude. The southern part has rains all year round, going up north the weather gets drier having semiarid conditions. There are two dry seasons from December to February and June to August. Uganda is rich in water resources having many lakes. The Lake Victoria, one of the world’s largest lakes is found in the southern part of the country, other lakes are the Lake Kyogan, Lake Albert and Lake Edwardand (CIA, 2008).

Uganda has a population of 31.3 million (2008 estimates) and a growth rate of 3.6% per year making it one of the fastest growing populations in the world. Population density is 119/km² and a life expectancy at birth of 52.34 years. About forty different local languages are spoken across the country. Ganda and Luganda are the most widely spoken local languages. After independence from the British in 1962, English was adopted as the official language to be used as the language of instruction in schools, for legislative and juridical purposes and media communication. As Swahili is widely
spoken in the eastern part of Africa, the government of Uganda since 1995 has made Swahili the second national language.

The early years of independence was marked by great political instability which impacted negatively on the countries economy. Uganda gained independence, in a coalition led by Dr. Milton Obote. His regime (1962-1971) was ousted in a military coup led by Field Marshal Idi Amin Dada, who ruled from 1971-1979. Idi Amin’s regime resulted in economic decline, social disintegration and massive human rights violation. Dr. Milton Obote came back to power again after Idi Amin was overthrown in a coup in 1979 and ruled until 1985. His rule was no better than Idi Amin’s, accused of human rights violation and bad governance. He was forced out of office by troops led by Brigadier General Bazillio Olara Okello. General Okello’s regime was cut short in 1986 when the National Resistance Army (NRA) ceased power and declared General Yoweri Kaguta Museveni as the President of Uganda (Republic of Uganda 2007).

Uganda’s decades of government mismanagement and political instability affected the countries economic growth. Prior to 1987 the state and economy had collapsed. GDP shrank to 40% between 1971 and1985; GNP per capital shrank by 6.2% a year between 1973 and 1980 and by 2.5% between 1980 and 1987 (UPPAP 2007). Although the decades of bad governance and poor economic growth paints a bleak picture, Uganda, has made great strides, taking advantage of significant growth in the 1990s. Uganda is now often regarded as one of Africa’s best economic performers and is considered a model of development in Africa. The government embarked on an ambitious reform policy in 1987 when President Museveni came to power to rehabilitate the economy with support from international donors. A series of new macroeconomic and marketing policies complimented by privatization of public enterprises and reforms in taxation and public expenditure, which improved the climate for doing business and the incentive to export were introduced (Mackinnon and Reinikka 1999:10). First, liberalization of prices and trade in the domestic market which boosted further the agricultural growth. Second, liberalization of foreign exchange, payments, and the trade system led to diversification of Uganda’s exports and to higher competitiveness of traditional agricultural products in external markets such as those for coffee and tea. Beginning in

---

6 IMF supported the government reform by disbursing $73 million as import support, World Bank supported with $55million as an economic recovery credit. Other debt rescheduling and additional aid amounting to $250 million was received by the government (UPPAP 2007).
the late 1980s, the government also encouraged diversification of commercial agriculture and export of nontraditional agricultural commodities (Byrnes 1992, cited in Shenggen et al 2006:12). Last in this list of changes, monetary restraint led to price stability, contributing to the restoration of confidence and external competitiveness (IMF 2000). GDP grew at a healthy rate of 6.5% annually from 1990 to 2000, benefiting from strong export performance, liberalization of the economy, and restoration of macroeconomic stability. GDP as of 2008 stood at 9.8%. Inflation was brought under control declining from greater than 100% in 1987 to single digit figures of 7.9% in 1999, 5.2% in 2004 and 6.2% in 2006 (Deshpande and Pickens 2006). Inflation as of July 2008 had soared to 12.4% resulting from the increase in oil prices on the international market coupled with high commodity prices (Daily monitor news July, 1 2008)

### 3.2 Poverty and Inequalities

Despite Uganda's progress in economic recovery from the early 1990’s, poverty is still a widespread phenomenon mostly concentrated in the rural areas where a majority of the population live and derive their livelihood based on agriculture (Mackinnon and Reinikka 1999). Poverty in Uganda differs in its nature, extent, and trends between regions and is influenced by location, gender, livelihood and seasonality (MAAIF 2000). Evidence from the National Household Survey (NHS) data 1992 and 1999/2000 revealed that, the incidence of income/consumption poverty has declined from 56% in 1992 to 34% in 2000 (Okidi and Deininger 2002). The substantial decline in income poverty shows that the economic reform programs that Uganda embarked on in the beginning of the last decade generated substantial welfare increasing opportunities that enabled a significant fraction of the population to move out of poverty (Okidi and Mckay 2003). These changes were driven mainly by high rate of consumption growth (5.3% annually per capita both in the household surveys and in the national accounts) reflecting growth of GDP. Liberalization policies on agricultural marketing enabled

---

7 The GDP of 9.8% was based on market prices which included inflation and taxes.

8 Agriculture is the most important sector of the economy, contributing over 40% of GDP and is the main livelihood for over 80% of the work force in the country. Principal exports are coffee, cotton, tea, fish and fish products (Uganda 2003).
cash crop farmers especially, to benefit from increase in the world prices of coffee\(^9\). Hence the most dramatic poverty reductions were found among cash crop farmers from 63% in 1992 to 34% in 2000 (MFPED 2005).

Appleton (2001) analyses household survey data of 1992 and 1997 and notes that poverty rates showed pronounced urban bias. Poverty rates in the urban areas were much lower than in the rural areas but were nonetheless substantial. Even in the most prosperous locations, central urban, more than one in five people lived below the poverty line (Appleton 2001: 98). Evidence of general welfare inequality was also observed, in that consumption expenditure for the richest 10% of the population grew by 20% while that of the poorest 10% grew by only 8% (Okidi and Mckay 2003: 2). Figure 4 below shows poverty trends in Uganda from 1992/3-2005/06.

![Poverty Trends in Uganda: 1992/3-2005/06](image)

Regional differences are observed although poverty is widespread in all regions. Poverty is much higher in the North and, to a lesser extent, in the East, than in the West and Central regions. Between 1999/2000 – 2002/2003, the decreasing trends in poverty levels changed rising in all the regions. Income poverty increased from 34% to 38% between 2000 and 2003, and inequality as measured by the Gini coefficient rose markedly from 0.39 to 0.43 from its steady state till of 0.35 in 1997 (MFPED 2005).

\(^9\) The unit export price for Ugandan coffee tripled from 0.82 US$/kg in 1992/93 to a peak of 2.55 US$/kg in 1994/95 (PEAP 2005)
3.2.1 Vulnerability to adverse shocks linked to inability to cope with them

Poverty declined significantly in the central region and least in the eastern region. High levels of poverty prevailed in the northern region because of the long running armed conflicts between the government and rebel fighters led by the Lord’s Resistance Army\(^{10}\). This has resulted in about 20,000 displaced persons, many of whom live in government "internally displaced" camps (ILRI, 2007). Since 2007, many of the camps have been closed and the people returned to their villages as the situation is now relatively calm.

Aside the conflict there is also the menace of cattle rustling that have prevailed in the Karamoja sub region of Northern Uganda increasing insecurity in the region. Cattle’s rustling is a way of life where the cattle are at the centre of the value system. Cattle rustling have been part of the Karamojong tradition where they engage in frequent inter-tribal clashes over natural resources like water and land, characterized by raids. Owing to the nature of their livelihood, delivery of basic services has proved to be difficult and expensive (Okidi and Mugambe 2002). As part of the tradition, it is honourable and a pride of manhood for a man to go to other neighbouring villages and raid cattle. Cattle are used for payment of bride price, meat, milk and hide. Neighbouring districts have mostly been affected due to their disadvantaged location with such bad neighbours who come raiding with guns. Compounding the issue of conflict and cattle rustling are the long periods of drought that destroys crop yields and result in hunger of the people. Some areas have floods during the rainy season destroy crops and properties.

3.2.2 Lack of income and assets

Uganda has a high birth rate of 6.9 children born/ woman at a growth rate of 3.6%. Such high fertility rate is associated with increase in poverty and causes increased inequality among households overtime. Poor households tend to have more children and therefore their assets are subject to greater subdivision across generations increasing the level of poverty. The AIDS pandemic has caused the death of a large number of productive adults and increasing the number of orphaned children contributing significantly to the

\(^{10}\) The Lord Resistance Army has been described as an insane occultic group with no political agenda, led by rebel leader Joseph Kony. The rebel group has been engaged in a long running conflict of 22 years with the government of Uganda. They have been accused of widespread human violation.
causing of poverty among affected households. A high proportion of government expenditure into social services did not directly increase the income of the poor. Those above the poverty line benefited more. A greater percentage of the government expenditure went into salaries, administrative cost and defense. (MFPED 2005: 15-17)

3.2.3 Voicelessness and Powerlessness

The high level of illiteracy especially in the rural areas limits the individual’s participation in decision making processes. The effects of the past conflict and trauma in the some parts of the country has affected attitude of individuals in taking part in community activities. It is also becoming a problem for men to spend a high share of household expenditure on alcoholic beverages instead of spending on food. Many factors have been identified leading to the situation of poverty and inequalities in the various regions. Insecurity and its negative impact on development have driven a number of people into poverty. The government of Uganda is concerned with the poverty situation and is making efforts to lift people out of poverty. Reforms and policies have been developed and implemented to provide public services that are aimed at poverty reduction. In the next section I will talk about some of the government antipoverty strategies and relating reforms and policies.

3.3 Government Antipoverty strategy

This section highlights key government reform policies that have been developed to promote growth and reduce poverty levels. The government of Uganda has set an ambitious target to reduce poverty headcounts to 10% by 2017. This target is far above the MDG Target 1 of 28% by 2015. The progressive trend in poverty reduction made so far shows Uganda as one of the few sub-Saharan African countries likely to meet the MDG target 11 and perform even better.

---

11 MDG target 1 seeks to reduce by half the proportion of people living on less than a dollar.
**Poverty Eradication Action Plan (PEAP)**

The main antipoverty framework adopted by the government to eradicate poverty has been the Poverty Eradication Action Plan (PEAP) launched since 1997. Strategic public action for poverty eradication is established on four pillars:

1. Creating a framework for economic growth and transformation;
2. Good governance and security;
3. Actions which directly increase the ability of the poor to raise their incomes;
4. Actions which directly improve the quality of life of the poor. (PRSP 2000)

Whereas the first two goals are concerned with providing an enabling environment for development, the third and fourth are aimed at directly increasing the living standards of the population (Okidi and Mugambe 2002: 24). To make the PEAP more effective and accessible to all people, the government incorporates a Participatory Poverty Assessment Process (UPPAP) which tries to bring together the voices and perspectives of the poor into central and local governments policy formulation, planning and implementation as well as strengthening and complementing quantitative poverty monitoring (UPPAP 2007). The PEAP has been strongly supported by the donor community and it provided the basis for Uganda being selected as one of the first beneficiaries of the Highly Indebted Poor Countries (HIPC) initiative for debt forgiveness, with debt relief of some US$347 million in 1998 and US$656 million in 2000. Uganda is actively directing these resources through the Poverty Action Fund (PAF) (MAAIF 2000). The PAF serves as a depository for savings realized from the HIPC debt initiative and contributions from donors, to finance poverty eradication mainly through rural transformation and modernization of agriculture (MDG Progress Report Uganda 2003: 9).

The details of the processes for realizing the goals of the PEAP are contained in the individual sector strategic plans such as the Plan for Modernization of Agriculture, the Medium Term Competitiveness Strategy, the Education Sector Investment Plan, the Health Sector Strategic Plan, and the Road Sector Development Plan. These plans form the basis for sector specific policy interventions. The link between these plans and the PEAP is two-way and iterative, with the sector plans feeding into the PEAP, while simultaneously drawing from it (Okidi and Mckay 2003:3).
In section 3.4 rural services that are provided under the mentioned policy reforms for poverty reduction are highlighted. Such services when provided under the right structures are much likely to reduce the level of poverty.

### 3.4 Rural Services provision

Rural services that are considered to be pro-poor and reforms in this service sector to improve the delivery of the service are discussed in this section. I begin with the education services (3.4.1), health services (3.4.2), agricultural extension services (3.4.3), water and sanitation (3.4.4), Banking and finance (3.4.5) and lastly transportation (3.4.6).

#### 3.4.1 Education

The education sector in Uganda has gone through various reforms since independence. Political instability and economic crises between 1970 and 1980 resulted in government cutting its budget support for education as well as other public services (Bashaasha et al 2008). Funds for running schools were provided by parents and decision on management of the public schools was controlled by the Parent Teacher Association (PTA). Self financing of students by their parents resulted in children whose parents could not afford the tuition fees deprived from attaining education. In 1991, the government after getting on track with its economic recovery devoted 23% of the total government spending on capitation grant for primary education (Reinikka and Svensson 2004). School survey report from 1991 – 1995 showed an increase in primary school enrolment of 60 percent (Mackinnon 1999: 21). Even though the government had increased its financial support for primary education, Reinikka and Svensson (2004: 700) noted that poor students suffered disproportionately due to local capture because schools catering to them received even less of the fund than other schools in better – off communities. The bulk of the burden continued to be borne by parents who, on average, contributed over 70% of total school spending in 1991 and 60% in 1995 (40 and 20 percent at the median school, respectively) (Mackinnon 1999: 21).

To expand access, enhance equity and increase efficiency in education, a Universal Primary Education (UPE) policy was introduced in 1997 by the government to bear the
cost of education for four children per family while parents meet the costs of school uniforms, meals, exercise books, local materials for building classrooms, and physical labor. The policy was amended to include all children in 2003 (Mehrotra and Delamonica, 1998 cited in Mikiko et al, 2005). Government budget for education increased from 1.6% to 3.8 % of GDP in this year (MOES, 2005). All children of school going age were given the opportunity to access free primary education. This policy was introduced just about the time when the decentralization policy had taken off (I discuss Uganda’s decentralization policy in the next section (2.3).

Studies on the impact of the universal primary education in Uganda on overall primary attainment by Mikiko et al (2005) concluded that UPE has decreased delayed enrolments and increased grade completion rates up to the fifth grade and has also achieved a low economic burden of education at the primary level for all households, regardless of their household expenditure. Flaws observed in the UPE policy operation included internal inefficiency such as delayed enrolment and repetition, deterioration of the quality of service provided resulting from an increase in the number of students to teacher ratio, insufficient funds and delays in release of funds and low completion rate of higher grades attributed to high indirect cost (Mikiko et al 2005).

Free Universal Secondary Education (USE) has been introduced since 2007 making Uganda the first African country to introduce USE. Students who complete primary education are absolved into secondary schools. This has decrease the drop out rate of children after completing primary school. The impact of USE on the development is yet to be known as this is a young policy.

Appleton (2000) examines the effect of education on household earnings by looking at all income generating activities and found out that for each year of education, earnings increased by about four percent and also that education had similar proportional benefit in farming, non-farming self-employment and wage employment. Thus contradicting believe that education brings more reward to wage employment and less benefit to farming which most poor are engaged in. Primary school net enrollment stands at 82 %\textsuperscript{12} and total adult literacy rate (2005) is 67% (UNICEF, 2007).

\textsuperscript{12}Data from 2000 – 2006 on primary school enrolment or attendance (UNICEF, 2007)
3.4.2 Health

Uganda’s public health care was centralized and among the best in Africa until political unrest in the 1970-80’s deteriorated the state of public service provision. Governmental health care reforms were introduced in the early 1990’s to strengthen the health care sector which was faced with problems such as shortage of drugs, highly qualified staff members (doctors and nurses) leaving the services and migrating to other countries, delays in payments of salaries (Streedland 2004). Fiscal decentralization began in 1993; the Ministry of Health (MOH) delegated managerial responsibility to district councils for local health care, arguing that these councils were best informed about local situations (Shenggen et al 2006: 30). The Districts received funds for all health and non-health activities from three sources: local revenue, central government transfers and donors. Overall, central government transfers constitute the largest proportion, 81.3%, of district revenue. These are divided into an unconditional (block) grant\(^{13}\) (18.7%) and a series of 17 conditional grants\(^{14}\) 62.6% (Akin et al 2005).

In Uganda, the proportion of poor people among users of public health services is higher than that among users of private services at the primary level (Appleton and Mackinnon 1995 cited in Mackinnon et al 1999: 16). There is a widespread perception in Uganda that private facilities (most of them mission hospitals and clinics) have an edge over government facilities in terms of staff, morale, equipment, medicines, and general supplies (Mackinnon 1999:24). The public health care system according to Ablo and Reinikka (2000) suffers from bad governance and a lack of accountability, very few free services are delivered in the public health facilities, and almost none at all are delivered to the poor. Public sector health workers resort to illegal charges which is a serious disincentive to the poor to access the service (Mackinnon 1999).

To ensure the welfare of poor people, the government has increased its budget allocation to primary health through the Poverty Action Fund (PAF) and concentrates services on primary health care and prevention of infectious diseases like HIV/AIDS, Malaria, diarrhea and Tuberculosis. Uganda has achieved great success in containing

\(^{13}\) The unconditional block grants are allocated to decentralized districts based on a formula that includes district population, geographical size, infant mortality rate, and school age population.

\(^{14}\) The conditional block grants are targeted to particular spending categories such as health and education. The conditional grant is delegated for salaries of public sector workers, hospitals, road construction, and other central government priorities and cannot be reallocated by district planners (Akin et al 2005)
the incidence of HIV/AIDS, this is due to an aggressive government campaign against the disease (Shenggen et al 2006). The rate has declined from more than 30 percent in early 1990s to 6.7 % in 2006 (CIA 2003; UNICEF 2007). Infant mortality per 1,000 birth live births has dropped from 93 in 1990 to 78 in 2006 (UNICEF 2007).

### 3.4.3 Agricultural Extension

Agriculture employs the majority of people about 85 % in most regions. (Shenggen et al 2006). Even though agriculture contributes a greater proportion of the GDP; it has been marked by low productivity due to its subsistence nature. This has been attributed to poorly functioning farmer-extension-research linkages and the consequent failure of the research and extension systems to respond to the real needs of the farmers (MAAIF 2000). To improve agricultural productivity, the government over the years has tried out various reforms in the agricultural sector.

Nalugooti and Ssemakula (2006), categorizes the various stages of evolution in the agricultural extension sector into five (5) phases described below in Table 2.

<table>
<thead>
<tr>
<th>Period</th>
<th>Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>1898-1956</td>
<td><em>Extension by compulsion</em> characterized by deliberate efforts to promote production of cash crops (coffee, cotton, tobacco, rubber etc) using coercion tendencies enforced by chiefs to ensure supply of raw materials to colonial power and other industries.</td>
</tr>
<tr>
<td>1956-1963</td>
<td><em>Extension through progressive farmers</em>, where progressive farmers were identified and trained by extension workers to act as change agents in their localities.</td>
</tr>
<tr>
<td>1964-1971</td>
<td><em>Extension educational methods</em>, which emphasized <em>professionalsm</em> through training and use of appropriate methods. Farmers were taught as to why and how they ought to undertake better farming methods using government schemes such as demonstrations, farmer field days and trials etc.</td>
</tr>
<tr>
<td>1981-1991</td>
<td>The <em>project approach</em>, introduced after a period of political turmoil of</td>
</tr>
</tbody>
</table>

15 The period between 1971 and 1980 was marked by a disruption in extension services delivery. The political and economic instability in the country affected the operation of the extension staff. Instead of their advisory/educational role, the extension staff concentrated more on selling of agricultural inputs.
1971 to 1980 was intended to rehabilitate and restore basic services using extension programs like Agriculture Development Project (ADP), South-west Agriculture Rehabilitation Project.

1992-1998 The *unified extension* approach was to integrate and harmonize the use of scarce resources. A single extension worker was responsible for transfer of knowledge and technologies in all fields to groups of farmers in a given geographical area.

2000- To date *National Agriculture Advisory Services* (NAADS), where farmers are lead players in extension service delivery. They demand and manage services together with local governments. Government provides services through private service providers in line with farmers’ needs.

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-1980</td>
<td>Rehabilitation and restoration of basic services using extension programs like ADP.</td>
</tr>
<tr>
<td>2000-</td>
<td>National Agriculture Advisory Services (NAADS), farmers as lead players. Government services through private providers.</td>
</tr>
</tbody>
</table>

Table 2: Extension Delivery Approaches since 1890 (Adopted from Nalugooti and Ssemakula 2006:2)

Prior to 1993, agricultural extension in Uganda was under several government agencies including the Ministry of Agriculture, the Ministry of Animal Industry and Fisheries, the Ministry of Environmental Protection, and the Ministry of Commerce, Cooperatives, and Marketing (Shenggen et al 2006: 24). Each of the ministries provided specific specialized extension services. The operations of the different ministries was characterized by duplication of services due to uncoordinated efforts, inefficient utilization of resources, low stuff motivation, and weak institutional linkage among actors (Bashaasha et al 2008). To solve these problems, there was a merger between the Ministry of Agriculture and the Ministry of Animal Industry, and Fisheries in 1992. Agricultural extension was reorganized under the Directorate of Extension of the Ministry of Agriculture, Animal Industry, and Fisheries (MAAIF). The agency largely responsible for extension policy formulation and communication, technical and methodological guidance, coordination of different stakeholders and setting standards for monitoring and evaluation of extension services in the districts, and training at the national level of various cadres of staff for the agricultural sector (Shenggen et al 2006: 24).

Extension services in Uganda have been provided by two means of Public – Private Partnership: Contracting in and contracting out. Contracting in is when NGO’s contracting usually government extension workers to provide public services in
particular areas, providing the financial assistance which is often lacking. The extension workers are motivated to deliver the service and the public are better served.

Contracting-out is where the district government is responsible for tendering and awarding contracts to NGO’s farmer organizations or individuals to provide extension services to the local citizens.

Under the Plan for Modernization of Agriculture (PMA) implemented in 1997 which sort to transform subsistence farming to commercial farming, a National Agricultural Advisory Service (NAADS) was created. The rationale for the Program was the failure of traditional extension approach to bring about greater productivity and expansion of agriculture. NAAD envisions a “decentralized, farmer owned and private sector serviced extension system contributing to the realization of the agricultural sector objectives”. Decentralization of extension service is expected to “increase farmer access to information, knowledge and technology through effective, efficient, sustainable and decentralized extension with increasing private sector involvement in line with government policy” (MAAIF 2000: 4). Most extension activities have been decentralized to the districts. As of 2007, Sixty four (64) districts were covered by the NAADS program, with government budget support of Shs. 60 billion\textsuperscript{16} for Fiscal Year (FY) 2007/08 (Budget speech 2007)

\subsection*{3.4.4 Water and Sanitation}

Uganda is a country with ample water resources. However, slightly less than half of the population still lives without access to safe water supply: Overall urban water supply coverage\textsuperscript{17} stands at about 60% of the population, whereas rural water coverage is about 55%. It is estimated that 86% of the urban population use shared or unshared on-site sanitation and around 4% have no access to any sanitation facility. Less than 10% are connected to the water-borne sewerage systems, which are mostly in a very poor state. In rural areas around 60% of the households use on-site sanitation (Behnsen et al 2006: 2). Data from the Directorate of Water Development (DWD) showed that the percentage of people with access to improved or safe water source increased from 20%

\begin{footnotesize}
\begin{itemize}
\item[\textsuperscript{16}] $1$ USU is approximately 1700 Ugandan Shillings (April 2008)
\item[\textsuperscript{17}] The urban water supply and sanitation sub-sector in Uganda is defined as service to gazetted towns and centers with population of more than 5,000 people)
\end{itemize}
\end{footnotesize}
in 1991 to almost 55% in 2002 (PEAP 2005). According to the Poverty Status Report, as of 2004/05 the percentage had increased to 61.3%.

Progress in accessibility to improved water supply and sanitation is due to the government’s strategic reforms. In line with the governments decentralization policies and poverty reduction, in 1998 reforms in water and sanitation were made to ensure that services are provided and managed with increased performance and cost effectiveness and limit government role to that of policy maker, facilitator and regulator and the private sector to undertake service delivery (DWD, 2007). Urban Water Reform Strategy and Rural Water and Sanitation Strategy and Investment plan were prepared and implemented in 2002.

Urban water supply and sanitation is mandated to the National Water and Sewerage Corporation (NWSC) a commercialized, publicly owned utility established in 1972. NWSC currently also owns and manages the assets of 18 of the 44 largest towns in Uganda. The present water supply coverage in these towns stands at 68%. Assets infrastructure of the remaining urban towns are owned and managed by the respective municipal town councils, a result of the government’s decentralization program. Over half of these towns have established a Water Authority, which contracts out operations to local private firms. The local private sector serves 61 towns and has achieved water supply coverage rates of 67% (Behnsen et al 2006)

Policies on poverty reduction, targets have been set to achieve sustainable safe water supply and sanitation facilities within easy reach of 77% of the rural population and 100% of the urban population by the year 2015 with an 80%-90% effective use and functionality of facilities (Poverty Status Report 2005:131). According to Perkins (2008), for Uganda to achieve the MDG in water, every year for the next seven years there will have to be 1,000 new wells or boreholes with hand pumps, and 30 piped systems. Average water consumption ranges from 12 to 14 litres/person/day in rural areas, compared to a national target of 20 litres/person/day (PEAP 2005)


3.4.5 Banking and microfinance

Uganda’s financial service is one of the least developed in sub-Saharan Africa. Only about 20% of prospective rural clients receive financial services (Wright and Rippey 2003, cited in Goodwin-Groen et al 2004: 6). Formal financial services are urban bias, with little provision for the rural areas. Ddumba-Ssentamu gives reasons for the constrains in rural financial service provision as owing to the high cost of intermediation, scarce knowledge of the socio-economic environment and the scattered micro nature of rural enterprises. The inability of the banks to reach the rural population both for disbursement and recovery and the rigid terms and conditions for agricultural lending have minimized the impact of formal financial institution on the rural sector (Ddumba-Ssentamu 1999: 128).

Much growth has been seen in the microfinance sector. Before 1972, the country had 290 banks branches, thus one branch to 34,000 people. In the 1980’s a number of the banks branches closed down due to the political crisis resulting in an increase in the ratio to one branch to 80,000 people. Rural areas were most constrained by the financial crisis. The government in a bid to salvage the situation instituted a Rural Farmers Credit to be run by Ugandan Commercial Bank (UCB) to provide credit for rural people. The credit program however collapsed shortly after take off and did not reach the target group for whom it was meant for. As Ddumba-Ssentamu puts it, the funds became a source of cheap loans for UCB employees and politicians (Ddumba-Ssentamu 1999: 128 - 129)

The government introduced a new credit scheme known as ‘Entandikwa Credit Scheme’ in the mid 1990’s, carefully designed to avoid the failures of the Rural Farmers Credit Program. Entandikwa credit Scheme was to provide credit to increase opportunity for income generation and by employment creation hence reducing poverty. The scheme was implemented by district administration staff and NGO’s. Although the scheme was operated at the local level, it could not escape financial deficiencies and impacted little on the poor which gradually led to its collapse (Ddumba-Ssentamu 1999).

Key lessons learned from the collapse of the government introduced credit programs above included: government credit programs are often politicized; clients do not feel obliged to repay subsidized loans; the government has neither the human nor the financial resources to run a nationwide loan program; and interest rates must be set at
market levels by private service providers or costs will not be covered. These lessons reinforced the belief that microfinance is best managed as a private sector activity and led to the withdrawal of the government’s commitment to withdraw from direct lending (Goodwin-Groen et al 2004: 5).

In the mid 1990’s, the microfinance sector began a new era of revolution. Goodwin-Groen et al (2004: 4 - 7) categorizes the evolution into three phases:

Emerging Market (1995 – 2000): This period is described as the Business approach period, characterized by the emergence of good practice of microfinance. Launched and implemented by Private Enterprise Support Training and Organizational Development (PRESTO) project of USAID and with the support of other Donor projects to build a core group of strong Microfinance Institutions (MFIs) in the country. The Bank of Uganda (BOU) in 1999 created a four frontier financial system that included Banks, Credit Institution, Microfinance Deposit Taking Institution, and all other financial service providers such as NGO’s, Community Based Organizations. This revolution began the development of an emerging market.

Growth Market (2001-2003): Characterized as the commercialization period, was marked by increased competition and the active participation of commercial bank, Passage of the Microfinance Deposit-Taking Institutions Act, 2003 to allow strong MFIs to become intermediaries regulated by the BOU. Also, there was amplified focus on savings and rural areas accompanied by the establishing of many Savings, Credit and Cooperative Organizations (SACCOS). Creation of SACCOS is a government initiative emphasizing on mobilizing savings and credit for the people as part of its poverty reduction strategy. There were 250 established in 1998, increasing to 1300 by 2004. The growth in SACCOS is partly explained by the lacking of services in rural areas. The Government of Uganda announced a Microfinance Outreach Plan which in 2005 to establish more cooperatives and strengthen the existing ones. The Ugandan Cooperative Alliance supports in the establishment of new SACCOS, monitoring and provision of operational support. Out of the 970 sub counties, only 381 have a SACCO. Government plans to strengthen the 381 SACCOS already in existence and to create new ones in the 589 sub-counties that do not have them (Uganda 2007).

Microfinance in Uganda (2003 and beyond): In 2004, Uganda is at a crossroad: Stakeholders can collaborate to build a developed market or rest on their
accomplishments and leave microfinance as a development niche. The sector’s well-known success within Uganda, and the extensive documentation of this success, has contributed to high expectations among political leaders. Microfinance stakeholders expressed concern that microfinance has been oversold, while other aspects of financial sector development and poverty intervention are being neglected. Stakeholders noted that many of the microfinance sector’s shortcomings are linked to overall financial system weaknesses. To move forward, stakeholders need to look beyond retail MFIs and consider microfinance in the context of the larger financial system (Ibid. 7)

### 3.4.6 Transportation

The construction and maintenance of a good road network is a major priority in the PEAP because of the importance of infrastructure in input and output market access, especially in the context of the country’s plan to modernize of agriculture. The process of building the country’s infrastructure also contributes to poverty reduction by creating employment for the abundant unskilled labor in the rural areas (Okidi and Mugambe 2002: 24).

Where the rural areas produce an internationally traded commodity and the internal trading system is competitive, theory predicts that the whole reduction in transport costs will be passed on to farmers in the form of higher farm gate prices. If the trading network is not competitive, things are more complex, but there is a good chance that the increased volume of traffic will be associated with more frequent visits by traders and therefore an increase in the competitiveness of the internal trading system. If the output of agricultural areas is non-traded however, as is the case in many areas of Uganda, then the reduced costs of transport will be partly captured in lower urban market prices. A substantial part of the benefits are likely to accrue to the rural producers who are served by the road and who participate in the market (Mackinnon and Reinikka 1999: 25)

Over the last 15 years, Government with the assistance of the development partners has invested heavily in developing and rehabilitating road infrastructure, particularly national and district roads. The proportion of national roads in a fair condition has improved from 6% to 75% and district roads from 15% to 67% between 1988 and 2003 respectively (MFPED 2007). The country’s road network comprises of 10,800km
National Roads of which about 2700km are paved and the remaining 8,100 gravel; 27,500km District roads under the responsibility of Ministry of Local Government; 4,300km Urban Roads under the responsibility of Urban Councils; and 30,000km Community Access Roads under a lower tier of Local Government responsibility (LC III) (URF 2008).

Rural service provision by the government for its citizens promotes development. Having access to such services increases the individual’s chances of escaping poverty. To ensure efficiency in provision, a decentralized approach is seen as a better option. Decentralized provision of rural services to bring services closer to the people. I discuss Uganda’s decentralization policy is discussed in the next section (3.3), why the need for the policy, its benefits and challenges.

3.5 Decentralization in Uganda
Earlier on I have talked about poverty and inequalities in Uganda, government measures to reduce poverty by providing several rural services. Now I concentrate on Uganda decentralization policy in this section.

3.5.1 Historical Background
Uganda’s decentralization process first began with the enactment of the 1987 Resistance Councils/Committees (RC’s) statute no. 9 that legalised RCs and gave them powers in their areas of jurisdiction at the local level (Asiimwe D., 1989 cited in Bashaasha et al. 2008). In 1993, it was enshrined in the Local Government Statute of 1993 and later in the 1995 Constitution and local government Act of 1997 (Steiner 2006). The idea to implement decentralization policy was to empower the people to increase their participation in decision making and determine how they should be governed, improve public service provision by making the citizens demand the type and quality of public services they want and enhance government’s responsiveness to the peoples needs and be accountable to them (Onyach-Olaa, 2003). Uganda’s decentralization policy is perceived to be one of the most far-reaching local government reforms in the developing world, second to South Africa in Sub-Saharan Africa (Ndegwa and Brian 2004). The local government administrative is formed by 5-tier pyramidal structure of Local Councils (LC) at village (LC1), parish (LC2), Sub-county (LC3), County (LC4),
District (LC5) levels (Francis and James, 2003). Figure 5 shows the five-tier local government structure in Uganda.

According to Bashaasha et al (2008), the devolution of powers, functions and responsibilities to local governments, was intended to achieve the following objectives:

- To transfer real power to the districts and thereby reduce the workload on remote and under-resourced government officials;
- To bring political and administrative control over services to the point where they are actually delivered, and thereby improve accountability, effectiveness and promote people’s ownership of programs and projects executed in their districts;
- To free local managers from central government constraints and, as a long-term goal, allow them to develop organisational structures tailored to local circumstances;
- To improve financial accountability and responsibility by establishing a clear link between payment of taxes and provision of services they finance; and
- To improve the capacity of local councils to plan, finance and manage the delivery of services to their constituents.

Hence decentralisation in Uganda is based on three inter-linked aspects: (i) political and legislative empowerment of the people, (ii) fiscal devolution and (iii) control of the administrative machinery by the local councils.

Figure 5: Five-tier local government structure in Uganda. Source: Steiner 2006: 44 –The bolded institutions are local governments, italics are administrative units.
The local councils are mandated with specific responsibilities and have to make important development plans based on locally determined priorities. Table 3 below shows key features of the institutional structure of local government in Uganda.

<table>
<thead>
<tr>
<th>Local council level/area</th>
<th>Political head</th>
<th>Procedure for selection of representatives</th>
<th>% of locally generated revenue retained</th>
</tr>
</thead>
</table>
| LC5/District             | District Council Chairman | (a) Chairman elected by universal adult suffrage (UAS)  
(b) One councilor elected from each sub-county by UAS  
(c) Women make up 1/3 of council  
(d) Special councilors for youth and disabled | 35% |
| LC4/County               | LC4 Chairman | (a) Council made up of all LC3 executives, who then elect LC4 executive | 5% of 65% |
| LC3/Subcounty            | Sub-county Council Chairman | (a) Chairman elected by UAS  
(b) Councilors elected by UAS from each parish  
(c) Women make up 1/3 of council | 65% of 65% |
| LC2/Parish               | Parish Council Chairman | Selected by LC1 Executive members | 5% of 65% |
| LC1/Village              | LC1 Chairman | Direct election by universal suffrage | 25% of 65% |

Table 3: Decentralization in Uganda: key features of the institutional structure

Source: Francis and James, 2003: 328
Since the implementation of decentralization, several achievements have been obtained. 
Azfar *et al.* (2001) reported high turnout in local and national elections\(^{18}\) (80% and 83%) as a signal of democratic aspiration. According to Onyach-Olaa (2003), electorates are increasingly demanding performance and accountability from elected leaders. Higher levels of accountability have been achieved but only to a limited extent.

Reasons for the limits in accountability have been attributed to twenty six years of centralization marked by brutal dictatorship and deprivation as well as strict hierarchical social and political relations which has resulted in people’s apathy towards and cynicism about public affairs. Decentralization in Uganda has not been for a long time and will require some time for participatory political culture to evolve (Steiner 2006:22). 

Golooba-Mutebi (2004) calls for political history and the socio-cultural context to be taken into account in efforts to promote participation.

### 3.5.2 Challenges in implementation of decentralization

Over the short period of decentralization policy, it has faced many challenges that has jeopardized the movements in participation and efficiency in public service delivery and hence impacts on poverty outcomes. Most notable challenges include financial shortages, human resources capacity, elite capture, participation and exclusion of vulnerable corruption and corruption. I proceed further to explain some of these challenges.

Financing of local government activities and duties are obtained from four main sources which are:

1. Locally generated revenue, such as market dues, trading licence, rent and rates.
2. Government Grants\(^{19}\)
3. Donor/project funds, for specified activities, and
4. Fundraising from well-wishers (Bashaasha et al 2008)

Government grants and locally generated revenue are the two most important sources of revenue for the local government. Locally generated revenue was for a long time by means of a form of income tax known as Graduated Tax (GT) contributing about Shs. 18 Local government have had regular elections in 1986, 1989, 1992, 1998, 2002 and 2006.

\(^{18}\) Grants from the government in the form of conditional, unconditional and equalisation grants. Conditional grants given for specific services, Unconditional grants mainly used for the payment of staff salaries, and equalization grants are allocated to localities lacking behind in service provision.
60 – 80bn per annum. Collection of this tax has not been efficient due to problems such as politicisation of the tax collection, inappropriate means of collection leading to local resentment and a lack of administrative capacity (Paul and James 2003). This tax has been abolished by the government since 2005. Local government activities were constrained financially because of abolishment of the Graduated Tax which happened to be their main source of local revenue. Government compensated the local governments with a GT compensation, funds given were however not sufficient and sometimes delayed. Local councils sittings could no longer be financed to take policy decisions, supervisory and monitoring roles could not be financed, failure of local governments to co-fund donor supported projects, inability to employ and replace staff just to mention a few of the resulting challenges. The government introduced a Local Service Tax (LST) and Local Hotel Tax (LHT) which took effect from 1, July 2008 to generate local revenue for the local governments.\(^{20}\)

The local government aside its financial constraints are faced with poor human resource capital. Staffs are less experienced and lack training capacity hindering efficiency in service delivery and administrative operations such as delays and inconsistencies in the planning and budgeting (Steiner 2006). Ssali (2002) noted that Lower-level Local Governments (LGs) (sub-counties, town councils and municipal divisions) have not been as successful as higher level LGs (cities, municipalities and districts), mostly due to capacity gaps (Onyach-Olaa 2003:106). LGs in Uganda operate at less than the acceptable minimal personnel structures, in some instances as low as 9% of the approved manpower structure (Bashaasha et al 2008).

Corruption a key constraint to efficient allocation of economically valuable resources, effective provision of public goods and services, and people’s confidence in the state and the legal system is widely spread in Uganda as reported by Deininger and Mpuga (2005). Funds for projects have at times been diverted for individual benefits. Monitoring and auditing systems have not been efficient in curbing corruption.

---

\(^{20}\) LST paid by all persons in gainful employment, practising professionals, business people and commercial farmers producing on a large scale, with the exception of members of the Uganda people defence force, police, prisons, elderly and peasants.

LHT is levied on hotel rooms and paid by guests.
3.6 Summary
Poverty in Uganda is concentrated in the rural areas and has regional differences, the northern region having the highest rate of poverty. Major causes of poverty attributed to insecurity, lack of income and assets and voicelessness and powerlessness. The government has developed and implemented the poverty eradication action plan, which seeks to improve the living standard of the people, increase their income base, and provide an enabling environment for development. The major concern of the government is to provide rural services to the people, services that are pro-poor mainly roads, health services, education, transportation, microcredit, water and sanitation. Such goods are public goods and present inefficiencies in production. A decentralized approach to service provision has been adopted by the government to increase efficiency in service provision for the development of its citizens. The policy though with a lot of benefit has had its challenges such as financial constraints, elite capture, exclusion of vulnerable groups and corruption.
In what follows, I will analyse efforts toward alleviation with regard to the characterized policies.
Chapter Four: Methodology

In this section I introduce my analytical framework, the Institutional Analysis and Development Framework (Sec 4.1) which I later on use to conceptualize the outcomes of decentralized provision of rural services in four villages in Uganda. I also describe the methodological approach used in selecting my case districts and case villages (Sec. 4.2) and in the last section (Sec 4.3), I state the limitation of the methodological approach.

4.1 Theoretical Framework– Institutional Analysis and Development (IAD) Framework

4.1.1 Overview of IAD Framework

The IAD framework (figure 6) was developed by scholars at Workshop in Political Theory and Policy Analysis at Indiana University (Ostrom et al 1994; Ostrom 2005; Kiser and Ostrom 1982; Oakerson 1992) as a useful theoretical tool which has been used for a large number of empirical studies including those that analysed (1) the impact of metropolitan-area governance structures on urban service delivery, (2) how institutional incentives affect the sustainability of international development cooperation projects in developing countries, (3) how diverse forms of organisation affect irrigation system performance and (4) how ecological conditions combined with institutional structures affect land-use change dynamics (Gordillo and Andersson 2004: 312).

Figure 6: A framework for institutional analysis (Adapted from Gibson et al 2005: 26)

The IAD framework highlights how physical and material conditions and rules in use and the attributes of a community jointly shape policy outcomes.

Any theory has its own language, and to understand it, one must understand the basic terms (Ostrom 1977: 2). The IAD has its own language and to understand the terms/elements, I explain first the Action Arena which is the first step in institutional analysis – establishing the boundaries of the analysis (Andersson 2006:3). The structure of the action arena is composed of the action situations and the actors. Actors can be either a single individual or a group of individuals who have a single regularized way of making decisions (Gibson et al 2005: 26); Action situation refers to a concept that enables an analyst to isolate the immediate structure affecting a particular process in order to explain regularities in human action and results. The action situation is influenced by three categories of contextual variable that is the physical or material conditions, attributes of the community and the rules in use. The action arena is composed of seven elements. These are:

- the set of participants
- the positions to be fulfilled by participants
- the potential outcomes
- set of allowable actions and the function that maps actions into realised outcomes
- the control that an individual has in regard to this function
- the information available to participants about actions and outcomes and their linkages
- the costs and benefits – which serve as incentives and deterrents – assigned to actions and outcomes (Ostrom 2005: 32)

Physical or material conditions, attributes of the community and rules in use are fixed elements that affect the rest of the patterned interactions, but are not themselves the object of explanation and are assumed to be relatively fixed (Hess and Ostrom 2004: 9).

Physical or material conditions – There is the need here to identify the nature of the public good/service involved in the action situation as different types of goods and services have different institutional structures for their production and allocation (Gibson et al 2005: 34).

Attributes of the community – Communities differ along numerous dimension: populations, assets, history, ethnicity, education etc. These factors affect individuals
capacity to self organize although the importance of any single attribute, or mix of attributes, will likely vary from context to context.

Rules in use- Rules are shared understanding among those involved that refers to enforced prescriptions about what actions (or states of the world) are required, prohibited, or permitted. It also establishes the position of enforcers of the rules themselves who have the power to coerce conformers. Many rules emerge as groups of people work together to find solution to commonly faced problems (Gibson 2005: 33). Rules may be formal (laws and regulations) or informal (not written, understood and followed by participants and enforced). It is useful to identify three main types which affect the action situation, pattern of interaction and the resulting outcomes. These are operational rules, collective choice rules, constitutional choice rules. Operational rules govern day-to-day decision making process; Collective choice rules affect how operational rules are to be changed, and who can change them, thereby indirectly affecting operational activities and results; constitutional rules are the rules to be used in crafting collective rules that in turn regulate the operational rules (Hagedorn 2007)

Patterns of interaction- The multiple interactions in different action situations create patterns of interaction that over time results in predictable outcomes. By studying these patterns, one can identify the institutional incentives of the different actors in a given action situation. Outcomes are the extent to which social dilemmas are resolved. The process is reiterative, as whatever outcome that results will affect the contextual variables as well as the action arena in future interactions (Andersson 2006: 4). Evaluative criteria used in evaluating the outcomes and the pattern of interaction are: 1) efficiency 2) Sustainability 3) Equity 4) Accountability 5) Efficiency 6) Adaptability/Resilience and 7) Conformance to General Morality.

4.1.2 IAD Applied to Study Area
The action arena in my study focuses on four villages, composed of several actors – local people, local government officials and service providers interacting with each other resulting in certain outcomes (poverty situation) which I seek explanations for. How much control each participant has and how much information they have about the situation? What are the possible outcomes and what are the costs and benefits?
With the physical or material conditions, I will study the types of public services that are available in my case village and classify them as public goods, common-pool resource and/or club goods. The four villages I describe later on have different attributes which may be factors contributing to the outcomes in these villages. Attributes of the community such as the historical background of the village, climatic conditions, income generating activities, ethnicity of the locals which influences the action arena, pattern of interaction and outcomes will be analysed. The rules in use that are observed in my case village will form a major part of the analysis rather than written rules which the locals may not even be aware of. Using the framework I will answer the question whether observed rules in use are likely in any way to contribute to solving the problems in the villages leading to poverty outcomes?

4.2 Case Study Approach

4.2.1 Case study selection approach

The design adopted for this research is a linkage of both quantitative and qualitative data. Rossman and Wilson (1991 cited in Miles and Huberman 1994: 41) suggest three broad reasons why qualitative and quantitative data should be linked: a) to enable confirmation or corroboration of each other via triangulation; b) to elaborate or develop analysis, providing richer detail; and c) to initiate new lines of thinking through attention to surprises or paradoxes, turning ideas around and providing fresh insight. Quantitative data analysed by researchers from the International Food Policy Research Institute (IFPRI) – Kampala and Washington D.C. on access to rural services and poverty headcounts and severity of poverty were used to fill a 2 x 2 matrix (Figure 7) to find representative samples and locations for the qualitative case studies. I will begin first to describe how the quantitative data were analysed to fill the 2 x 2 matrix and follow that with an explanation of how the qualitative case studies were selected.

---

22 I wrote this thesis within the RSP Project: ‘Making Rural Services Work for the Poor: The Role of Rural Institutions and their Governance for Agriculture-Led Development’ which is jointly coordinated by the International Food Policy Research Institute, Washington D.C, USA, and Humboldt University Berlin, Germany. This explains how I had access to quantitative data from the IFPRI.
4.2.2 IFPRI Quantitative Data Approach
The following approach was used to fill out the 2x2 matrix:23

Distance to all-weather roads, health centre, secondary or primary school, input and output market, number of visits by extension service providers and access to credit (i.e. farmers who borrowed) were used to determine performance of a district in providing rural services. The 1990/91 household survey was used as the baseline representing provision of the rural services before decentralization and the 1999/00 household survey used to form the panel data, which were used to compute changes in the access to rural services and the changes in the outcome (severity of poverty and poverty headcount).

Two statistical methods – Factor analysis and Cluster analysis- were used to structure the data. Factor analysis was used to “combine” the rural services into one common factor (rural service – with varying degree of performance). Factor analysis is used to explain variability among observed variables in terms of fewer unobserved variables called factors. The purpose is to discover simple pattern of relationship among the variables. The advantage of reduction of number of variables by combining two or more variables into a single factor and identification of groups or inter-related variables to see how they are related to each other.24

Cluster analysis then was used to group the districts into four groups according to their improvement of rural services: best services (highest improvement); good services (medium improvement) and poor services and very poor service (lowest improvement). Annex 1 show a map of the districts grouped into the four categories. The changes of severity of poverty or poverty headcount (1999/00 level – 1991/92 levels) were also computed (Annex 2 shows a summary of the regression analysis).

---

23 I must acknowledge Ephraim Nkonya, John Pender and their colleagues of IFPRI-Washington D.C and Kampala who worked on the quantitative data and based on their results, filled the 2 x 2 matrix which I used for the qualitative case study.
24 [www.psych.cornell.edu/Darlington/factor.htm](http://www.psych.cornell.edu/Darlington/factor.htm)
25 Cluster analysis is used to discover structure in data without providing an explanation/ interpretation why they exist. Cluster analysis seeks to identify homogeneous subgroups of cases in a population. [www.statsoft.com/textbook/stcluan.html](http://www.statsoft.com/textbook/stcluan.html) [www2.chass.ncsu.edu/garson/PA765/cluster.html](http://www2.chass.ncsu.edu/garson/PA765/cluster.html)
Matrix Sampling

<table>
<thead>
<tr>
<th>Good Service</th>
<th>Kumi</th>
<th>Nakasongola</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad Service</td>
<td>Soroti</td>
<td>Lira</td>
</tr>
</tbody>
</table>

Figure 7: 2 x 2 Matrix Sampling (Access to services by Outcomes on poverty headcount and severity of poverty)

To control for the impact of the biophysical characteristic which may have influence on the outcomes and rural services, the agro ecological zones were considered. Three of the selected districts – Kumi, Soroti and Lira – were selected from the low to medium unimodal rainfall zone and Nakasongola from the bimodal medium rainfall zone. These results were used to develop the 2 x 2 matrix (Figure 7) and to select the four districts.

Figure 8: Study District Site Map
4.2.3 Qualitative Data Approach - Field Survey
Miles and Hubermann (1994:10) points out the strengths of having qualitative research: “Qualitative research focuses on naturally occurring ordinary events in natural settings so that we have a strong handle on what real life is like, it has richness and holism with strong potential for revealing complexity. The inherent flexibility of qualitative studies gives confidence that we have really understood what has been going on”.

Qualitative approach was adopted for the case study. With the selected four districts according to the 2 x 2 matrix, the next task was to identify case villages in these selected districts that were representative of the districts based on the criteria used for filling the matrix. In selecting the villages, I made interviews with different stakeholders.

First, I had interviews with the district officials and experts who had in-depth knowledge of the districts for their opinion on potential sub counties based on the criteria of the 2 x 2 matrix for selection. Target interview partners were the Chief Administrative Officer (CAO) / Deputy CAO, District Chairperson/ Vice Chairperson/ any of the Secretaries of Council, and NGOs working in the district.

Based on the different recommendations made by these officials, 1- 3 of the suggested sub-counties were visited and discussions made with the sub-county officials – Sub-county Chairman, Sub-county Chief and Sub-county Extension Officer. The criteria for selecting the district and subcounty were explained and the officials asked for their opinion whether their sub-counties fitted the criteria or not. If they agreed that it fitted the model, they were then asked to recommend a village that best described their subcounty. If the subcounty was said not to be representative of the district based on the model, then they were asked to recommend other sub-counties within the district that best fitted the model stating the reasons behind their choice.

From the gathered information, one subcounty was selected and the recommended village in this sub-county selected as the case village. Discussions were then held with the village chief and his council members followed by a focus group discussion with the village members and finally household interviews with the village members. Figure 9 shows an illustration of the case study approach.
In all seventy-five interviews were made including five focus group discussions using different questionnaires (see Figure 10 below and Annex 3 for list of interview partners and Annex 4 for Questionnaires). Miles and Hubermann (1994:23) believe that better research happens when you make framework and associated choices of research questions cases sampling and instruments explicit. Research questions and conceptual framework affect each other. My research questions were adapted to the IAD framework which is my conceptual framework for analysis of my case villages.
4.2.4 Instruments for Field Survey
Field interviews and discussions were recorded with tape recorder and field notes were taken as well. I transcribed all the field notes and made write up of each case village. The process of field notes has been described as “problematic” by Miles and Hubermann (1994: 9). They claim that field notes are really tests constructed by the field worker on the basis of observation and participation. The ways in which transcription of tapes are done may produce different texts which may affect the generated data (ibid: 9). Producing write ups from field notes and tapes add back missing content during field interviews which were not captured in field notes which is sketchy (ibid: 51). I used my transcribed field notes and write ups as major documents for the content of my analysis in chapter five, linking both the quantitative and qualitative studies with observed situation in the local settings with the IAD framework.

4.2.5 Secondary Data Sources
From each of the four sub-counties in which my case villages were located, I collected copies of the subcounty three year development plan which contains information on the socio-economic characteristics of the subcounty, governance structure, services available and development projects. I also collected reports and documents from the service providers that I interviewed. These additional sources of information will clarify and add-on to the information that I gathered from my four case villages.

4.3 Limitation of Field Survey
I had a period of six weeks to study the four villages conducting interviews with households, focus group discussions, district and subcounty officials and NGOs experts. The limited period of time affected the total number of interviews I was able to make in each village. I had only a few expert interviews as it was difficult getting appointment within a short period of time.
Asking for district and subcounty official’s opinion on village selection poses bias as information received was subjected to their opinion.
I used three different interpreters for the case villages as different local languages were spoken in the villages. This may have influenced on the quality of information that I received.

Transcribing field notes and producing write ups was a tedious and time consuming process but necessary product for analysis.

The above described approach of linking quantitative and qualitative studies was adopted to study my four case villages in rural Uganda. I describe the case villages from the field work I did over a period of six weeks (9th June 2008 – 19th July 2008) using the IAD framework earlier on described in chapter five.
Chapter Five: Case Studies

5.0 Applying the IAD Framework to Case Studies

From the theoretical review on poverty, public services and decentralization in Chapter Two, I came up with the hypothesis that:

A. By means of decentralized provision of many different rural services that match local preferences, poverty may be reduced.

B. Good local governance facilitates service provision and hence reduces poverty.

C. Different local conditions determines the success of rural services provided in reducing poverty.

E. Access to a particular combination of rural services (complementary services) may result in poverty reduction.

F. Where there is a cooperate production of the rural service, a sense of ownership and responsibility is created and such services may be effective in reducing poverty.

G. Where provided services represent the preferences of the beneficiaries, poverty may be reduced.

H. Where provided services are in line with the applied rules and institutions in a community, services can unfold poverty alleviating effects.

By means of a case study approach, my aim is to find out in how far four cases support these hypotheses. I use the IAD framework to consider the local conditions that may have resulted in poverty outcomes in these villages. I begin by describing my action arena which is my village, the action situation and relevant actors and how they interact given the nature of the kind of public service. I describe the context of the village that influences the action arena and the patterns of interaction leading to the likely outcomes.
5.1 Case 1: Using the IAD Framework to Study Access to Rural Services and Poverty outcomes in Kachooso Village

5.1.1 Introduction: Kachooso Village

*Kachooso* village is located in Kumi district which according to the selection criteria in the 2 x 2 matrix represents Good Services and Good Outcomes. The village is located in *Ongino* subcounty and in *Kachaboi* Parish. *Kachaboi* parish has three villages *Kachooso, Morupeded* and *Katwanore*. According to the 2002 population census the Parish has 528 households, total population of 2700 (1312 males and 1388 females) and average household size of 4.8 (Ongino sub-county local government 3 year development plan 2007:2). The inhabitants are predominantly peasants living in small grass thatched mud huts. Rain-fed subsistence food crop production - cassava, maize, groundnut, millet, sorghum etc. - and rearing of livestock like cattle, sheep, goats, pigs and chicken are the main economic activities in the village. The locals mostly farmers, farm small size lands and their productivity is low. Only a few persons had ox-ploughs for ploughing their lands. Over the past few years, changes in climatic conditions have led to unfavourable weather conditions. Drought conditions during the dry season and flood conditions during the rainy season destroy the farm produce. Some of the farmers have started growing rice during the rainy season and during the dry season grow drought resistant varieties if they access to such planting materials. Others were into alternative income generating activities such as charcoal burning, brewing of local alcoholic beverage, selling of churned milk, selling of tomatoes and processed fish and local transport. Most of the locals were poor; the most affected being the aged, children, HIV/AIDS victims and women. The village had access to a number of services provided by local government and NGO’s working in the district. A fairly good road linking the village to Kumi town, extension services, primary and secondary school, water, microcredit services.

---

26 Kachooso literally means initiators or Pacesetters.
27 Riding of bicycle or small motor cycles popularly known as bodabodas
5.1.2 The Action Arena: Actors and Action Situation
The local people, local government officials and service providers are the actors in my village. The local people are members of Kachooso village, who are farmers. They access public services which are provided by the local government and NGOs and in the process interact with these service providers.

During the planting season, the locals plant a variety of crops after preparing their lands. Land preparation is by traditional methods using hoes and machetes for clearing the land. Some of the locals owned ox ploughs which they used for ploughing their land. Those who could afford, hired ox plough or agreed to work on the farm of an ox plough owner and as a form of payment, be allowed by the owner to use the plough to till his/her land.

Aside farming, some of the local people engaged in other forms of activities like charcoal burning, petty trading, and working as labourers on other persons farms for income. The amount of produce from individuals’ farms was not sufficient to sustain their families through out the year and they needed to get additional source of income for their survival.

Participatory Decision Making
Kachooso village is governed by a council of nine members headed by the village chief. The village chief is elected by the village members and he nominates his council members. Council members appointed should be responsible, respected, well behaved members of the village. The nominated council members are presented to the locals for approval. Since 2001, there had not been any election in the village due to the lack of financial resources. The village has clan leaders made up of heads of the various clans who sit to take decisions and resolve issues in the village. Decisions are made collectively in the village with the village chief chairing the meetings. 25% of the subcounty local revenue is given to the parish and shared among the three villages in the parish. The village members have to meet to decide what and how to use the money allocated to them and the village chief channels the information to the parish development committee who then sends the information to the subcounty to be integrated into the 3-year development plan. Locals were interested in information from the district and subcounty and also interested in participating in village meetings and

---

28 Since the abolishing of the Graduated Tax in 2005, most sub-counties had not been able generate sufficient local revenue.
sharing their opinions. Leaders are obliged to account to them on proceedings of meetings at the subcounty and also on how their resources have been used.

Access to services from government and NGOs
The village members received various services from different service providers from the local government and from the other external sources. Extension agents from the subcounty and from the NGOs working give agricultural extension services. NGOs prefer to provide extension services using the government extension workers and they encourage farmers to be in groups to access the service. Health services were provided by the government health workers who were paid by the government. The health workers were not motivated in providing this service as the health centers were not well resourced and understaffed. The locals who had the financial means preferred to seek treatment from private hospital (Kumi Hospital) in the district.

5.1.3 Institutional factors influencing the action situation
To solve commonly faced problems in the village, informal rules are instituted by the leaders and the locals, which are enforced and expected to be followed by all members of the community. The following rules were in use in Kachooso village which may have influence on action situations in the village.

Compulsory participation in village meetings: Participation in village meetings was a must especially for heads of households. Discussions on development issues and problems in the village were discussed during such meetings. The village chief passes on information from the district and subcounty to locals at the meetings. The locals also air their concerns and make suggestions to solving their problems. The village chief channelled their needs to the subcounty officials to be addressed. If there is a project in the village, it is the duty of all the members in the village to monitor the successful implementation and completion of the project. Village members were interested in monitoring developmental projects in the village.

Compulsory membership and responsibility in village funeral group: Kachooso village had a funeral Group which was mandatory for every member in the village to be was a part of this group. The Men had to pay 1500 Shs/yr, women 1000 Shs/yr, and youth 500 Shs/yr. For each child, the parent had to pay 200 Shs per year. Additionally, per funeral,
every man had to pay 200 Shs and every woman 100 Shs. This fund was kept by one
respected woman (Grace Atiang). If someone dies in the village, every adult was
expected to attend the funeral, if one does not attend the funeral, he or she will be the
one to dig and cover the grave. Since no one wanted to go digging or covering grave
they attended funerals. Funeral grounds were places to socialize and discuss issues and
problems in the village.

Construction of Pit latrine in every household: Sanitation was considered important in
Kachooso village. The village members had agreed that every household should have a
pit latrine to improve the sanitary conditions in the village and reduce the incidence of
diseases. Households that did not comply with this rule were fined a fee of 10,000 Shs
and forced to construct one. All the households in the village had constructed pit
latrines. They were proud to be one of the few villages in the subcounty to all
households construct pit latrines.

Village courts: Theft cases in the village were addressed by the village court which was
made up of the village chief, council members and clan heads. Persons who stole others
properties were asked to return the stolen items and/or pay compensation to the victims.
Cases that could not be resolved by the village courts were referred to the subcounty
court. Culprits depending on the crime and the decision by court could end up in police
custody.

No marriage under 18 years: Marriage of children below the age of 18 years were not
allowed in the village. This was done to reduce teenage pregnancy, keep the girl child in
school, check the population growth rate and reduce the spread of HIV/AIDS. Rape
cases were taken to village and subcounty courts and forwarded to the police station in
the district. Girls were married in exchange for cattle, the number of cattle a family
receives for a bride, has to do with her educational level. For an uneducated bride or a
bride with basic primary education, 2 – 4 cattle will normally be demanded. The higher
the educational level of the bride, the higher the number of cattle demanded. The locals
preferred to marry within the village in order to keep their assets in their village.

Compensation- if animals destroy crops: If someone’s animal eats another person’s
crop, the owner of the animals had to compensate the crop owner which was an
agreement between the two parties. If he doesn’t fulfil the agreement, the case is sent to the village court and they decide on the amount of fine to be paid.

*Maintenance of borehole – every household contributes:* Maintenance of the village borehole is necessary as this is the only source of water supply. The village sits together and agree on how much each person is to contribute for maintenance of the bore hole when it gets spoilt. 1,000 Shs is contributed monthly by each household. If a family fails to pay, they are not allowed to fetch water from the bore hole, so everyone is forced to contribute. If some of the contribution is left, it is given out as credit to persons in the village who are in financial need to be repaid later.

**5.1.4 Attributes of Community influencing the Action Arena**  
*Large family sizes*

Most of the families had large family sizes that all depended on the land for their survival. Having children is considered a blessing from God and an additional labour to work on the farm -“if God blesses you with children why should you refuse them”- comment focus group discussion.

Family sizes in Kachooso village were large and could not depend on the produce from their farm all year round. Some families had to work on other person’s farm for additional source of income, weeding and ploughing before and during the planting season. They offer labour on other peoples farm at the expense of working on their own farms during the planting season. Time to spend working on their own farms is spent working on other people’s farm for meagre incomes.

*HIV/AIDS*

HIV/AIDS is fast spreading in Kachooso village. A lot of Parents were sick or had died from the disease leaving behind widows and many orphans who are not in school. Orphans were left in the care of other family relatives who may already have large family sizes or aged. Many orphaned children who were of school going age were not in school, they had to fend for themselves and their other siblings. The high rate of HIV/AIDS in the village were said to be for a number of reasons; illiteracy and lack of sensitization in the village about the disease, discussion of sex considered as a taboo, condoms not readily available and families marrying off their children without having
the partners test for HIV/AIDS. Families marry off their daughters for cattle (about 2 – 4 cattle’s) which is an important asset.

*Basic Social Services*

*Primary and Secondary Schools:* Education is provided for free by the government through its nation wide Universal Primary Education (UPE) which covers tuition fees, teaching materials, co-curricular activities, administration and management. What the parents needed to provide, are schools uniforms, exercise books, stationary and food for children. In Kachooso village there was one government primary school, the quality of education was said to be poor compared to the performance of other private schools in the district. Parents were happy that their children were able to access education for free but were not satisfied with the performance of their children. Children had to walk barefooted to school most times on an empty stomach.

*Agricultural Extension Service:* As majority of the inhabitants are farmers, agricultural extension services were of much importance. Extension services were provided by extension officers from the subcounty through the government supported NAADS program. Farmer’s forums were held by the extension workers who advised on good farming practices and made farm demonstrations. Farmers were encouraged to work in groups to access planting materials supply from the government. The services provided were beneficial but said to be only beneficial to a few influential people and those who could pay for an extra service. One elderly man complains:

“in the past extension workers will come to our farms and teach us new techniques but these days, they only come to the village centre talk, talk, talk and leave, they don’t follow us to our farms anymore, ask them to come to your farm and they charge you money for fuel for their motorcycle!”

The village had not benefited from the Northern Uganda Social Action Fund (NUSAF). The facilitator who was the village extension officer was said not to have helped the village acquire any of the projects they requested for whiles other villages has a lot of benefits.

“We wrote a proposal to have a “Kachooso Youth Goat Project”, we learnt that the project had been approved but we never had the money for the project”.

The village members were not satisfied with the extension services they were receiving and considered an improvement in this service area important for their development.
**Microcredit**: The locals expressed interest in having access to microcredit to engage in other forms of activities. Some of the members of the village had formed microcredit groups and were giving out credit to their members. *Kachaboi* Development Credit and Savings Society (*Kachaboi* SACCO) provided credit and mobilization of savings for members. The government had registered this organization as one of the outlets for its *Bonabagagawale* programs (Prosperity for All) giving out microcredit to the poor to increase household incomes. The group had at the time of the field work not received any support but were hoping to receive money by the end of the year. *OWIDI*, a Community Based Organisation was also providing microcredit to its members in the village. Kachooso Women Development Initiative (*KA WODI*), a self help microcredit group provided microcredit as well to its members.

**Community access road**: There is a Major feeder road from Kumi town to *Ongino* Trading centre and fairly good community access road linking the village. Kachooso village had the advantage of accessing fairly good roads to transport their produce to the market and access other services in the subcounty and district.

**Health service**: Health services were accessed from Kumi hospital and from the Health Centre in the subcounty. Health services were of poor quality, there were only a few working staff and patients had to wait for long hours to be attended to. There were not sufficient drugs at the health centre and patients were often referred to private drug shops to purchase their medications.

**5.1.5 Physical/Material Conditions Influencing the Action Arena**

**Agricultural land**: The soils in Kachooso village were fertile and support agricultural production. There were two climatic conditions, i.e. the dry and wet seasons with two rain peaks per year from March to May and from August to November. The dry season begins from June to July and a prolonged dry season from November to March. Average rainfall ranges between 500m to 1500mm. Environmental degradation resulting from economic activities such as charcoal burning, cutting of trees for firewood, mining of sand for brick making, cultivation of rice in swamps has changed the geographical and climatic conditions of the area. Pressure on the land for cultivation without fallows had increased soil erosion.
gradually reducing the fertility of the land. These changes were believed to be contributing
factors to changes in erratic patterns in the weather, unreliable and uneven distribution of
rainfall, flood situations during the rainy season, and drought conditions during the dry
season. Farmers had their crops destroyed by these extreme conditions.

*Water:* Water an essential commodity in the village was collected from a borehole
which was constructed in 1954 by the government. The water from the bore was not
clean and not suitable for drinking but that was the only source available shared by both
humans and animals. The village chief explained: “...even if you are given this water to
bath with you wouldn’t like it!” The bore hole broke down often and had to be repaired.
The village had set up a committee to take contributions from members every month
which was used in maintaining the borehole and fixing the borehole when it broke
down.

5.1.6 Pattern of Interaction

*Hold leaders accountable:* The village members trusted their village leaders and
respected them. They were convinced that their leaders served the best of their interest.
The village members depended on their village leaders for information from the
subcounty and district and were interested in information on the subcounty budget and
development projects within the subcounty. They wanted the village members to be
more involved in decision making process at the subcounty and district to get first hand
information not only involving the leaders in mobilization work.

*Rules enforcement:* If the village agreed on any guiding rules, the members in the
village tried to follow this rule and together with their leaders, ensured that everyone
went by the rule. For e.g., households were to contribute to the maintenance of the
borehole, the only water supply in the village, members in the village ensured that those
who did not contribute, were denied access from fetching watching from the bore.

*Complain about service providers:* All the public services received in the village were
for free. The village members therefore did not have much control over the quality of
the service they received from the service providers. All they could do was to complain
to their leaders, who may forward their complaints to the subcounty officials. Generally services received were said to be of poor quality but nothing much could be done on the side of the village members to improve the quality of the service.

5.1.7 Evaluative Criteria

Source of income: Agriculture was the main source of income for families in Kachooso Village. Surplus from farm produce were sold on market days for income. Some local members who were members of groups and could have access to microcredit and invested in business activities such as charcoal burning and petty trading. Others worked as labourers on other persons farms for income. Income was often used for purchasing products which they could not produce on their farms, such as soap and salt. Also, for payment for drugs and buying of school uniforms, books and writing materials for the school children.

Basic Assets: The village chief categories the poor as:
“When I say someone is poor, I am referring to an old person, those who have no animals, no land, sick and have no energy to cultivate the land. Fairly poor persons have one goat, 2-3 gardens (about 1 acre) and 1 cow. A well off person in my village has a house with iron roofing sheet and earns an income of about 200,000 Shs per month (approx. £84,00)”. According to his describe only a few people in the village can be classified as well off, i.e. the civil servants, teachers and health workers who received a monthly salary of 200,000 Shs and above. Most of the locals fell into the category of fairly poor.

Accountability: The village leaders were accountable to their members, they called for meetings and decide together with the locals on developmental projects in the village and give them information from the subcounty. Such well functioning local government promoted the development of the community. Members respected their leaders and participated in village meetings.
5.1.8 Outcomes and Classification of Village: “Emerging Civil Community”

*Kachooso* village is blessed with fertile lands and located close to the district centre linked by a good major feeder road and good community access roads. A village which has access to many services - health services, agricultural extension, microcredit, police service, water, primary and secondary education. Poverty in the village has been as a result of high fertility and mortality (HIV/AIDS), changes in weather pattern, insecurity and poor attitude to work. To get out of the poverty trap, the locals together with their leaders and with the support of some external NGOs interact under different situations to find solutions to their problems.

Leadership of the community was efficient and the community members participated in various activities in the village. Rules and institutions established by the locals and their leaders were considered by the locals as in their own best interest and were motivated to enforce these rules. Such rules were established to address the major challenges causing poverty in the village. Their conformance to these rules had increased sanitation in village, reduced child mothers, promoted participation in village meetings, reduced theft cases, insecurity and maintained order and discipline in the village.

Locals had begun diverting into other sources of income apart from farming and this new path had made access to microcredit of high demand by the locals. Having access to microcredit however only benefits the few who were members of the microcredit group. Those still in agriculture have access to agricultural advice from the extension officers who came to the village, which had helped improve their agricultural output. *Kachooso* village with its established institutions and good local leadership is what I will classify as an “Emerging Civil Community” – a village with good services and good outcomes. Figure 11 below categorises Emerging Civil Society using the IAD framework.
Figure 11: Categorizing Emerging Civil Society (Katuugo Village) using the IAD framework.

I move on to the next case study to describe an opposite case where a village had bad services and bad outcomes. This village is found in Lira district, Olilim Sub-county and the village is called Otang village.
5.2 Case 2: Using the IAD Framework to Study Access to Rural Services and Poverty outcomes in Otang Village

5.2.1 Introduction: Otang Village
In Lira district, Olilim sub-county was identified being the poorest subcounty in the district. Otang Village in Ogwette parish was selected as the case village for being the poorest in the subcounty. The village was one of the worse affected villages by the LRA war since 1986. Many of the inhabitants had died during the war, others had fled to other villages. The village was completely deserted during the period of the war. Its remaining inhabitants migrated to camps in the district. About 20 families had just returned to the village since January 2008, now resettling in the village. Otang village borders Abim district where the Karamojongs are located. Conflicts with their neighbours who rustle cattle have created much insecurity in the village affecting all activities in the village. Services such as education and health were accessed from other villages within the Parish and Sub-county. The village survived on its own self help effort. Village members supported each other in rebuilding their homes and planting. Insecurity was the major challenge to the development of the village.

5.2.2 The Action Arena: Actors and Action Situation

Security Threats from Neighbours: The main actors in Otang village are the village locals and their neighbors. These actors were interacting with each other resulting in the seen outcome in the village. The inhabitants of the village had recently returned to the village since January 2008 after being displaced due to insurgencies and staying many years in camps in the district. The inhabitants had returned early in the year before March 29 to catch up with the planting season. They first had to prepare their homes with mud and thatch grass whiles the weather was dry. Once they had a place to lay their heads, the next thing was to prepare their farm lands for planting before the rains came in when the planting season begun. The second group of resettles were expected to return to the village later in the year during the dry season (November - March) to start building their homes.

29 The rainy season begins in April – May and August - November. The dry season is from the June - July and November - March
The inhabitants had planted food crops like sorghum, pigeon pea, millet and maize. These crops were to provide for their food needs in the coming months. This was their first planting season and the inhabitants had planted small acres of land. They however had not been lucky with the weather, the plants were drying from drought and they feared famine later in the year. Bearing in mind the consequences if their crops should fail, the locals engage in other forms of activities such as charcoal production and selling, brick making and working as labourers on other people’s farms within the Parish.

Otang village borders Abim district, where their bad neighbours are located, they threaten them with conflicts, stealing of their animals, farm produce, killing and wounding them. The inhabitants live in fear of their neighbours. The civil conflict by the LRA may be over but they live in danger of being attacked by their neighbours the Karamojongs. Since their neighbours were more interested in cattle, the locals chose not to have cattle, an important asset which could have been used as ox plough to plough sizes of land for agricultural production. The locals farm small areas of land close to their homestead instead of farming large sizes of land far in the village. One local explains:

“People are scared to go to their farms, if you go to your farm you are chased away by the Karamojongs.” - Focus Group Discussion.

Most of the inhabitants owned large sizes of land but had not cultivated these lands due to the security threats. The lack of security had affected their agricultural productivity and they could not as a result produce enough to feed themselves. The inhabitants were small in number and could not alone fight their neighbours who came to attack well armed.
5.2.3 Institutional factors influencing the action situation
The village has informal rules that guided the village and aided in their common
development. The village locals were in the same desperate situation having to resettle
and deal with the insecurity issue in the village. Protecting one another was very
important for their survival. If there was news of the Karamojongs threat of attack, the
message was quickly passed on to all village members and they had to run into hiding
and/or call on the security personnel’s stationed at the anti-stock theft units for help.

For security reasons build and farm close to the homestead: The locals owned large
areas of land but were cautioned to accept small pieces of land given to them by their
friends/relatives close to their newly established homes which was all clustered
together. Venturing deep into the village to farm was at their own risk. Land close to the
newly established homes was given to new comers for free to build close to the other
village members. Being close to each other they could better defend themselves than
when they lived apart.

Support new comers to resettle: As the village was now being rebuilt in order to
motivate others to return to the village, community members were encouraged to help
others to resettle. When a new person decided to settle in the village, members of the
village had to help him/her with rebuilding of their huts. They supported them with the
making of bricks, harvesting and drying of thatch grass for the roofs and with the
construction of the hut.

Provide land and planting materials for new settlers
New members after building of their homes had to be helped to cultivate their lands.
Members of the community who had planting materials had to give some of the planting
materials to the new arrivals. Others had to support in clearing of the land and planting
of the crops. This was a voluntary assistance by the community members to motive their
relatives to return to the village.
5.2.4 Attributes of Community influencing the Action Arena

Insecurity: Otang village has been affected by the long running civil conflict between the LRA and the government of Uganda since 1986. The Ogwette parish chief gave an account of the village history from 1986 to the present situation:

**Box 1: Summary History of Otang Village**

“Before we were living peacefully; we had so many animals, cattle, sheep, goats and chicken. There were over 400 inhabitants in Otang village, the land is fertile and people cultivated large areas of land and had good produce. Between 1986 and 2007 the village collapsed.

In 1986, there was an intensive raid of cattle by the Karamojongs. They would come to our village with guns and drove away our cattle. You know what cattle means in this part of the country, it is all the assets you have and losing your cattle is losing all your wealth. Our people tried to fight the Karamojongs but they were defeated. The Karamojongs are heavily armed. When Idi Amin was ousted they broke into the Barracks at Moroto took away all the arms and distributed among themselves. Each family has at least 2 guns, they had the power and they killed a lot of our farmers in their raids and raped our women. Our people were terrified and fled to other districts living behind everything they owned.

From 2003 to 2005/6 LRA rebels fighting the government killed a lot of the people in the village, children were abducted from our village, we all had to move to security camps in the districts, no one was left in the village.

Around Mid 2006/7 the government came in to support us, setting up Anti-stock safety units in the parish. Since then security has improved, but the situation is still not calm, there are killings every now and then.

In March 2008, some of us returned to the village, built our houses and started planting. A lot of people have decided to come back to the village during the second planting season, if there are no security treats”.

- Ogwette Parish Chief

Food insecurity: The locals had been living in security camps where food aid was provided to them. The inhabitants, who had returned to the village, had to fend for themselves and their families. They were engaged in subsistence agricultural production activities, mixed crop farming, growing crops like sorghum, millet, pigeon peas and maize on the same piece of land. Changes in weather pattern were destroying their crops. The dry season had prolonged and the crops planted for their first planting season...
was all drying up. The village had no food aid support, their crops were dying on the field and what they could foresee in the coming months was food insecurity – hunger. They had no livestock to sell for capital should the crops fail.

Remoteness: Otang Village was one of the last villages in the Olilim subcounty which was the last sub-county in the district. The village is far from the district centre, connected by bad roads making access to the village difficult. The insecurity issue in the village deters aid agencies from venturing that far to support.

Lack of Basic Social Services

Education: Otang village is now being rebuilt after being destroyed by the war. The village has no public services within the village except for security from the anti-stock theft unit, all the service they have access to, were from other villages within the parish. The village was located close to a primary school (Ogwette Primary School) located in Ogwette village. The children of Otang village locals attend this school which was funded by the government under the UPE program.

Health: The nearest health centre to the village was the health centre at Olilim subcounty. An elderly man in the village comments: “There are no clinics near by and you have to travel about 12 miles to the subcounty for medical health care. Imagine a woman in labour, being carried on a bicycle this entire journey to the clinic at the subcounty”. Aside the distance to the health centre, there were no drugs and the health centres were not adequately equipped.

Agricultural Extension: Extension service is not available to them. According to the locals there had never been an extension officer visiting their village since they returned. NAADS support program by the government has not reached their village yet. Neither had they received any support from NUSAF30.

Roads and Defence: In the village the roads were now being opened. The locals explain: “The only road to our village is now being cleared. The Member of Parliament (MP) gave us

---

30 The Northern Uganda Social Action Fund is a government programme, funded by the World Bank to the tune of $113m, meant to eradicate poverty in northern Uganda. This fund has however been mismanaged depriving a lot of beneficiaries like Otang village from benefiting from the fund. As reported in The New Vision newspaper, a total of sh2.5b of the Northern Uganda Social Action Fund (NUSAF) was unaccounted for, according to the Government (The New Vision, 10th July 2008).
50,000 Shs to clear the road because the road leads to an Anti-Stock Security Units” Anti-stock security Units are security stations set up at the borders of the district by the government to ensure security, prevent cattle raiders from disturbing the locals. The presence of these security patrols by the government promotes security in the area and motivates displaced villagers to return to their villages.

**Microcredit:** “There is no one to borrow from, everyone is poor and has no money”- *Household Interview*. Microcredit was difficult to come by as the people did not have much physical cash at hand. They were more or less in a similar condition lacking the physical capital and could only help by borrowing out material items rather than money. They could borrow to the members planting materials or farm tools for cultivation.

**Services of most importance**
Increasing security was considered the most important service as the lack of security affects all other service provision. If there was peace they could work to feed themselves. Another important service they mentioned as important was to have ox ploughs to plough large size of agricultural land. Having security was however considered of most importance.

### 5.2.5 Physical/Material Conditions Influencing the Action Arena
The inhabitants belonged to the same ethnic group - Langi and the clan Lango. Most of the locals had lost their most important asset in raids by the Karamojongs. A few of them had started rearing chicken for eggs and meat. Having livestock was exposing oneself and others to the risk of being attacked.

The inhabitants owned large areas of farm lands. Their population was small; a lot of the people killed in the conflict or displaced leaving the surviving relatives with access to large areas of land. The lands were located further in the village not quite close to where their homes had been built. The lands are fertile suitable for agricultural production and they had large grazing areas for livestock.

Most of the locals had little or no formal education. Their children’s education had been interrupted by the conflict and they were now returning back to the classroom.
5.2.6 Pattern of Interaction

Support one another in resettling: The village locals had not quite long returned to their village and were now resettling. Offering assistance to each other where one possibly could was crucial for their survival. Village locals assisted each other in building of their homes, making of bricks together and helping one another to construct their homes. Individuals could borrow items such as hoes and pangas from their neighbours to cultivate their land. Locals also gave seeds and land willingly to new settlers to farm in order to be able to feed themselves and their families. The elderly men and women liked to share farm experience with the younger ones:

“If I am passing by your farm and you are not doing something correctly I come in to help. If someone needs assistance and calls me I come in to help” – elderly Man Otang Village.

They depended on each other for agricultural advice and support. The new settlement in the village had been built like a camp. The houses were all clustered together close to the road opposite the Ogwette Primary where they had access to water. During the day they went out to their farms to work and return late afternoon to sleep in the homes. Staying close together provided a form of security.

Self help actions: Faced with the challenge of surviving under threat of attack and unfavourable weather condition, the village locals had to survive one way or the other. The village was endowed with large areas of uncultivated land with trees which the locals harvest and burnt as charcoal for sale to their neighbours. Burning of charcoal was a tedious process, some of the village men, teamed up to produce the charcoal together, sell and share the capital. Some of the local men burned bricks together which were sold to the new arrivals and neighbouring villages in the parish for income. Others worked as labourers on other neighbouring village’s farms for a fee. These strategies had been adopted to compliment their small scale agricultural production.

Conflict with neighbours: The locals interacted with their bad neighbours who attack them. They had taken away all their cattle and still threaten them. Now that all their cattle had been raided, their bad neighbours had lunched a new form of attack, claiming ownership of part of their land and attacking any one who crosses the boundary.

“The Karamojong have taken away everything. Now people are returning and the Karamojong are attacking them. They now want to claim a part of our land and have
placed their borehole right in the middle of our road and are killing our people who crossed this boundaries. Three people were killed yesterday. People fear for their lives” - LC3 Vice Chairperson Olilim

The village locals are few in number and not armed and can therefore not fight the Karamojongs. They run away for safety when the Karamojongs attack. The government supported them by providing soldiers at the anti-stock theft units who patrolled the vulnerable villages.

5.2.7 Evaluative Criteria
Sustainability of the village

Without peace and security, Otang village may not stabilize for normal agricultural and economic activities to proceed to enable the development of the inhabitants of the village. Having security is therefore of major priority if the village is to develop.

5.2.8 Outcomes and Classification of Village: “Conflict Trapped Community”

Otang village’s poor poverty outcome is as a result of insecurity in the village. Services have not reached this village because of its remoteness, security threats and also the fact that it has been newly established. The village survive on their own self help effort. What they consider as important to solve their own situation is to have security – a peaceful atmosphere and all other aspects of development will gradually evolve. This is a type of village I will classify as “Conflict Trapped Community” (Bad Services and Bad Outcomes). Figure 12 below categories conflict trapped community using the IAD framework.
I move on to the next case village which represents Bad services and good outcomes. How a village with bad services yet still is able to reduce poverty levels. This village is called *Agiret* located in *Atiira* Subcounty in Soroti district.
5.3 Case 3: Using the IAD Framework to Study Access to Rural Services and Poverty outcomes in Agiret Village

5.3.1 Introduction: Agiret Village

Agiret village was selected for its good outcomes despite having access to only a few services. Agiret village is located in Atiira Subcounty in Soroti district. Within the village there were no schools, health centre, borehole, market in the village. All these services were accessed from other villages within the parish. The roads were fairly good linking them to other villages and markets. What made the village survive were their own self help efforts and NAADS support programs. With financial support from the self help groups in the village, some people were engaged in alternative sources of income such as petty trading, selling of smoked fish, brewing, selling of local beer and charcoal burning. Some of the men in the groups operated as marketing agents – buy harvested produce from the farmers in the village, store and transport to nearby market on market days hence providing a ready market for farmers in this village. To the people of Agiret Village, the major cause of poverty in their village was due to the lack of access to microcredit to engage in micro-businesses. Services of most importance to them were to have access to microcredit since they were already organized in their groups. Agriculture seems to be failing due to unfavourable weather conditions, there was also a problem of limited land as the locals had large family sizes, HIV/AIDS and other diseases had increased the number of orphans and widows. Leadership in Agiret village was described as not united and not willing to work together to get projects to the village.

5.3.2 The Action Arena: Actors and Action Situation

The village locals in Agiret village, their self help groups, local leaders, the inhabitants of the neighbouring village, and service providers within the subcounty all interact with each other resulting in the outcomes seen in Agiret village.

What made the village survive were their own self help groups and NAADS support programs. With financial support from self help groups in the village, some of the locals were engaged in alternative sources of income such as petty trading, selling of smoked
fish, brewing, selling of local beer and charcoal burning. Some of the men in the groups operated as marketing agents – buy harvested produce from the farmers in the village and other villages, store and transport to nearby markets on market days or sell later-hence providing a ready market for the farmers. The members of the NAADS group also received extension services from local government extension officers, but members had to contribute a 2% co-funding fee for this service. With the access to knowledge on improved farming knowledge, some farmer’s mentioned an increase in productivity and others complained of a decrease in productivity due to the adverse weather conditions. Members of the NAADS group who had access to the extension service shared their knowledge with their friends and neighbours as a result generating a trickle-down effect on the other members of the community.

5.3.3 Institutional factors influencing the action situation
The village leaders were responsible for solving cases in the village together with the elders of the village. Cases that could not be solved by the village leaders were transferred to the subcounty courts. These are often cases which are fined above 20,000 Shs.

All households had to join and contribute to the Funeral group in the village - Agiiret Tabu Group. This was to help families organize burial services for family members if any member of their family died. Each group had its own rules for its members which members had to abide by to be recognized as members of the group. Rules had to do with payment of membership fees, repayment of loans on time, attending group meetings and making weekly contributions.

31 ‘Tabu’ in the local language means mourning.
5.3.4 Attributes of Community influencing the Action Arena

HIV/AIDS and other Diseases: HIV/AIDS, malaria, meningitis\(^{32}\) are common diseases affecting and killing a number of people in the village. Animals also die of common treatable diseases because of lack of veterinary advice and drugs. HIV/AIDS had killed a large number of our people, leaving behind a number of orphans and widows who had to be cared for by their other relatives.

“I am an old woman, weak, all my children are dead either from meningitis or HIV/AIDS, they left me with their children and they depend on me” – Old Woman Agiret Village

Few Services Available

Education: Children from Agiret village attend schools in the Alengo parish. There was no school in the village, the government UPE sponsored the primary school in the parish and parents did not have to pay any fees. A lot of the children due to this scheme had access to primary education. The school was far from the village and children had to walk long distances to school.

“The performance from the primary is very poor and kids do not get good grades that can take them to higher levels in good schools outside the village. The fees for the secondary education is too much, it should be free in all levels like the UPE. Because of the fees paid at secondary, most children in the village end up at primary 7, their parents can not pay for secondary education” – focus group discussion

Only a few of the locals whose parents could afford secondary education were into secondary education.

Extension Service: Extension services were received from the government NAADS officers. A 20% co-fund fee was required which made the service not available to all but those who could afford and were willing to pay the price. Women especially do not benefit they have to learn from their husbands or others who have benefited form the program. Extension services covered issues on how to control disease and pest, how to

\(^{32}\) Meningitis is an inflammation of the meningitis, the lining that protects the brain and spinal cord. It’s a bacterial infection caused by bacterial meningitis and viral meningitis. The disease can be prevention is by vaccination.
apply drugs but locals had to buy their own drugs for treating their sick animals. Extension workers from the parish sometimes came to the village but not regularly.

**Health:** The only health centre the locals had access to was in the subcounty. The health centre was far from the village and sick persons had to walk long distances to get medical health care. There were no drugs in the health centre and the patients had to buy prescribed drugs from private dispensary shops. Drugs to be used for treatment at the health centres were sometimes diverted to private clinics and dispensary shops, depriving the sick and poor from getting access to these drugs.

“When you go to the clinic there are no drugs, the drugs for the government dispensaries are diverted to other private clinics. The government should put a seal on government drugs ‘not for sale’” – LC3 Chairman Atiira.

**Self Help Groups:** The village had a number of functioning village groups that were providing microcredit to its members. These groups were ‘Aipecitoi’ Development Association (Microfinance group), ‘Esakitere’ Group (for HIV/AIDS victims), ‘Adipala’ United Men and Women Group (NAADS support group), ‘Alakara’ Group (NAADS support group), Agiret Tabu Group (Funeral Group). To benefit from these groups, one had to be a registered member of the group.

**Services of most importance:** Services of most importance to them are to have access to microcredit since they are already organized in their groups. The groups had a high demand for credit by their members but they could not meet all their financial demand. The next most important service to them was to have health service. Lack of proper health care for the HIV/AIDS infected and local’s sick of meningitis had caused the death of a number of the locals. Having a health centre in their village was considered very important.
5.3.5 Physical/Material Conditions Influencing the Action Arena

Agricultural Activities: The locals of the village were largely Iteso; they lived in mud hats with thatch roofs. The inhabitants were mostly engaged in subsistence agricultural production, others into other micro-businesses. Some of the agricultural crops grown by the locals were groundnut, sorghum, millet, maize and cassava. Livestock kept are mainly cattle and goat and poultry.

Unfavourable weather conditions: Long spells of dry seasons during the period of June – July and November – March, destroys planted crops in the field. The rains during the period of April-May and August – October also sometimes cause flooding destroying the crops. The lands were continuously cultivated and are reducing in its productivity. Hoes and pangas were used for cultivation, and at times ox ploughs for ploughing the land. These combinations of unfavourable weather conditions, traditional methods of farming on small land sizes yielded low output which threatens food security in the village.

5.3.6 Pattern of Interaction

Integration into markets: Aipecitoi Development organization provided microcredit to the members of the group. Membership fee was 5,000 Shs and each member had a share of 20,000 Shs. They also had a social fund; each member paid 100 Shs per week. This fund was kept in case of emergencies members who had contributed could borrow from this fund. For instance if one is admitted at the hospital and needs money for medical bills, or paying for a Childs fee.

Members applied for the loan which was given at a 10% interest rate. Loans were given for only business activities not agriculture activities. Applicant needed a guarantor and loan repayment period of 30 days at Interest rate of 10%.
Some of the men who took loans from Aipecitoi group used the money for micro-business activities. They operated petty shops, buying and retailing products like soap, sugar, salt etc. Others used their money to buy crops like maize millet sorghum groundnut from other farmers and when they had gathered a lot they would take it to the market to sell. To get higher prices, they stored the products for sometime and sold when the season for the crop was over for a higher price on the market. There were times when the men acting as marketing agents negotiated with farmers whiles crops were still on the fields. This trading activity by some members in the village served as a market outlet for the farmers. They could directly have their produce bought thus integrating them directly into the market. The marketing agents also bought produce from other farmers in neighboring villages to get a constant supply always for the market. Women members of Aipecitoi credit group used their monies to buy fish from the landing site, smoke and sold on market days. Others brewed local beer and sold within the village.

5.3.7 Evaluative Criteria
Agiret village had bad services, unfavourable weather conditions but the inhabitants were doing quite well. The existence of self organized microcredit groups which provided capital for engaging in business activities and creation of marketing opportunity for the crop produces made the village survive. The combination of knowledge derived from extension services to increase productivity and direct integration into the markets through marketing agents receiving credit for micro trading activities, served as a strategy bringing an inflow of income into the village. Their leaders were not united and not supporting them. Individuals had developed means of survival, engaging in productive business activities that extended beyond their territories to other neighbouring villages. NAADS support program in the village helped to increase agricultural productivity.
5.3.8 Outcomes and Classification of village: “Enterprising Community”
Agiret village though deprived of rural services had developed a strategy to escape poverty. Increasing their access to income through their self formed group and engaging in agribusiness and other trading activities within and outside their village. A ready market had been created within the village, integrating the local farmers engaged in agricultural production into markets. Through the combination of the NAADs extension services which may have increased the farmer’s production and assurance of a ready market from their trading activities the village members were improving their livelihood. This is a village with locals that are business oriented and see their way to development as having good health and income. Staying healthy and being able to go about their activities and having access to microcredit was therefore viewed as the most essential service to expand their business activities. This is a village I will classify as an “Enterprising Community” - (Bad services x Good Outcomes). Figure 13 categorises enterprising community using the IAD framework.
Figure 13: Categorizing Enterprising Community (*Agiret* Village) using the IAD framework.

The next case village presents a case of good service and bad outcomes. The village has access to various services, such a village is expected to have good outcomes, however this is not the case with this village, most of the locals have failed to develop out of poverty.

**5.4 Case 4: Using the IAD Framework to Study Access to Rural Services and Poverty outcomes in Katuugo Village**

**5.4.1 Introduction: Katuugo Village**

*Katuugo* Village in *Kalongo* Subcounty was selected as a case village representing good services but poor outcomes. *Kalongo* sub-county is the poorest in the district, rural and remote from the Nakasongola town. The district has a long dry season and this has affected food crop production in the district.

The locals in *Katuugo* village were mainly food crop farmers and kept farm animals such as cattle, goats, pigs and poultry. Poverty in the village is attributed to lack of capital, producing on subsistence basis, and lack of access / ownership of land, lack of means of transport to carry farm produce to the market, lack money to pay for health care. The village had access to a lot of basic services such as education, agricultural extension services, water, markets, microcredit, community access roads and health service. Even though they had access to a lot of rural services some of the locals had failed to develop out of poverty mainly because they were subsistence food crop farmers who were hard hit by the drought conditions. Also, the lack of clearly defined land property rights and reduced access to land acted as a disincentive to increase production. Aside that, conflicts between the farmers and the cattle keepers whose animals destroyed their produce were not properly resolved by their leaders. Service of most importance to the locals was to have extension services and microcredit.
5.4.2 The Action Arena: Actors and Action Situation
The relevant actors in the action situation are the food crop growers, cattle keepers, ‘absentee’ land owners and their local leaders who interact in different dimensions within and outside the village.

Land ownership: Most of the village locals had user rights to lands on which they were farming but not registered land titles. The owners of the land “absentee owners” evicted the locals from the land and sold out to those who were willing to purchase the land, usually the Banyarwandese who were richer and could afford to buy the land, which generates conflict and enmity between the ethnic groups.

Box 2: Uprise of Land Conflicts
An Elderly man Katuugo village narrates...
“When someone wants to sell land, the Banyarwandese have the money to buy and they evict the locals staying on the land. They fence off the land and prevent others from grazing on their land. This has resulted in a lot of misunderstanding and conflicts and our people don’t like them. Most of us don’t have title to the land, when the owners want to sell the land they don’t inform us, they sell to the Banyarwandese and others and they come and evict us from the land. Their animals destroy our crops and we get little or no compensation for the crops lost. They bring their animals to the same source of water we drink and we have to share our water with their animals. On a positive note however, the Banyarwandese who have income employ some of us who are poor to take care of their animals”

Overlapping land rights creates grounds for conflict and disincentive for land related investment. During the British colonial era, the British under the 1900 Buganda Agreement awarded large tracks of Mailo lands (land title owners renting to tenants who paid rents, tenants given hereditary security of rents up to 3 acres) to the Buganda King and his notables and the rest as crown lands which the government could give out as freehold (indefinite land title) or leasehold (land possession for a specified period). Customary lands already existed before the act in 1900 which now subjected the peasants already posing the land as tenants vulnerable to being evicted by the new landlords. Land reform Act 1975 increased the complexity of land rights abolishing mailo lands, customary lands and freehold, allowing only leasehold tenure system. Land Act 1998 was introduced to increase land security, formal recognition of customary land ownership and women’s ownership to land. Tenants did not feel protected by this Act. The Act was amended, if a land owner wanted to sell his land, he had to inform the tenants if they were willing to buy the land. (see Deininger and Ali 2007; Hunt 2004; Pender et al 2004; Kyomugisha 2008).
The locals who were mostly food crop farmers though had access to many services still remained poor because of the lack of land property rights, exploitation by middle men, apathy and lack of cooperation and disturbance from the cattle keepers. Poverty in the village was attributed to lack of capital to engage in micro-business activities, producing on subsistence basis, and lack of access and ownership of land, lack of means of transport to carry farm produce to the market, lack money to pay for health care.

*Decision making and Information flow*

The village has a council composed of 10 council members headed by the village chief. The council members have basic primary education. Five (5) of the council members are appointed by the chairman and the remaining four (4) council members are elected by the community. The duty of the council was to mobilize the locals for development activities, sensitization and deciding on cases in the village. In the taking of decisions, the council members sit and agree on issues, and inform the community what their decisions are, if the community agreed with their decision, they would write and forward their decisions to the subcounty, copying the parish chief. The village receives 25% of the subcounty local revenue generated which the village decides on what to use the money for. “The last time we received this money, we used it for buying of saucepans and trampolines for making canopies for organizing funerals” – Focus group discussion Katuugo village.

“Our leaders help us sometimes. When you take a problem to them they don’t act quickly. E.g. If someone’s cattle destroy your crops and you send the case to the village chief, he does not respond quickly” – Focus group discussion.

5.4.3 Institutional factors influencing the action situation

*Community Rules:*

*Maintenance of borehole:* The only borehole in the village which provides water for both the locals and their animals was maintained by the locals themselves. Every household was expected to contribute 500Shs every month for the maintenance of the borehole. A contribution of 1000 Shs was made when the borehole breaks down. Failure to contribute this fee excluded a family from accessing water from the borehole.
**Participation in Village Development Projects:** The village has a disciplinary committee that sanctioned people who went contrary to agreed rules in the village. When there was a development project in the village everyone is expected to participate and as such, defaulters will be punished by a fine or forced to participate.

“When we were building the school, everyone was asked to help build; those who did not show up were fined Shs 10,000”- Focus group discussion Katuugo Village.

**Informal settling of dispute:** When a farmer’s cattle destroyed other person’s crops, the owner of the cattle had to compensate the crop owner for the crops destroyed. The crop owner estimated the worth of the destroyed crops and demanded compensation. If a compromise could not be reached between the two parties, the case was taken to the village leaders who had to sit and decide on the case and give a fine the cattle owner. Bigger cases were referred to the subcounty courts.

**Land Dispute:** Land dispute was a major issue in Katuugo village. Land owners who wanted to sell their lands had to inform the local tenants on the land. If they could afford to buy the land, they may purchase the land. The tenants were however peasants who cannot pay the amount of money demanded by the owners. Land cases were sent to the subcounty chairman to handle. According to the locals, the law protected the landowners but not the tenants who had user rights. The unlucky tenants were evicted after a grace period and the land owners sold off the land.

**5.4.4 Attributes of Community influencing the Action Arena**

**Farming community:** The inhabitants of the village were traditionally food crop farmers growing a variety of crops on subsistence basis. The soil supports the growth of food crops and production of animals. There were large grazing areas for animals and a variety of grass species for grazing cattle. Traditional methods of farming such as use of hoes and pangas were still in use. Some farmers used Ox Ploughs for ploughing the land during land preparation for planting. The village experiences two climatic seasons; the rainy season which is from April – May and July- October. The dry season is from June
– July and November to March. The village experiences drought conditions during the dry season which destroys the crops.

**Ethnicity:** The majority of the locals were Baruli- the majority ethnic group in the village. Other ethnic groups in the village were Banyarwanda, Acholi, Iteso, Banyankole and Bangada. The Baruli were traditional food crop farmers’ whiles the Banyarwanda were cattle keepers. The cattle of the Banyarwandese sometimes destroyed the crops of the locals which caused conflict when the crop owners were not properly compensated. The locals did not trust their people from the other ethnic tribes especially the Banyarwandese.

“I don’t trust some of the people, especially those who were not born in the village; they are always causing trouble in the village” – elderly woman

“I Trust other people living in the village except the Banyarwandese because they are hot tempered and have bad manners, they like to quarrel” – elderly woman

**Education:** Katuugo village had one primary (Katuugo Chance School) within the village, which the village members had constructed themselves. Save the Children (an NGO) supported the school by providing teachers, learning materials and food for the children. The school had a nursery and primary one only. Children in the village, who were above primary one, attended schools in the neighbouring village (Kakoola Primary School) which was funded by the government UPE program.

**Agricultural Extension:** VEDCO (NGO) and Save the Children (NGO) provided extension services for the locals. The parish extension workers also visited the village to give advisory services, but their visits were not regular. NAADS program had not yet covered this village.

**Health:** The locals in the village when sick went to Kakoola health Centre II for treatment. Locals complained of no drugs at the health centre. Patients had to buy the drugs from private dispensaries in the village. There were only a few staffs working at the health centre that had to attend to a large number of patients. Quality of the service provided according to the locals was not satisfactory.

“If I am to award marks, I will give the health workers 40%, when you go to the clinic, they don’t attend to you on time, and you can spend the whole day at the clinic. Pregnant women
sometimes deliver on the veranda. This is because some of the health workers don’t stay close to the hospital, so you have to go and call them from their homes” – elderly man Katuugo Village.

Microcredit: FINCA an NGO working in the district provided microcredit services to some members in the village. Locals were not interested in taking credit from this organization complaining of a high interest rate and pressure to repay the loan. Within a short period those locals who went for the loan from FINCA had difficulty repaying and this had discouraged others from going for this loan.

**Services of most importance**

To the locals the service of most importance was to have access to agricultural extension services to acquire knowledge on how to increase production and to have access to improved seeds for cultivation.

“If we produce more and sell we will have money for other businesses and be able to provide some of our needs” – Focus group discussion

The next most important service was to have access to microcredit to engage in small agribusiness which needed small capital investment.

### 5.4.5 Physical/Material Conditions Influencing the Action Arena

**Unfavorable Weather Conditions**

Nakasongola district has a long dry season and experiences drought conditions during the season. Subsistence food crop farming who depended on the rains for farming, were mostly affected by the unfavorable weather conditions. Plants in the fields were drying up and productivity from the farms was very low. Cattle farmers were not as affected as the food crop farmers by the adverse weather conditions. The cattle farmers brought their animals to the wells where the locals collected their water, which was much to the disapproval of the majority of people.

### 5.4.6 Pattern of Interaction
Conflict: The Banyarwandese and Banyankole who are cattle keepers earn more money and are richer than the locals (Baruli) who are crop farmers. The cattle keepers at times have their animals destroying the crops of the farmers and this creates misunderstanding. The cattle keepers, in order to keep their animals from destroying crops, buy large areas of lands and fence off these areas for grazing their animals. Locals who may be having user rights to such lands are evicted from the land which creates further confusion, hatred and apathy among the different ethnic groups in the village.

5.4.7 Evaluative Criteria
Katuugo village has access to basic rural services for necessary for development of the community. Local farmers’ having only user rights to the land and no proper land titles was a disincentive to increase production on the land. A farmer will never know when the “absentee owner” of the land decides to sell the land to a rich cattle keeper in the village who evicts him/her form the land. Owners of the land restrict the locals on the use of the land, not allowing them to put up permanent structures on the land. Conflict with cattle keepers whose animals destroy crops and cases not well resolved has brought about hatred and apathy in the village, the rich cattle owners overriding the poor farmers. Farmers sell their produce at low prices to middlemen who come to their gates to purchase their produce. Collective groups not working in the village has limited their ability to bargain for higher prices, individuals therefore receive lower prices for their produce.

5.4.8 Classification of Village: “Resource Insecurity Community”
Katuugo village is a village with disparities among poor crop farmers with no land title and rich cattle keepers who can afford to purchase land with titles and evict locals. The locals who are mostly food crop farmers though have access to many services but still remain poor because of the lack of land property rights, exploitation by middle men, apathy and lack of cooperation and disturbance from the cattle keepers. This is a village
I will classify as “Resource Insecurity Community” – (Good Services and Bad Outcomes). Figure 14 below categories the village with the IAD framework.

Figure 14: Categorizing Resource Insecurity Community (Katuugo Village) using the IAD framework.
5.5 Service outcomes in the villages

The various communities I studied accessed rural service from various sources and to different extent. Service providers were the local government, NGOs working in the district or the community produced the service themselves with or without support by the local government or NGO. Table 4 below summaries the extent of service accessibility and local service preferences of the community.

<table>
<thead>
<tr>
<th>Village</th>
<th>Extension</th>
<th>Water</th>
<th>Microcredit</th>
<th>Education</th>
<th>Health</th>
<th>Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kachooso Village</td>
<td>***</td>
<td>**</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>(GS x GO)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agiret Village</td>
<td>**</td>
<td>*</td>
<td>**</td>
<td>*</td>
<td>*</td>
<td>***</td>
</tr>
<tr>
<td>(BS x GO)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Otang Village</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>(BS x BO)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Katuugo Village</td>
<td>***</td>
<td>**</td>
<td>**</td>
<td>***</td>
<td>***</td>
<td>**</td>
</tr>
<tr>
<td>(BS x BO)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Service provision and local preference in the four case villages (Source: Field Survey) (GS – Good services, BS – Bad services, GO – Good Outcome, BO- Bad Outcome)

Indicators:

***: Service Produced by various service providers (largely accessible)

**: Service produced / co-produced by the community (not sufficiently accessible)

*: Service not available in the village (underprovided service)

Extension service – Kachooso and Katuugo village received support from the local government and NGOs providing similar services. Extension service was preferred to be provided by the NGO’s than by the local government mainly because the NGOs provided the service mostly for free whiles with the local extension agents, the local
farmers had to contribute a fee or fuel the motor cycle of the extension agent. *Agiret* village had only NAADS and members had to co-fund which automatically excluded some members of the community. *Otang* village had no extension services available to them; experienced elderly members of the community had taken on this role.

**Water** – *Kachooso* and *Katuugo* had boreholes built by the local government and the communities had the responsibility to maintain the boreholes. Community members had a duty of contributing a monthly maintenance fee per household for the maintenance of the borehole. Not contributing limits ones accessibility to the water source. *Agiret* and *Otang* village had no borehole in their village, they accessed the water source form other neighbouring villages within the parish.

**Microcredit** – None of the villages had yet received any benefit from the government promoted SACCOs (Savings, Credit and Cooperative Organizations). *Kachooso* and *Katuugo* village had microcredit from NGOs and also from self organized groups within the community sometimes supported by NGOs. Locals preferred to borrow loans from their credit groups and friends or relatives than from private microcredit enterprises because of the high interest rates charged, pressure to repay loan on time, fear of default and lack of collateral to guarantee a loan. *Agiret* village had a number of microcredit groups self organized providing credit to their members. *Otang* village had not yet organized a credit group in the village.

**Education** – *Kachooso* and *Katuugo* village had access to more than one primary school within their parish which they could send their children. *Agiret* and *Otang* Village had no schools in their villages. There were only a few schools in the parish which the children could attend which was quiet a distance to walk. Primary education was for free under the government UPE (Universal Primary Education). The quality of the service was however said to be poor, there were delays in release of funds to schools, teachers lacked proper housing and were not motivated, and classroom structures were not sufficient and often overcrowded. Most children were educated only up to the primary 7 or senior 2 and had to drop out of school because of the fee charged at the senior secondary level which most families could not afford to pay and were not covered under the governments USE (Universal Secondary Education).
Health – Kachooso and Katuugo had access to government hospitals and a number of health centres and private clinics. Whiles Otang and Agiret village had no health centres close to their village and had to travel long distance for health service. Most of the locals accessed health service from the health centres which was for free but bad to buy drugs from private drug stores as the health centres had no medicines. Generally, health service provision was considered to be of poor quality, patients spending a lot of time at health centres, long distance to the health centres and poor reception from health workers.

Security – LRA (Lord Resistance Army) invasion and conflict with Karamojongs had affected Kachooso, Agiret and Otang village. The situation was calm in Kachooso and Agiret but not Otang which was still threatened with attacks by the Karamojongs. Katuugo was peaceful but the land tenure system was beginning to generate disputes between land owners and tenants and also minor ethnic conflicts.

Preference Services
The communities studied varied in their preference service needs. The preferred service may be due to the lack of that particular service in the village or its under-provision and also the prevalence of a problem in the village which access to a particular service is likely to be a solution to the problem. Katuugo village preferred having access to microcredit to invest in agriculture and agribusiness activities as most important and Health service was of second importance to address the various health problems in the village. Agiret village considered having access to health services as most important probably because of the high rate infection of HIV/AIDS and other diseases in the village. Of next importance was access to microcredit sources for their business activities. Otang Village, considered having security to be most important for all other services to improve. Katuugo village though having problems with land tenure considered having extension service to acquire knowledge, improved seeds and farm implements to be most important. This points out that not all affected by the land tenure conflict. Those with secured titles were considering expanding their agricultural activities. Service of second importance was access to microcredit for other business activities.
5.6 Summary
So far in this chapter, I have described four case village types using the IAD framework. These villages were different from each other, having different local conditions influencing the outcomes in the villages.

*Kachooso Village (Emerging Civil Community)* has good outcomes because of the good leadership it has together with the many different services available to the locals. Some of the services provided by different service providers thus giving the locals the chance to reveal their preference for the kind of service they wanted. More to it, the local institutions were in respected and in operationalized in the community. The locals were interested in participating in village meetings and decision making in the village. The village locals preference needs had been met, services they considered important in reducing poverty i.e. microcredit and health services were available to them and accessible by a large number of the community members.

*Agiret Village (Enterprising Community)* has access to a few services but were still progressing. The village locals had formed self supporting groups that provided microcredit to its members to engage in agribusiness and other business activities within and outside the village. Some members of the community worked as marketing agents thus linking the village farming community to markets, providing a ready market for the farmers in the village. Other farmers received extension services through the government NAADS program and were successful in increasing their productivity. The strategy of combining two very important services, agricultural extension and access to microcredit for trading activities and linkage to the markets may have been the result of the good outcome in the village.

*Otang Village (Conflict Trapped Community)* has bad services and obviously bad outcomes because the village was affected by insurgencies and conflict with its neighbours. The village was still threatened with attacks by their neighbours-Karamojongs. Insecurity has been a major disincentive to the development of this community. Without security in the village all other services are not likely to work for the development of this village.
Katuugo Village (Resource Insecurity Community) is a community that had access to a large number of services but still had a high poverty rate. Lack of properly defined property rights may have served as a disincentive for the poor locals to invest in their land. Adding to the land dispute situation was conflict between crop owners and cattle keepers whose animals destroyed crops. Lack of land property rights and lack of institutions to resolve conflicts may have resulted in the poor outcomes in the village.

I move on to the last chapter (six) where I summarize all the chapters and make recommendations, policy implications and implication for further studies.
Chapter Six: Conclusion and Recommendations

6.1 Summary of findings
All I have discussed in all the chapters I summarize in this chapter and conclude with some recommendations on what it takes and the mechanisms by which services can be made to work for the poor under the particular local conditions.

6.1.1 Introduction
Rural services though can work for the poor have often failed. This study considered what it takes to make rural services work under particular local conditions, considering the mechanisms by which services may contribute to poverty alleviation under particular local conditions, which services work where, why it works and how? The study hypothesis that by means of a decentralized provision of many different rural services that match local preferences poverty may be reduced. Also, where provided services represented the preference of the beneficiaries and where provided services are in line with the applied rules and institutions in a community, services may unfold poverty effects. Lastly, different local conditions may determine the success of rural services provided in reducing poverty.

6.1.2 Theoretical literature review
From the literature review I found that some countries especially in Africa and Asia have failed to develop mainly due to bad governance, bad resource management, conflicts and political instability. The outcome of underdevelopment is poverty. Poverty a multidimensional factor with the main causes being a lack of income and assets to attain certain basic necessities, voicelessness and powerlessness and vulnerability to adverse shocks. Instruments necessary to address poverty is the promotion of basic social services for human development, facilitating empowerment and enhancing security. The government is mainly responsible for providing public services, security and citizen empowerment. These services (public goods) are characterised by non-excludability and non-rivalry consumption with the problem of free riding, preference revelation problem and under-provision which explains why the private market does not provide such goods but the government. For efficiency in provision, Tiebout, Oates and others suggest a decentralized system in provision assuming perfect mobility and a
sufficiently large community. Decentralized service provision by government with the advantage of increased efficiency by better matching services to local preferences may lead to poverty reduction and development of the citizens.

6.1.3 Rural Services and Poverty in Uganda
Poverty in Uganda is concentrated in the rural areas and has regional differences, the northern region having the highest rate of poverty. Major causes of poverty attributed to insecurity, lack of income and assets and voicelessness and powerlessness. The government has developed and implemented the Poverty Eradication Action Plan, which seeks to improve the living standard of the people, increase their income base, and provide an enabling environment for development. The major concern of the government is to provide rural services to the people, services that are pro-poor mainly roads, health services, education, transportation, microcredit, water and sanitation. Such goods are public goods and present inefficiencies in production. A decentralized approach to service provision has been adopted by the government to increase efficiency in service provision for the development of its citizens. The policy though with a lot of benefit has had its challenges such as financial constraints, elite capture, exclusion of vulnerable groups and corruption.

6.1.4 Methodology
The design adopted for this study was a linkage of both quantitative and qualitative methodological approaches. Quantitative data on access to rural services and poverty headcounts and severity of poverty from IFPRI were used to develop a sampling matrix – Service by Poverty outcomes-. Four districts were selected fitting this model. These districts were: Kumi (Good Services x Good Outcomes), Soroti (Bad Services x Good Outcomes), Lira (Bad Services x Bad Outcomes) and Nakasongola (Good Service x Bad Outcomes). To understand the local conditions resulting in the seen outcomes, a qualitative data approach was used to select four case villages that were representative of each of the districts. Interviews were made with local government officials, service providers and NGO in the selected districts. Focus group discussions and household interviews were made in the selected villages.
6.1.5 Description of Case Village Types
The IAD framework a useful theoretical tool for analyzing empirical studies was used to categorize and analyze the selected case villages. Using the IAD framework I described each villages actors and their action situation; physical/material conditions, attributes of the community and rules in use that affect the action arena and the pattern of interactions resulting in the seen outcomes in the villages. I classified the different villages having different local conditions and different outcomes as: Kachooso Village as ‘Emerging Civil Community’ (Good Services x Good Outcomes) a village with well established institutions and good local leadership; Agiret Village as ‘Enterprising Community’ (Bad Services x Good Outcomes) a village though deprived of rural services had developed a strategy to escape poverty by increasing their access to income through their self formed microcredit groups and engaging in agribusiness trading activities within and outside their village thus integrating the local farmers engaged in agricultural production into markets. Otang Village as ‘Conflict Trapped Community’ (Bad Services x Bad Outcomes) a village badly affected by conflict and still threatened by insecurity; Katuugo Village ‘Resource Insecurity Community’ (Good Services x Bad Outcomes) a village exploited by middlemen, characterized by disparities among poor crop farmers with no land titles and rich cattle keepers who buy land and evict locals.

6.2 Recommendation for the four case village types
For each of the four different case types deferent strategies may be required if rural services can be made to work for the poor in these communities. I make recommendations for each of the four villages.

Kachooso Village (Emerging Civil Community)
It took good leadership who took on their roles and a community that held their leaders accountable to make service work in Kachooso village. Contributing to their good local leadership was the working rules in the village. I cannot however assume that once the community has an effective and efficient leadership and access to a number of rural services all its citizens have or are likely to escape poverty. Much more needs to be done to ensure that as many of the locals emerge out of poverty. I therefore recommend that for this community more opportunities should be created for alternative sources of income. Microcredit should be made available to the locals to enable them engage in
agribusiness and petty trading. Group formation should be promoted to access microcredit. Sensitization on health issues especially on HIV/AIDS prevention and family planning by health workers in the district should be facilitated. If the community is healthy and have an income source they may be much more productive.

*Agiret Village (Enterprising Community)*

For *Agiret* village, it took the collective action of the community through their self established groups to provide the services that were not available to them but crucial for their development. Their ability to integrate into the market increased their income base thus lifting a number of the locals out of poverty. For the village to be more productive, its health problems need to be addressed. The community had lost a number of its habitants to HIV/AIDS and other diseases, health care service is therefore of major importance. Health services should be brought closer to the people of Agiret village. Business oriented as the village is, they need access to microcredit to expand their micro-business activities. More profitable markets should be created and link them up to such markets. Road network and transport system should be improved as well.

*Otang Village (Conflict Trapped Community)*

*Otang* village had failed to develop because of insecurity in the area. The Government needs to deploy more soldiers to this community to ensure security. The government should find measures to disarm the Karamojongs and provide measures for their development. Education, encouraging agricultural production and vocational education may reduce their dependence on cattle.

*Otang* village needs to be assisted in the resettling process with support of food aid, farm tools, beddings and building materials like iron roofing sheets. The local leaders should be educated on the decentralization policy. Having peace and security in the village is most of all important if the village will stabilize and develop.

*Katuugo Village (Resource Insecurity Community)*

*Katuugo* Village though had access to a lot of services but had failed to develop because of their lack of property rights and occasional disturbances by cattle keepers which interrupted the productive output from farming activities. What will make services work under this condition will be to improve on the institutional design of land property rights and there should be proper institutions in place to solve misunderstandings over
cattle destroying crops. Government should improve the institutional design of the Land Act and educate the locals on their land rights. Having proper land rights will motivate the locals to invest in agricultural activities. Agricultural extension services on modern farm practices and access to improved seeds should be promoted to encourage locals with land titles to increase their productivity. Locals engaged in agri-business activities should be provided with microcredit to increase their production and also integrated into markets in the district and beyond.

6.3 Implication for Policy

Using a case study approach to understand the local conditions that may have influence on service provision and accessibility and the mechanisms by which services can be made to work for the poor, I found that:

- Different local conditions may determine the success of rural services provided in reducing poverty.
- In the absence of security all other services are not likely to work for the benefit of the poor. Communities with security treats had little or no services, small population sizes and little governmental and external support. Government support with provision of security may be the likely solution.
- Remoteness of a community has an influence on the provision and accessibility to rural services. Communities that were far from the district centres had access to only a few services.
- Access to a particular combination of rural services (especially microcredit and extension service) may result in poverty reduction. This is consistent with other studies that have found synergistic relationship of a bundle of rural services (e.g. Torero and Escobal, 2007). However, access to a large number of services may not always imply a reduction in poverty outcomes when other critical conditions are not fulfilled. This study observed that communities with good rural services but with insecurity and/or lack of property rights and insecurity remained poor.
- Where provided services represent the preferences of the beneficiaries, poverty is likely to be reduced. Most of the communities whose preference service needs
had been sufficiently provided had observed an improvement in their livelihood conditions.

- Where there is a cooperate production of the rural service, a sense of ownership and responsibility is created and such services may be effective in reducing poverty.

- Having assets like cattle and land may generate income to alleviate poverty and at the same time may generate conflict and misunderstanding that may result in underdevelopment of a community.

- Large population sizes and unfavourable weather conditions may be driving factors to diversion from agricultural activities into other income generating activities, implying a shift in preference demand for rural services such as microcredit.

- Government may have to consider issues to do with reproductive health to cut down on the high birth rate and child mothers.

- Communities that have weak local leadership need to be empowered if services are to work for the poor.

- Corruption and selfish attitude limits the amount of funds used in implementation of programs that benefit the poor. Measures may have to be put in place to curb corruption.

- Poor communities may have to be linked to profitable markets for farmers to have an avenue to sell off their produce for income. More job avenues (like small factories) may have to be set to absorb the unemployed youth in the districts.
6.4 Implication for further research

This research intended as a baseline survey has come out with important findings that need more in-depth studies. Poverty is way too complex a phenomenon to stay on this level of analysis. Making generalized conclusions and recommendation based on four case studies and a few interviews with local officials is not sufficient to justify any pattern of outcome. There is the need to devote more time to study further and understand the interactive dimensions of poverty and how decentralized service provision is impacting on the livelihood of the poor. Stratified sampling of more case villages with similar local attributes (e.g. physical assets, community attributes, proximity to centres, proximity to former conflict zone, agro-ecological zone, informal self-help group existence, etc.) need to be made. This will give an in-dept understanding of which services are likely to work where and how. With a large number of case villages, it will be possible to do a cross village comparisons of most similar cases or most different cases and draw general conclusions on what works where, how and why? There is also the need to analyse particular projects which provide one type of service along different case scenarios. For example, provision of microcredit under differing local conditions in most case villages in order to understand the mechanism of provision and accessibility of the service and be able to make relevant policy recommendation on the service.

Quantitative data used for the district selection may have to be update with the 2005/06 household survey by the Ugandan Bureau of Statistics. Since the data set is not likely to include any/all of the selected case study villages, there may be the need to conduct a household survey on poverty either qualitatively or quantitatively to clearly establish the bases of poverty and its attributes in the case study villages.
6.5 Criticism of Research Approach

Bearing in mind the multidimensional nature of poverty, studying a village within a week period was not sufficient to understand fully the complex construct of poverty in a village. I may have missed out on vital information contributing to poverty outcomes in the villages.

I had a period of six weeks to study the four villages conducting interviews with households, focus group discussions, district and subcounty officials and NGOs experts. The limited period of time affected the total number of interviews I was able to make in each village. I had only a few expert interviews as it was difficult getting appointment within a short period of time. Asking for district and subcounty official’s opinion on village selection poses bias as information received was subjected to their opinion.

I used three different interpreters for the case villages as different local languages were spoken in the villages. This may have influenced on the quality of information that I received.

I did not have much time to do an in-dept country and district literature review. Also my data analysis was not in-dept mostly based on my subjective opinion. Combining the qualitative data with quantitative data on the case villages would have enriched the data analysis.

Recommendations that I made were restricted to the local conditions of the villages I studied. For different communities with different local conditions some of the recommendations may not work.
DECLARATION

I do hereby solemnly declare that I have completed the preceding Master Thesis independently, and have not used any other sources or aids apart from those listed.

Date: Signature:
Literature List


Chapter 7: Public Goods: Web notes
http://are.berkeley.edu/courses/EEP101/spring05/Chapter07.pdf


Collier, P (2007): The Bottom Billion: Why the poorest countries are failing and what can be done about it? Oxford University Press


ILRI (2007): Evolution of Poverty and Inequality in Uganda
http://www.ilri.org/ILRIPubAware/ShowDetail.asp?CategoryID=TS&ProductReferenceNo=TS_071224_001

http://www.ilri.org/ILRIPubAware/ShowDetail.asp?CategoryID=TS&ProductReferenceNo=TS_071224_001


4 April 2008


http://www.ciesin.org/decentralization/English/General/Different_forms.html. Accessed on 28.03.08

MAAIF (2000): Plan for Modernization of Agriculture: Eradication of Poverty in Uganda,


Millennium Development Goals Progress Report for Uganda 2003

Ministry of Health. Health Sector Strategic Plan 2000/02 – 2004/05


Resolution adopted by the General Assembly, United Nations Millennium Declaration 2000, paragraph 11


Ugandan Road Fund – Road Sector Investment Fund (2008).
http://www.roadfund.ug/investmentplan.htm


http://www.unicef.org/infobycountry/uganda_statistics.html
University Press. Pp 30-53)


ANNEXES

ANNEX 1: Cluster of districts into four categories

Source: (Nkonya et al 2008)
ANNEX 2

Regression Results Summary

<table>
<thead>
<tr>
<th>Rural service</th>
<th>Poverty dynamics</th>
<th>Poverty incidence</th>
<th>Children under 5</th>
<th>Value of ag prod</th>
<th>Share of marketed surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chronic</td>
<td>Fall</td>
<td>Escape</td>
<td>Above poverty line</td>
<td>Stunted</td>
</tr>
<tr>
<td>Distance to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Health center</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Input market</td>
<td>+</td>
<td>0</td>
<td>+</td>
<td>--</td>
<td>0</td>
</tr>
<tr>
<td>Prim. school</td>
<td>+++</td>
<td>0</td>
<td>+</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Sec. school</td>
<td>0</td>
<td>0</td>
<td>++</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Road</td>
<td>+++</td>
<td>+++</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Extension visits increased</td>
<td>0</td>
<td>0</td>
<td>+</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Extension visits decreased</td>
<td>0</td>
<td>+</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: (Nkonya et al 2008)