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WORK FOR PROGRESS

Uganda plans for economic growth and change

IN AFRICA OF THE MID-1960's development plans — or at least documents purporting to be development plans — have become as ubiquitous as budgets. In many countries their appearance is no new thing — both the Gold Coast and Uganda Protectorate had plans in the 1920's. Two questions become insistent as one views the growing parade of ever thicker volumes: Do these plans really represent anything new in economic strategy or policy? Are they the product of serious economic analysis of possibilities and political will to pay the price of development or merely put generalities and glittering hopes?

Certainly many plans — both on publication and even more in retrospect — appear to be things of sound and flurry signifying nothing. Their initial bang is a dull plop, their outgoing whimper the roar of an embittered people. This, however, is by no means the whole story. Even plans which have not proved fully implementable — e.g.: Tanzania, Tunisia — have led to focusing of action on key issues and to substantial accomplishments. Even plans with major weaknesses in formulation and operation — e.g.: The Sudan — have resulted in significant creation of additional productive capacity. There are, in short, plans and "plans" — distinguishing the category into which each new document falls is the first step toward understanding the quality, relevance, and probable effectiveness of the economic policy of the state in question.

In the case of *Work for Progress,* Uganda's Second Five Year Plan, both questions can be answered affirmatively. The five most striking aspects of the plan are departures from Uganda's past economic policy formulations in degree, in emphasis, and often in kind. [1] *Work for Progress* is comprehensive both in its basic economic formulation and in its serious attention to the private as well as to the public and para-statal sectors. [2] Plan formulation involved over 150 Working Party members — almost half from educational institutions, trade unions, business firms, and the farming community — and there is substantial political and higher civil service commitment to prosecuting the resultant programme. [3] At the core of *Work for Progress*' development strategy lies the achieving of structural changes among productive sectors (e.g. industry — agriculture), within them (e.g. commercial vs self-consumption farming), in resource use (e.g. savings vs consumption), and in the number of Ugandans benefitting from economic change (e.g. rural credit, pure water). [4] Social justice is not merely mentioned as an aim but cited in relation to specific policy formulations and clearly underlies much of the proposed expenditure pattern. [5] Employment creation and income distribution and control policies receive coherent and priority attention within a reasoned economic framework.

II

THE OVERALL TARGETS for 1966-71 represent the first third of a fifteen-year development perspective. They are ambitious and demanding, but potentially attainable. The monetary domestic product growth goal is set at 7.3% (6.2% for the entire economy including self-consumed output). Per capita the growth rate sought works out at 4.4% for monetary and 3.% for total output (below the 1962-65 export boom performance but radically below the dismal 1954-62 record of declining real output per person). Absolutely the goal is to raise monetary G.D.P. from £198 million in 1966 to £280 million in 1971 (£600 million is the 1981 goal) and total G.D.P. from £261 million to £354 million (and £700 million in 1981). These figures demonstrate that sustained 6-8% monetary product growth rates can move an economy ahead quite markedly even in 15 years — a *short* time by national development standards.

The per capita goals are much more sombre reading. Monetary G.D.P. per person targets are £32 for 1971 and £53 for 1981 compared with £26 in 1966. Including self-consumed production the figures are £34, £40, and £61. Even the last is well below Ghana or Senegal or the Ivory Coast's present levels. Because the financing of the growth rates needed to attain these increases requires higher rates of saving per capita personal consumption cannot rise more than £1 a year to 1971 and £1.25 a year to 1981. Even the compound interest effect of maintaining rapid growth works no speedy miracles for possible levels of mass living standards when the initial level of output per head is less than a typical USA weekly wage packet. Fifteen years is a very *long* time in a man's life.

The brutal reality of how little per capita private consumption and public services can rise, means that all the more emphasis must be placed on avoidance of waste and on equitable distribution of what fruits of development can be plucked. But it also imposes the need to ensure that priority attention is given to continuing development even in the face of meagre initial results when viewed from a mass consumption viewpoint. The first flush of enthusiasm for planning as a panacea ensuring escape from economic bondage is long past — the payoff of achieving present Japanese or Italian standards of living is at least three decades in the future.

III

DEVELOPMENT PLANNING IN East Africa is a remarkably rapidly developing art. In 1964 Tanzania's Plan represented a radical departure from the old "public shopping list" variety to macro-economic projection and analysis designed to set a framework for coherent public policies (including those affecting the private sector) and expenditure patterns. Compared to *Work for Progress* (which has in fact benefited directly and indirectly from Tanzanian experience), however, the Tanzanian Plan already looks rather patchy in detailed coverage, fragmentary in overall policy formulation, and fragile in analytical depth. Such a comparison is no denigration of the Tanzanian planners' achievement — or of its impact on the Kenya and Uganda 1966 plans — but a hopeful sign that experience in planning does lead to better formulations of economic analysis, national aims, and relevant programmes.

The Uganda Plan provides an interlocking set of reasonably detailed projections of output by sector, national product allocation by use, investment requirements and sources, manpower needs and employment possibilities, and foreign economic transactions. Criticisms can be made of certain of these both on the grounds of consistency and of plausibility. The mere possibility of making specific criticisms of this kind is a

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measure of the advance the Second Plan represents over the First. More critical, it illustrates the greater opportunity for timely revaluation and coherent revision open to the planning process when working from a comprehensive plan.

Fairly specific policies and projects are worked out to provide for the implementation of the goals set. These cover the private sector, not merely the public, a second advance in comprehensiveness. For example, detailed attention is given to the provision of supporting services, techniques, and working capital to individual farmers (probably 200,000-300,000 of them or up to a fifth of all farming units).

In order to create a comprehensive and detailed plan major efforts were made to marshal all available economic data and experience. The Working Parties covered most significant areas — construction was a lamentable exception — and both improved the grasp of the planning process on economic reality and the economic decision-makers' understanding of the opportunities provided and restraints imposed by economic planning. The last point is critical — even with political backing no Plan can be implemented effectively unless senior civil servants and key private figures comprehend and believe in it. Uganda still has some distance to travel before attaining this, but a significant start has been made.

Political commitment to *Work for Progress* clearly exists on the Presidential and Cabinet planning Commission level. President Obote has taken a keen personal interest in the progress of plan formulation as have severai senior ministers. The truly draconic 1966-67 Budget, essential to laying the public fiscal foundations for implementation, has been adopted and has received loyal cabinet support. Partly because the political events turning on the would-be "Ibingira Coup" of February, the reform Constitution of April, and the "Kabaka's insurrection" of May diverted attention, the parliamentary and district political commitment (or even understanding) is much spottier. The district (and even ministerial) planning apparatus is weak to non-functional — a serious and recognised barrier to implementation. The faction-ridden Uganda People's Congress has played no role — as a party — in 1966 political events, giving rise to doubts as to its possible effectiveness in publicising and promoting planning-implementation at the local level. On the other hand, a heartening number of middle educational and occupational level Ugandans in such regional centres as Fort Portal and Mbale have heard of the Plan, can identify major items in it for their areas, and are generally favourably disposed to it even after the Budget.

The 1954-62 decline in real income per person underlines the necessity of structural change for Uganda. So too do the stagnant 1954-66 employment levels and the ominously rising share of salaries in Ugandan personal incomes (resulting in growing salary wage/farm-income inequalities). Structural change, like raising per capita income, is an appallingly slow and agonisingly difficult process for a low-income economy dependent on its agricultural export. Yet unless a start is made one can only expect long-run economic deterioration broken by brief export booms.

Since 1954 Uganda has, in fact, moved some distance toward a more buoyant economic structure. Manufacturing and processing new accounts for 12% of monetary G.D.P., substantial flows of middle and high level manpower have been attained, basic economic infrastructure is adequate to support rapid expansion of production and — as if to show that exogenous events are sometimes favourable even to underdeveloped African economies — the 1962-65 export boom has given the process of rapid economic growth envisaged for 1966-81 a running start quite unlike the near total stagnation confronting the First Plan in 1962.

Industrial targets — among the most carefully and cautiously worked-out in the plan — call for a rise from £24 illion (1966) to £38 million (1971) and £108 (1981). By the mid-1970's Uganda can hope to achieve near self-sufficiency in most mass consumer manufactures, freeing foreign resources for capital equipment, fuel, transport equipment, raw materials, and more complex consumer durables.

Agriculture — while declining from 38% to 34% of monetary G.D.P. (52% to 48% of total G.D.P.) is to show the largest 1966-71 increase, from £75 million to £96 million (commercial). The increasing food and raw-material demands of the urban sector will provide a market for more rapid growth of rural purchasing power. Substantial state assistance is to be provided to ensure that farmers are able to take advantage of their opportunities.

Social justice is a recurrent theme — a refreshing change from the narrow technical econo-centrism of most plans. Clear priority is given to distributive justice, both in regard to gains and to costs. The 1966-67 Budget hews to this line in its "distribution" of tax increases. The social service provisions of the plan — e.g. education, pure-water supply, rural clinics clearly seek to ensure that macro-target fulfillment in 1971 will mean that a substantial majority of Ugandans have received some concrete gain from development.

Even more important the whole rural development strategy seeks to broaden the numbers of those directly participating in and benefiting from higher production. Expanded credit and extension services, more feeder roads (over 800 miles), siting of major cash-crop developments (e.g. tea) in areas now particularly lacking opportunities for earning monetary income — all show a concern for mass welfare and distributive justice frequently lacking in more ideologically sophisticated and pretentious programmes.

The same theme runs through employment and incomes goals. A goal of 100,000 new job opportunities — a reversal of the 1956-63 decline — is set and appears quite attainable in terms of output targets. Admittedly only a little over a fifth of net new labour force entrants can secure jobs (outside petty urban or small-farming self-employment) but compared to the 9% present average the attainment of this goal would be a real step forward.

A stringent salaries-wages policy is laid down to hold cash consumption increases to 5.8% a year (3.2% per capita) — still an admirable rate of climb if the base were not so low and the highest consistent with maintaining required investment levels. Higher wage-salary increases would create inflationary pressures particularly disadvantageous to small farmers — the poorest major group in the economy. It must never be forgotten that in East African terms the £15-a-month industrial worker has a privileged economic position (*vis à vis* the £15-20 a year cash income of hundreds of thousands of small farmers) and the up-to-£60-a-month Mombasa dockworker is well-nigh an economic royalist.

Internally the policy's annual scale-increase goals run from 3.5% a year for employees now earning less than £90 a year to 0% for the over-£600 salariat. Service increments, skill acquisitions, and promotions would boost any individual's income growth rate to perhaps 5% at the bottom of the scale to about 3-5% in the salariat. In the public sector there is substantial will to enforce the policy — indeed a number of initial salaries and scales have been slashed for new recruits to the civil service. How the private sector is to be influenced remains unclear.

IV

PLANNING IS BASICALLY implementation. Equally, however, effective implementation depends on having a sound base plan. The pitfalls between the appearance of *Work for Progress* and 1971 will be numerous, the political will and public support necessary to overcome them and to keep on when results seem hardly worth the effort, will be hard to sustain. Both planners and government are well aware of this — a far better starting point than facile optimism. Like Tanzania's motto *Uhuru na Umoja* (freedom and work) the title of Uganda's plan is grounded in realism and determination as well as idealism and aspiration. It *is* a programme of *Work for Progress.* ●