RESOURCE ALLOCATION AS A STRATEGY FOR POVERTY ALLEVIATION IN UGANDA: A CASE STUDY OF IGARA AND SHEEMA COUNTIES IN BUSHENYI DISTRICT

BY

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DECLARATION

I, David Mugisha, declare that this Dissertation has never been published or submitted for award of a degree in any University before.

Signed.....

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Date .....30/10/2009.....

This Dissertation has been submitted to the School of Postgraduate Studies with my approval as supervisor.

Signed.....

Dr. Sadiq Yusuf

Date .....30.10.09.....

DEDICATION

This research work is dedicated to the Almighty God, my Father, Prof. Y.R Begumya, and my Mother, Evangelist Seddie Begumya . I also dedicate it to my Fiancée, Irene, Sisters; Mary, Martha, Magdalene; my Brother, Moses; and lovely Daughter Eternal.

I love you most.

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This study is as a result of concerted effort from very many people the absence of whom this work would not have been possible. Great thanks go to my supervisor, Dr. Sadiq Yusuf, who was extremely instrumental in guiding me to the completion of the study.

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LIST OF ACRONYMS

AAMP - Area based Agricultural Modernization Programme
BUDICO – Bushenyi Dairy Farmers Cooperative
CBOs - Community Based Organizations
CDRN – Community Development Resource Network
COWE – Caring for Orphans Widows and Elderly
ERP - Economic Recovery Programme
FAL – Functional Adult Literacy
GDP – Gross Domestic Programme
IMF – International Monetary Fund
LDU – Local Defense Unit
NAADS – National Agricultural Advisory Services
NGOs – Non Governmental Organizations
NPPA – National Priority Programme Areas
PAF – Poverty Action Fund
PAPSCA – Programme for the Alleviation of Poverty and Social Cost Adjustment
PEAP – Poverty Eradication Action Plan
PFA – Plan for Modernization of Agriculture
PHC - Primary Health Care
SACCO – Savings and Credit Cooperative Societies
SAPS – Structural Adjustment Programmes
SNV – Netherlands Development Organization
UHDR – Uganda Human Development Report
UN – United Nations
UPPAR – Uganda Participatory Poverty Assessment Report
UPE – Universal Primary Education
UPHOLD – Uganda Programme for Human and Holistic Development
USE - Universal Secondary Education
VSO – Voluntary Services Overseas

ABSTRACT

This study was designed to explore resource allocation as a strategy for poverty alleviation using the Counties of Igara and Sheema in Bushenyi District, as a case study. The study targeted 382 residents and 52 officials; 40 development partners (NGOs) and 12 sector heads. The study objectives included; finding out the existence of resource allocation and its relationship with poverty alleviation, identifying the precise policy guidelines used in the allocation of resources; and determining the professional conduct in the process of resource allocation. The study employed a survey research design. Both qualitative and quantitative techniques were used in collecting and analyzing the data. Questionnaires for soliciting information from residents and officials; and observation of records, were used. The Results from the study show that resource allocation exists and it has a relationship with poverty alleviation.

The study revealed that the following policies are used during resource allocation; Local Government Act 1997, Universal Primary Education, Primary Health Care, National Agricultural Advisory Services, The National Budget and The Operation Maintenance Sustainability Policy. It was also discovered that there may be unprofessional conduct in the process of resource allocation. It was concluded that there exists resource allocation and it has a relationship with poverty alleviation. The precise policy guidelines include Universal Primary Education, Universal Secondary Education, Primary Health Care and National Agricultural Advisory Services. Also the conduct of some officials involved in resource allocation is unprofessional.

The researcher therefore recommends that: extensive studies should be conducted to determine the nature of poverty for informed decisions in resource allocation and

CHAPTER ONE

BACKGROUND TO THE STUDY

1.1 Introduction

1.1.1 Theoretical Perspective

The standard theory of resource allocation (Debreu, 1959; Arrow and Hahn, 1971; Bliss, 1975; Layard and Walters, 1978; and Varian, 1984) does not make any essential use of the idea of basic commodity needs nor does it accommodate the notion of basic physiological needs (Dasgupta, 1993). Without modification, it is incapable of absorbing an allied concept: destitution (poverty).

The failure of many poor economies to increase their production of basic goods and services and their inability to eliminate absolute poverty are subjects of many authors (Bauer, 1971, 1984; Amiya Dasgupta, 1975, 1976; Stewart and Streeten, 1976; Lipton, 1976; Sen, 1981, 1985; Streeten *et al.*, 1981; Little, 1982; Stewart, 1985; World Bank, 1986, 1990; Bhagwati, 1988; Dreze and Sen, 1990; UNDP, 1990). These two often come together in those circumstances where large groups of people find themselves disenfranchised from the resource allocation mechanisms characterizing the economy (Dasgupta, 1993). There is possible synergism between the two Adelman (1979). Resource allocation theory for the most part sees the household as the unit of analysis (Dasgupta, 1993).

The deprivation trap and the vicious circle of poverty all seek to explain that poverty breeds poverty. According to the deprivation trap people are unable to break out of the clutches of poverty because poverty breeds weakness which leads to vulnerability which causes powerlessness and consequently isolation propagating yet more poverty.

The non poor as a class need comforting beliefs, that rural deprivation is not so bad, that their prosperity is not based on it, that the poor are used to it and like life their way or that they

Adelman (1979) and Streeten et al (1979) agree that there need not be a trade off between the two. World Bank (1986) offers that progress in fighting poverty can be sustained if, and only if there is satisfactory increase in resources (economic growth). For instance increase in technology would add value to raw materials through processing and this would fetch better returns thus profits can be converted into more capital and this would translate into more jobs and hence more employment and better wages meaning less poverty.

The first requirement of the concept of poverty is of criterion as to who should be the focus of our concern. The specification of certain consumption norms or of a poverty line may do the job Sen (1999). Also, people must not be allowed to become so poor that they offend or are hurtful to society Rein (1971). Sen (1999) also says the concept of poverty is essentially one of inequality. The nature and size of the differences between the bottom 20 or 10 per cent and the rest of the society should be looked at (Miller and Roby (1971). Other authors such as Townsend have used relative deprivation. This concerns the contrast between feelings of deprivation and conditions of deprivation (Townsend 1974). Hobsbawm (1968) offers that poverty is always defined according to the conventions of the society in which it occurs. Orshansky (1969) reiterates that like beauty poverty lies in the eyes of the beholder. Nonetheless reports of starvation, malnutrition and visible hardship can translate into a diagnosis of poverty without having to ascertain first the relative picture (Sen 1999).

The United States Presidents Commission on Income Maintenance (1969) defined poverty as policy. That is if society believes that people should not be permitted to die of starvation or exposure, then it will define poverty as the lack of minimum food and shelter necessary to maintain life. If all society feels some responsibility for providing to all persons an established measure of well being beyond mere existence, for example, good physical health, then it will add to its list of necessities the resources required to prevent or cure sickness. At any

given time a policy definition reflects a balancing of community capabilities and desires. In low income societies the community finds it impossible to worry much beyond physical survival. Other societies, more able to support their dependent citizens, begin to consider the effects that pauperism will have on the poor and non-poor alike.

The concept of poverty as lack of subsistence will however be maintained. Adam Smith (1776) from history submitted that, by all necessaries he understood not only the commodities which are indispensable necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people even the lowest order, to be without. Similarly Karl Marx (1867) argued that at a given period, the average quantity of the means of subsistence necessary for the labourer is practically known.

1.1.3 Contextual Background

Igara and Sheema Counties are found on a low lying plateau consisting of undulating hills and valleys and some limited stretches of plain land between the Western Rift Valley and the plains of Kashari and Isingiro in Mbarara to the East. The counties have a cool climate of temperature ranging between 12.5 degrees Celsius to 30 degrees Celsius. They receive between 1500-2000mm of rainfall annually and the soils of the counties are mainly loamy with agricultural value. Most of the wetlands in the district are found in the plateau zones of the counties.

The population of the area, according to the 2002 Housing and Population Census, is 389,880 people living in 74,977 households with an average household size of 5.2. The population is spatially distributed according to the physical geography of the area with 94.8 percent living in the rural areas and the majority concentrated on the plateau zones. The 1992 and 1999 poverty mapping by Uganda Bureau of Statistics, found out that the proportion of the

population living below the poverty line in 1992 in the counties was 47.3 percent. In 1999 the proportion of the population living below the poverty line was 20 percent. The majority of people live in temporary dwelling units. Firewood is the most dominant source of energy. Only one percent of the population have electricity.

Agriculture is the main economic activity for the two areas. There are mainly small-scale producers engaged in a wide range of crops including bananas, sweet potatoes, beans, millet and coffee. Formal education in Igara and Sheema operates on a 7-4-2-3 Ugandan system in Igara and Sheema for primary, post secondary, higher school certificate and tertiary education respectively. There is a university in each of the counties; Ankole Western University in Sheema and Kampala International University-Western Campus in Igara.

Administratively Igara and Sheema each have two parliamentary seats, six sub-counties, one town council and four wards. Infrastructure wise each have over 600km of roads with electricity running along the major highway and roads (A Three Year Development Plan 2007-10, 2008).

The underlying causes of poverty included poor nutrition, ignorance, illiteracy low incomes, limited credit facilities as well as inadequate and inappropriate credit schemes. The effects of poverty included poor health, poor development, poverty, lack of capacity to invest, poor savings and poor living environment. (A Three Year Development Plan 2007-10)

All these suggest differences in resources and ownership, as well as anomaly in its allocation and or utilization. There is, therefore, need to determine whether resource allocation as used today can be a strategy to alleviate poverty or whether the continuing pervasion and depth of poverty stems from other sources.

1.2 Statement of the Problem

Igara and Sheema are naturally favoured with good climate, with good landscape, fertile soils and vegetation cover.

Additional resources come from the Central government, NGOs, Donors as well as Community Based Organisations (CBOs).

The population is fairly educated, and resourceful. There are many young, healthy people in their productive age brackets.

Communication is relatively good with road and telecommunication networks. The electricity grid runs along the major roads.

The educational facilities are developed with primary, secondary, tertiary and university education available.

Yet people in the two counties are poor. These are reflected in, among others, poor health, poor development, lack of capacity to invest, poor savings and poor living environment

Can poverty in the area be addressed through resource allocation or are there salient issues unaddressed that account for the present situation?

The researcher set out to find out why poverty prevails in Igara and Sheema in spite of the available resources.

1.3 Purpose of the Study

The study was designed to investigate the extent to which resource allocation can be used to alleviate poverty in Igara and Sheema Counties, Bushenyi District.

1.4 Objectives of the Study

The study was guided by the following objectives:

(i) To find out the relationship between resource allocation and poverty alleviation in Igara and Sheema.

(ii) To identify the precise policy guidelines used in resource allocation, in Igara and Sheema Counties.

(iii) To determine the effectiveness of the actors in the process of resource allocation in Igara and Sheema Counties.

1.5 Research Questions

The study sought to answer the following research questions dealing with a specific aspect of resource allocation:

(i) Is there a relationship between resource allocation and poverty alleviation in Igara and Sheema Counties in Bushenyi District?

(ii) What are the precise policy guidelines used in the allocation of resources in Igara and Sheema Counties?

(iii) How effective are the actors in the resource allocation process to fight against poverty in Igara and Sheema counties?

1.6 Significance of the Study

It is hoped that the study will bring forth the answers to the existing poverty in spite of the favourable conditions in the area. It is also hoped that the findings will add to the already existing knowledge on the relationship between resource allocation and poverty alleviation. This may help government and NGOs in developing plans for this area as well as others. Government and other organisations involved in resource allocation may be able to determine people's

responses to policies and the relationship of these policies with poverty alleviation. This may help improvement in the formulation of policies on resource allocation. The study hopes to determine the effectiveness of actors in resource allocation thereby enlightening government on how their effectiveness can be improved.

Government, donors, local governments, the ministry of finance, NGOs, CBOs, academia and other stakeholders might benefit from the information gathered in the study. Such a study is feasible since it covers an accessible geographical as well as theoretical coverage.

1.7 Scope

The study was carried out in two counties of Bushenyi, Igara and Sheema Counties, which include 14 sub-counties (Appendix A). Selected households of Igara and Sheema and Key Informants who were involved in resource allocation formed part of the population. The study limited itself to areas to which resources are allocated in Igara and Sheema and their contribution towards alleviating poverty among the poor and the lack of resources as a continuing factor in sustaining them in poverty.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.0 Introduction

In this chapter the researcher explores the theoretical review, conceptual framework and literature that is related to the objectives and notions of the study.

2.1Theoretical Review

Since the Economic Recovery Programme (ERP), was launched in 1987 in Uganda_the economy has grown substantially at a rate of 6%. (Background to the budget 2000/2001). Private investment has grown at a rate of 16% in real terms for each of the last 5 years. Government investment has also grown at 23.5% in real terms compared to 11.8% in 2005/2006.The outturn on government expenditure including donor financed projects is projected at Uganda Shillings 4,352.2 billion. (Uganda Budget 2007/08). Gross Domestic Product (GDP) has been growing at about 5% per annum and inflation has been under control and relatively stable at an average monthly rate of approximately 5% for the period March 1990-June 1994 and 8.1% in June 2007. The parallel foreign exchange rate premium fell from over 100% in 1986 to less than half a percent, by December 1994, while the private sector investment – GDP ratio rose from about 1.02% in 1984 to 5.62% in 1994(Okurut, 1997).

Despite the annual increase in resource allocations in all sectors there is a significant public outcry and perception that the poverty situation is not improving tangibly. (Uganda Human Development Report UNDR1998). The poorest 20% of the population seem to have been benefited least from the on-going economic growth. Indications in many rural areas show that they are getting poorer even after the launch of the Poverty Eradication plan (PEAP) (Background to the budget 1999/2000).

Uganda is one of the poorest countries in the world, with a per capita income of Uganda shillings 91,144 in 1990. (Okurut et. al 2002) The trends in aggregate per capita growth rates indicate not only that Ugandans are poor but that poverty has increased over the last 20 years, leaving the population vulnerable and deprived. Average per capita income levels conceal the extent and depth of this poverty since Uganda suffers from a skewed distribution of income. (Okurut, *et al* 2002). At the macro level, however, Uganda has registered a positive macroeconomic performance ever since the adoption of the Structural Adjustment Programmes (SAPS).

A study by Community Development Resource Network CDRN (1995) presents an argument that attributes poverty in Uganda to the imbalance between population and resources. It stresses the negative effects of uncontrolled population growth and low technology on land productivity which often results in soil overuse and deterioration, and consequently impoverishment. Thus population pressure, decreasing acreage of farmland holdings, deteriorating soil fertility, declining stocks of animals, and cultural attitudes and practices have all combined to create a new situation of poverty as well as entrenching a process of impoverishment.

The rural poor remain heavily engaged in subsistence agriculture and many of them are largely insulated from the market in their role as consumers. The rural poor also generally lack access to other rationed products such as public health and education services. While many rural people are engaged actively as producers and sellers of agricultural products they tend not to use few if any modern inputs. The poor are a large and diverse group in Africa (Sahn *et al* 1996). Chambers(1983) argues that there may be no evidence that the rural poor are improvident, lazy and fatalistic.

Western region Bushenyi (inclusive) is the least poor region in Uganda (Okurut *et al*

percentage (34.4%) falling below poverty line. Also stunted ness in Bushenyi is the highest in the country. There is also an increase in the gap between the rich and the poor suggesting a skewed distribution of wealth. Results from the household budget survey of 1998 confirm a widespread of expenditure patterns and marked difference in expenditure levels between and within rural and urban areas in Uganda. (Connick, 1992)

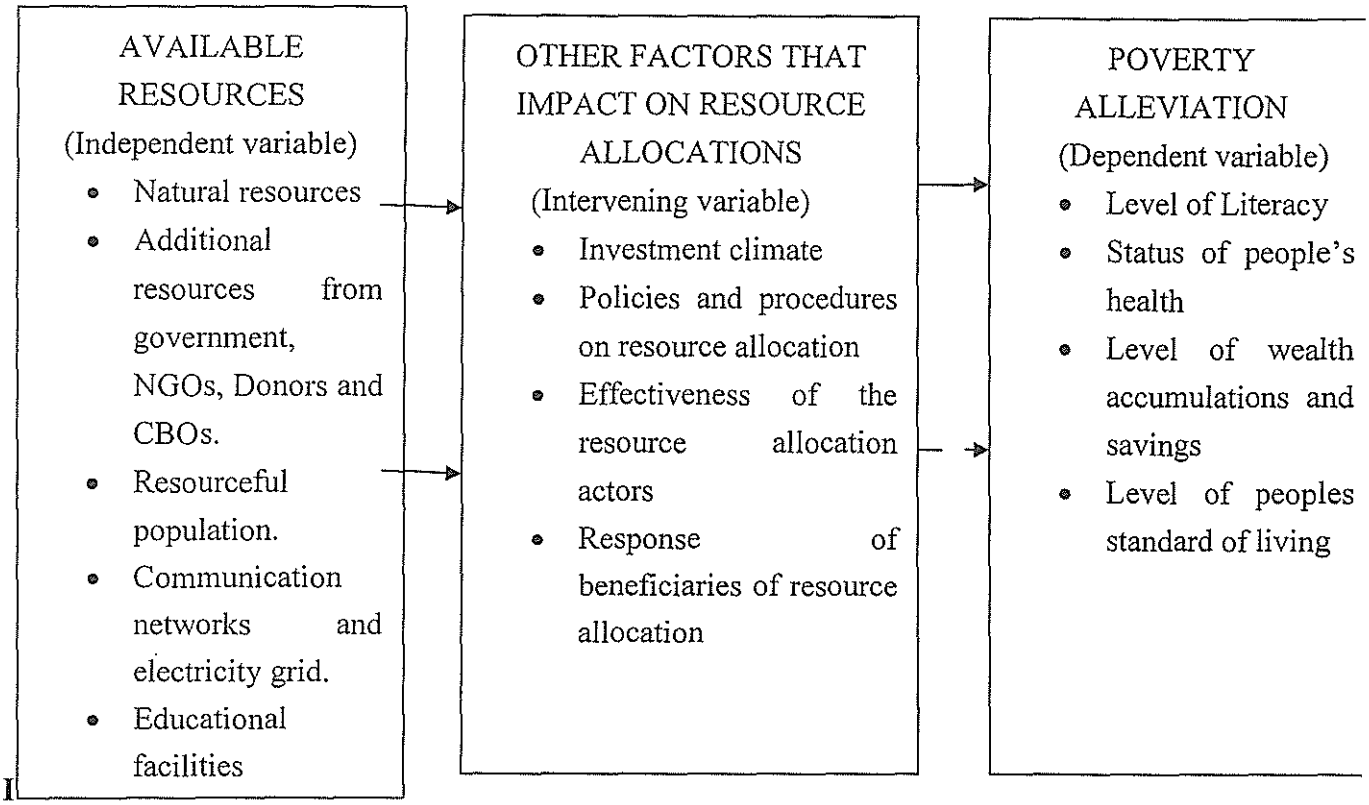
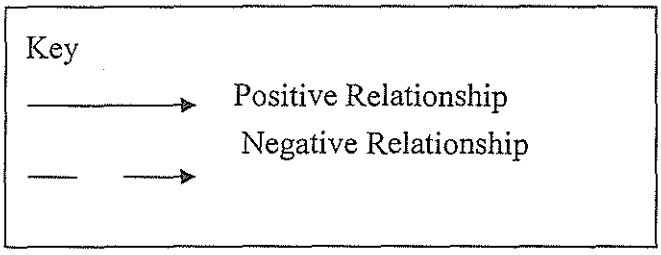


Fig. 1.1: Conceptual Framework



If there is existence of good resource allocation, and a positive relationship between resources and poverty alleviation, then with good investment climate and positive responses by people, proper policies on resource allocation and effective actors, there should be an improvement in people's welfare. This improvement will be reflected in improved levels of literacy, better status of people's health, increased levels of wealth and better standards of

peoples living hence poverty alleviation.

2.3 Literature Review

2.3.1 Relationship between Resources and Poverty Alleviation.

In Africa resource allocation and poverty alleviation are related. A probity equation estimated for urban poverty in Cote d'Ivoire in 1997 indicated that education helped reduce the likelihood of being poor. For the rural sector, the results showed that with the lower stock of human capital, any additional year of education for a member of a rural household had a poverty reducing effect that was twice as high as in the rural households (Okurut, *et al* 2002).

In Mauritania, levels of poverty are very high in the small towns and rural areas, reflecting the limited economic opportunities available to households in these areas and the concentration of many economic activities in main towns (Colombe and Mackay:1996).

The Participatory Poverty Assessments (1999, 2001) reveal that in Uganda, poverty varies with the location, gender, education and the level of services and infrastructure development.

The launching of the Universal Primary Education (UPE) in 1997 in Uganda provides individuals with opportunities to develop their full intellectual, social and economic potential, emotional and physical growth for positive transformation of society (Government of Uganda; Vision 2025: 1998). The literacy and social skills acquired at the level of primary education is the key to higher incomes, better health and higher standards of living. (Common Country Assessment, 2001)

Uganda Participatory Poverty Assessment Report (UPPAR, 2000) reveals that an average Ugandan is still too poor to afford user charges on public social services. The assessment unveiled ten monetary costs borne by the clients of public health services irrespective of the

socio-economic status, namely consultation fees, treatment charges, drug costs, exercise books, supplies like syringes and razor blades, registration fee, admission fee, prescription fee, transportation costs and bribes. As a consequence of these costs, 56 percent of the communities in which the study was carried out attributed health expenses as the number one cause of their poverty status.

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Western region Bushenyi (inclusive) is the least poor region in Uganda (Okurut *et al* 2002). The same study also shows that among urban households, western region has the highest percentage (34.4%) falling below poverty line. Also stuntedness in Bushenyi is the highest in the country. There is also an increase in the gap between the rich and the poor suggesting a skewed distribution of wealth. Results from the household budget survey of 1998 confirm a widespread of expenditure patterns and marked difference in expenditure levels between and within rural and urban areas in Uganda (Connick, 1992).

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Human Development Report UNDR1998). The poorest 20% of the population seem to have been benefited least from the on-going economic growth. Indications in many rural areas show that they are getting poorer even after the launch of the Poverty Eradication plan (PEAP) (Background to the budget, 1999/2000).

Enormous efforts have been undertaken to alleviate and eradicate poverty in Uganda through programmes such as the Programme for the Alleviation of Poverty and Social Cost Adjustment (PAPSCA) and Poverty Eradication Action Plan (PEAP), improved rural earnings through coffee export, economic liberalisation which has led to increase in production and marketing of non-traditional exports, Plan for Modernisation of Agriculture(PMA), National Agricultural Advisory Services (NAADS), establishment of a Poverty Action Fund(PAF), The Rural Strategy Development Strategy, support of Savings and Credit Cooperatives Societies (SACCO), Uganda National Health Care Package, Rural Financial Services or Rural Banks, rural electrification, Universal Primary Education (UPE) and Universal Secondary Education(USE).

Are these resource allocation programmes able to alleviate poverty-? Do these allocations actually have an effect on the people they are intended for in terms of satisfaction of basic material and social needs and the improvement in people's capabilities?

2.3.2

Investment Impact

Moser (1998) summarises the different yardsticks for ascertaining whether poverty is being alleviated into the conventional and participatory approaches. The conventional approach uses income consumption as the best proxy for poverty. Chambers (1992, 1995) observes that using this method; poverty alleviation is usually measured through large scale random samples and household surveys. He argues that this is a narrow reductionist view, serving the technocratic

needs of development professionals while failing to understand the complex, diverse, local realities in which people live.

The participatory approach uses multiple and subjective indicators of poverty status that emerge out of unquantifiable experiences of the poor, collected through participatory techniques (Nansozi, 2001). Chambers (1995) agrees that participatory approach provides 'practical implications' that tend to stop short of generalized operational frameworks for participatory local alleviation intervention. In Bushenyi for example many households own cows but do not consume the milk produced, choosing instead to sell it for money. Therefore figures of dairy production cannot explain the high level of stuntedness in the district.

One of the fora bringing government, donors and civil society organisations to review Uganda's experience with Structural Adjustment Programmes(SAPS) ended with a consensus that the current parameters the government is relying on to conclude that poverty is rapidly being reduced are highly devoid of a participatory approach to the understanding of the poverty situation in Uganda (SAPRI, 2001)

Sudhir Anand (1993) argues that looking at the capabilities of the people best assesses poverty of a country. One of the issues that are aggravating the problem of poverty is unemployment. The 1992/2000 Background to the Budget of Uganda revealed that 20 percent of the active labour force is unemployed and earn less than what is required to meet basic requirements. It reports that poverty among the disguisedly and completely unemployed had increased from 1992-2000, from 60 percent to 62 percent.

The nation-wide revolving credit scheme (Entandikwa) launched in 1995 intended to reach the previously marginalised groups, which lacked access to the credit facilities through traditional financial institutions, seem to have failed to make an impact on poverty alleviation (Uganda Participatory Poverty Assessment Report (UPPAR), 2000). Nansozi (2001) observes

that the credit available ends up with groups or individuals who are rich or those with training and education. These are better informed and more influential many times.

The UPPAR (2000) revealed the two key problems of poor pupil retention and poor quality as leading shortcomings of UPE. In 1997 up to twenty five percent could not feed themselves (Background to the Budget 2000/01). While by 1998 nine million Ugandans could not afford basic needs.

Many studies continue to indicate that access to health care is still very limited for many poor households (UPPAR, 2000, Ugandan Poverty Status Report, 2001). In its study on 36 communities in Uganda, UPPAR found that up to 56% of Ugandan families could not afford to attend a health facility the last time someone in the family was ill (UPPAR,2000).

Whether the desired impact on poverty is being achieved or there is lack of evidence that poverty alleviation is being addressed by resource allocation must be determined.

2.3.3 Policy Guidelines

To create employment opportunities, Thiel (1999) observes that income distribution should not be taken to mean sharing wealth after it has been produced. Rather it should mean organising the production process in such a way that earned value added reaches all participants more directly. He argues that pro-poor development concern is not primarily about provision of services to the poor. It is about the poor participating in value-added process. If the poor are to participate in the process, they must be given opportunities for employment.

Government and its development partners have concentrated on credit as a key policy instrument in fighting poverty through provision of capital to expand production and job opportunities. Kamugisha (1998) notes that in the project areas of Uganda credit schemes, one hardly finds the poor owning productive resources. Hence, The Background To the Budget

(1999/2000) concludes, micro-credit cannot help the poorest of the poor who are basically the unemployed and in most cases without economic resources.

The Uganda Social Watch Report (2001) observes that in Uganda, the informal sector employs about 88% of the workforce yet it received peripheral consideration by government planning process in Uganda.

Also Vision 2025, 1998 Report concludes, any further effort to improve pro-poor education in Uganda should be able to improve the quality and relevance of education, develop primary schools, which tend to generate the highest social benefits, increase women's participation and performance in all levels of education and establish programs to help poor families to finance their education costs and to increase equity.

Kaija (1997) argues that government efforts to use the direct and progressive tax policy 'Pay As You Earn' in order to collect revenues to improve social services beneficial to the poor and as a means of redistributing income from the rich to the poor has failed to achieve its objective. This is because it ends up affecting the lower and middle income groups more adversely than the higher incomes.

Connick (1992) asserts that Uganda has been heavily dependent on donors for funding. The World Bank and the IMF have had big impact on Uganda's economy not only influencing policy but also through external aid. He further notes that the positive contribution of NGOs in relieving widespread suffering, provision of services and facilities, for example health and sanitation has been on a small scale. This is because NGOs are diverse and fragmented. A case in point is the Voluntary Services International which has only two permanent staff working in Igara County; one handling primary education and the other tertiary education leaving secondary education unattended and too many institutions.

Are the government policies pro-poor or are they influenced by donors with their own

agenda? Can policies of micro-credit, UPE and USE to alleviate poverty be ascertained to be working? Can contributions from government development partners such as NGOs said to be alleviating poverty?

2.3.4 Effectiveness of Officials

According to the Uganda Human Development Report (1998) indigenous cultures, values and social welfare systems, which have been eroded, had provided the basis and context for extended family and coherent community systems, mutual social relationships and sustenance and assurance of basic human rights. It notes that this is yet another dimension which is responsible for pervasive poverty.

The level of corruption remains very high in all Uganda Government Programmes (Uganda Poverty Status Report, 2001). Harmon and Mayer (1986) present public officials as self-seekers who motivated by self interest use their positions to seek economic rents for themselves from clients. Klitgaag (1998) notes, that people are corrupt because they have power and resources at their disposal with nothing to check their excesses. The World Bank (1997) notes that, corruption depends on the attitude towards personal integrity. Sen (1993, 1994) argues that morality also determines the level of accountability in terms of service, actions and resources that are utilised to serve the poor.

UPPAR (2000) identifies corruption and mismanagement by local councillors and intermediaries through which the funds were channelled, poor sensitisation and misinformation, over extended scope and poor implementation as key reasons for the failure of the Entandikwa scheme.

Since 1997 and more so in 2007, addressing the problem of corruption in client countries has been at the heart of the development agenda of donors such as the World Bank. The response

in Uganda has been the establishment of up to seven institutions to fight corruption. Among which are the Inspector General of Government. A study conducted by Uganda Debt Network (2000), reveals that the multiplicity of the institutions is a hindrance to the fight against corruption. Each of these institutions lacks the required funds, human and material resources to handle serious corruption cases.

In Igara and Sheema counties, among the key outstanding constraints to development are lack of trained sub-county planners; inadequate skills in data collection, analysis, interpretation, management and use; lack of promotional avenues for staff; low staff morale among staff caused by uncertainties related to the restructuring and inadequate remuneration and shortage of drugs despite regular purchases. These all suggest a lack of effectiveness on the part of resource allocation actors and pose a setback to using resource allocation as a strategy of poverty alleviation in the area.

Has this grave scenario caught up with the resource allocations to alleviate poverty? Is it possible that actors involved in resource allocation have been ineffective, being influenced by the above?

2.4 Research Hypothesis

Officials do not conduct themselves professionally in the process of resource allocation.

2.5 Conclusion

Since all the received literature could not empirically and authentically answer all the gaps and questions identified in them (literature), it was unquestionably and unbiasly pertinent that a more conclusive study be carried out to fill the gaps identified (in the reviewed literature).

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter explains the research methods employed in the study. It describes the study design used, study population, sampling procedures, research instruments used, the procedure which was followed and data management and analysis.

3.1 Research Design

The study employed the survey research design and used the broad categories of exploratory and descriptive techniques. These included the survey of literature, formulating objectives, designing the methods of data collection, selecting the sample, collecting and checking the data and analyzing the results.

3.2 Area and Population of Study

The study was carried out in two counties of Bushenyi, Igara and Sheema Counties, which include 14 sub-counties (Appendix A). The area has 403,213 people and 74,599 households according to the 2002 Housing and population census. The study limited itself to areas to which resources are allocated in Igara and Sheema and their contribution towards alleviating poverty among the poor and the lack of resources as a continuing factor in sustaining them in poverty. Selected households of Igara and Sheema and Key Informants who were involved in resource allocation formed part of the population.

3.3 Sample Size and Sampling Techniques

Questionnaires were administered to 409 respondents who were selected from 382 households in Igara and Sheema counties, 12 sector heads of Bushenyi District and 40 District Development Partners. This was done in order to establish the relationship between resource allocation and poverty alleviation. The researcher used purposive sampling to select officials involved in resource allocation at the district and systematic sampling for its development partners.

Recipients and hence beneficiaries of resources allocated were selected using probability sampling. First stratified sampling was employed to ensure both counties under study were represented. The rotary method was used where each name of the 14 sub-counties in the chosen counties was written on a paper. The pieces of paper were put in two boxes, each box representing a county. They were mixed up and then one piece of paper was picked randomly from each box to identify the 2 sample sub-counties of Kitagata and Kyeiozoba.

Thereafter simple random sampling was employed to establish the sample parishes. This was done using the rotary method. The 14 parishes in the sub-counties were also written on pieces of papers which were put in a box and consequently mixed up then one piece of paper was picked at a time with replacement until the number of 8.The idea proposed by Sarantakos (1998) to arrive at the right sample size by means of the rule of the thumb (10%) of 80 parishes in the two counties, which was the sample parishes.

The 8 parishes chosen were Kyarushakara, Kasana East, Muhito, Rutooma, Nyamiyaga, Karaaro, Kasana West and Kitagata. This comprised the parent population from which the 382 households were identified at random .The researcher used the table developed by Krejcie and Morgan in 1970 (Appendix B) to arrive at 382.

Also 12 heads of sector were selected each from the district sectors deemed to be

knowledgeable on resource allocation in the district. This was done by systematic sampling which was also used on the 42 development partners. Starting with the first name as number one every other name was selected in succession.

3.4 Research Methods and Instruments

The researcher collected data using mainly questionnaires (Appendix C and D). The questionnaire was administered to each household and where the head of the household was illiterate, any literate member in the household was asked to assist in answering the questions. The questionnaire was used because it can be administered to a large number of individuals simultaneously. They are also cheaper when a large area is being covered such as the area in this particular research. Close-ended questions were used to minimise unclear and unnecessary responses.

3.5 Observation

Observation was used to observe records in the district archives, NGOs, CBOs, and other stakeholders in the area of study on resource allocation and poverty alleviation for 5 to 10 years. It was effective in capturing written records for example district development plans on efforts of resource allocation and poverty alleviation. An observation check list was used (Appendix E).

3.6 Validity of Instruments

The instruments were examined by students taking the same course. Also the supervisor considered the reliability and validity of the instruments. Suggestions were incorporated into the text of the final questions thus improving the validity and reliability of the instruments. Thereafter, they were pilot tested on 20 residents of Igara County. The questionnaire and

observation check list measured and focused respectively on the variables of resource allocation, conduct of officials, investment climate and peoples responses.

3.7 Data Analysis

Data from the questionnaires were scrutinized regularly to ensure accuracy and completeness. Codes were attached to the alternative answers given and entered into the computer. This was followed by the generation of tables and percentages using SPSS 13 (Statistical Package for Social Scientists). These helped the researcher to analyse the merging trends in the study. Data analysis was carried out at two stages namely, Univariate and Bivariate levels.

The univariate level of analysis focused upon the assessment of the distributional properties of socio-economic characteristics of the respondents. Univariate analysis was used to serve two broad purposes: description of the variables and preparation for bivariate analysis. The format of analysis of output included frequency distributions for the main variables.

Bivariate analysis explored association between the dependent (poverty alleviation) and independent (resource allocation) variables; cross-tabulations were carried out to ascertain associations using Fishers test. Relationships between the dependent and independent variables were established at 99% confidence level.

Fisher's exact test was used to make conclusions on the data. The Fisher's exact test is used when one or more of the cells has an expected frequency of five or less.

3.8 Research Procedure

A letter of recommendation was got from the university and presented to the Deputy

Chief Administrative Officer (Appendix F), heads of sectors, at the district and officials from selected development partners of the district in order to access information. The target population was determined using information from the Uganda Census 2002/ District. A selection was done using multi-stage sampling followed by administering the questionnaire. Key informants included the officials involved in district resource allocation as well as heads of households. Observation of records at the district archives and NGOs offices was done several times during the study.

The researcher used purposive sampling to identify district officials involved in resource allocation, systematic sampling to identify officials from the development partners and probability sampling to select the respondents in the given counties. In order to build rapport the researcher explained that the research was an inquiry solely for academic purpose.

A semi-structured questionnaire was used and documentary analysis used. Respondents participated on the basis of sharing information for academic purpose. The latter included district publications, reports, journals, the internet and magazines in English.

3.9 Problems Encountered in Data Collection

Questionnaires administered to officials were delayed and often misplaced prompting administering fresh ones which the researcher had not envisaged. Also due to illiteracy and semi-illiteracy some respondents needed interpretation of the questionnaire causing delay and loss of the original precision of the question. These were unforeseen and caused delay and increased expenses which the researcher had in short supply. These problems were overcome by spending more time with the respondents to guide them in answering the questionnaires. The researcher also took out a loan from a local bank to finance his endeavours.

3.10 Conclusion

The researcher was confident the research would be successfully carried out using, the research design, methods and instruments and data analysed to bring forth answers to the research questions thus fulfilling the aim of the study.

CHAPTER FOUR
PRESENTATION AND DISCUSSION OF FINDINGS

4.0 Introduction

The research was carried out according to the research design and methodology presented in the previous chapter. A total of 409 participants took part in the study. The researcher had a sample size of 382 households but only 365 responded. The researcher also had 52 officials who included 40 district development partners (NGOs) and 12 sector heads at the district headquarters. Out of these only 44 officials responded, all 12 sector heads and 32 development partners.

The data was analyzed from questionnaires and presented according to the research questions and variables included in the conceptual framework. The study concentrated on the socio-economic characteristics of the respondents as opposed to the socio-demographic which was less relevant to the study and had been reflected in other studies such as Entandikwa Credit Scheme and Economy of Sharing (Unpublished Masters Dissertations Makerere University)

4.1 Socio-Economic Characteristics

As shown in Table 4.1, a large proportion of respondents (84.1%) reported a monthly income of Uganda Shillings 250,000 and below, with majority (38.1%) of these in the 100,000-250,000 income category. Regarding kind of energy used in households, majority of respondents reported firewood (48.8%) followed by charcoal (30.7%), while the least used energy type being electricity (1.1%).

Monthly income Category [000s]	Respondents No.[365]	Percentage %
Under 50	66	18.1
50-100	102	27.9
100-250	139	38.1
250-500	43	11.8
Above 500	15	4.1
Type of energy used in household		
Electricity	4	1.1
Solar	21	5.8
Paraffin	50	13.7
Charcoal	112	30.7
Firewood	178	48.8

Table 4.1: Socio-economic characteristics of respondent

4.2 Research Question (i): Is there a Relationship between Resource Allocation and Poverty Alleviation in Igara and Sheema Counties?

Introduction

Resource allocation policies (Table 4.8) were run (cross-tabulated) with responses on poverty alleviation (Table 4.12) to determine the relationship between resource allocation and poverty alleviation. The end result was to find out if resource allocation policies relate to peoples welfare, particularly education, health and wealth. Relationship between the resource allocation variable and poverty alleviation variable was established using the Fishers exact test at 99% confidence level. The Fisher's exact test would therefore show significance if it is less than 0.01 ($F < 0.01$). It should be noted that in all proceeding results significance was established to be negligible (Fisher's exact Sig. = 0.000). This means the researcher found these results to be very significant and thus has great confidence in them.

4.2.1 Education

Results from analysis showed evidence of relationship between resource allocation policies and poverty alleviation ($F < 0.01$). Among respondents that were in support that elected leaders led to better service provision (30.67%), half of them (50%) were in agreement that education services had made people's lives better. However, the rest (50%) were unsure (Don't know) about the contribution of education.

Concerning the previous 2007/08 budget, a small proportion (15.34%) of respondents claimed that it was people friendly. Among these 50% responded that they were in disagreement that education services have made people's lives better.

Among the respondents who claimed local councils put power into people's hands (30.68%), half (50%) did not know whether education services have made peoples lives better.

The findings from the study also revealed that among the respondents 15.62% supported the idea that LDUs have led to increase in security and peace. Many of these (98%) were also of the view that education services had improved peoples lives.

KEY TO TABLES

DK – Don't Know

no. – Number of respondents

Total - Percentages of respondents for each policy that was responded to. (Table 4.8)

Resource allocation policies	no.	Education			
		Yes	No	DK	Total
Elected leaders led better service provision					
Yes	112	50.0%	0.00%	50.0%	**30.67%**
No	196	0.00%	85.7%	14.29%	**53.70%**
DK	57	50.88 %	0.00 %	49.12%	**15.62%**
Fisher's exact Sig. = 0.000					
Previous 2007/08 budget was people friendly					
Yes	56	0.00%	50.0%	50.0%	**15.34%**
No	224	12.50%	50.00%	37.50%	**61.37%**
DK	85	70.39%	29.61%	0.00%	**23.29%**
Fisher's exact Sig. = 0.000					
Local councils put power in people's hands					
Yes	112	25.00%	25.00%	50.00%	**30.68%**
No	197	38.13%	51.87%	10.00%	**53.97%**
DK	56	10.20%	4.80%	85.00%	**15.34%**
Fisher's exact Sig. = 0.000					
LDU lead to increase in Security					
Yes	57	98.0%	2.00%	0.00%	**15.62%**
No	252	0.00%	66.68%	33.32%	**69.04%**
DK	56	50.00%	0.00%	50.00%	**15.34%**
Fisher's exact Sig. = 0.000					

Table 4.2: Response on Education by Policies on Resource Allocation

4.2.2 Health Care Services

Among the respondents that were of the view that elected leaders have led to better service provision (30.68%), a large proportion (55.2%) were also in agreement that health services available had helped people.

Concerning the previous 2007/08 budget being people friendly, only some (15.34%) of

the respondents supported this notion. Of these half (48.3%) also claimed health care services had not made peoples lives better.

Those who did not accept that local councils have put power into the hands of people were 53.97%. Among these the greater proportion (71.07%) also did not indicate that health care services had improved people's lives.

Only a small percentage of the respondents (15.62%) stated that Local Defense Units (LDUs) have led to increased security. Of these the overwhelming majority (100%) also were of the view that health care services available have helped people. This may imply the respondents who feel protected by LDUs also benefit from access to health services.

Resource allocation policies	no.	Health care services			
		Yes	No	DK	Total
Elected leaders led better service provision					
Yes	112	55.2%	0.00%	44.8%	**30.68%**
No	196	14.29%	71.43%	14.29%	**53.70%**
DK	57	55.28%	0.00 %	44.72%	**15.62%**
Fisher's exact Sig. = 0.000					
Previous 2007/08 budget was people friendly					
Yes	56	2.00%	48.3%	49.7%	**15.34%**
No	224	25.00%	37.50%	37.50%	**61.37%**
DK	85	67.06%	32.94%	0.00%	**23.29%**
Fisher's exact Sig. = 0.000					
Local councils put power in people's hands					
Yes	112	50.00%	0.00%	50.00%	**30.68%**
No	197	28.93%	71.07%	0.00%	**53.97%**
DK	56	0.00%	0.00%	100.00%	**15.34%**
Fisher's exact Sig. = 0.000					
LDU lead to increase in Security					
Yes	57	100.0%	0.00%	0.00%	**15.62%**
No	252	11.11%	55.56%	33.33%	**69.04%**
DK	56	40.00%	19.95%	40.05%	**15.34%**
Fisher's exact Sig. = 0.000					

Table 4.3: Response on Health Care Services by Policies on Resource Allocation

4.2.3 Working Hard

From the findings expressed in Table 4.4, respondents that did not know whether elected leaders have led to better service provision were 15.62%. Few of these (1.10%) were of the view that hard work pays, showing a combination of both ignorance and apathy.

Pertaining to the previous 2007/08 budget, many of the respondents (61.37%) thought it was not people friendly. A quarter of these (25%) also claimed hard work pays. this may be due to a sense of resignation from an unfriendly budget.

The study showed that less than half the respondents (30.68%) were of the view that local councils have put power into people's hands. Of these half (50%) are of the view that hard work pays. This may imply that a minority of people feel politically enabled and fewer still economically able.

The study revealed that of the respondents who believed that LDUs had increased security and peace (15.62%), many (66.33%) also believed working hard pays. This may mean those who feel secure may also easily be optimistic.

Resource allocation policies	no.	Working hard			
		Yes	No	DK	Total
Elected leaders led better service provision					
Yes	112	37.86%	3.24%	58.90%	**30.68%**
No	196	14.29%	71.43%	14.29%	**53.70%**
DK	57	50.68%	0.00 %	1.10%	**15.62%**
Fisher's exact Sig. = 0.000					
Previous 2007/08 budget was people friendly					
Yes	56	0.00%	50.0%	50.0%	**15.34%**
No	224	25.00%	37.50%	37.50%	**61.37%**
DK	85	65.00%	32.00%	3.00%	**23.29%**
Fisher's exact Sig. = 0.000					
Local councils put power in people's hands					
Yes	112	50.00%	19.00%	31.00%	**30.68%**
No	197	27.90%	70.10%	2.00%	**53.97%**
DK	56	9.00%	1.00%	90.00%	**15.34%**
Fisher's exact Sig. = 0.000					
LDU lead to increase in Security					
Yes	57	66.33%	30.66%	3.01%	**15.62%**
No	252	13.11%	54.58%	32.31%	**69.04%**
DK	56	50.00%	0.00%	50.00%	**15.34%**
Fisher's exact Sig. = 0.000					

Table 4.4: Response on Working Hard by Policies on Resource Allocation

4.2.4 Money from Village Banks

The table 5 shows that among the respondents that were of the view that elected leaders led to better service provision (30.68%), none of them (0.00%) were of the view that money from village banks has helped improve their lives. This could be to the low membership (30.7%). (Table 4.5) and therefore ignorance (50.0%) (Don't know).

On the previous budget being people friendly a few (15.34%) thought it was a people friendly budget, of these half (50%) claimed that money from village banks has helped people improve their lives.

Results from the study indicated that, of the respondents who claimed that local councils had put power into their hands (30.68%), half (50%) indicated that money from village banks had not improved their lives. This may be due to the high interest rates charged on loans by SACCOs.

The respondents who did not claim that LDUs have led to security were most (69.04%). Many of these (65.67%) also claimed money from village banks did not make their lives better. This may mean that positive effects of policies have not yet been appreciated by many of the respondents.

Resource allocation policies	no.	Money from village banks			
		Yes	No	DK	Total
Elected leaders led better service provision					
Yes	112	0.00%	50.00%	50.0%	**30.68%**
No	196	14.24%	57.19%	28.57%	**53.70%**
DK	57	50.88%	49.12%	0.00%	**15.62%**
Fisher's exact Sig. = 0.000					
Previous 2007/08 budget was people friendly					
Yes	56	50.00%	50.0%	0.00%	**15.34%**
No	224	0.00%	75.00%	25.00%	**61.37%**
DK	85	34.12%	0.00%	65.88%	**23.29%**
Fisher's exact Sig. = 0.000					
Local councils put power in people's hands					
Yes	112	0.00%	50.00%	50.00%	**30.68%**
No	197	22.93%	48.64%	28.43%	**53.97%**
DK	56	0.00%	100.00%	0.00%	**15.34%**
Fisher's exact Sig. = 0.000					
LDU lead to increase in Security					
Yes	57	50.88%	0.00%	49.12%	**15.62%**
No	252	12.11%	65.67%	22.22%	**69.04%**
DK	56	0.00%	50.00%	50.00%	**15.34%**
Fisher's exact Sig. = 0.000					

Table 4.5: Response on Help with Money from Village Banks by Policies on Resource Allocation

4.3 Investment Climate

Both residents and officials were interviewed concerning the investment climate in Bushenyi. The results are presented in Table 4.6.

The findings from the study revealed that most resident respondents did not find the investment

climate enabling. Of the respondents 69% did not think roads have encouraged transport of goods and services. This in part, to the poor state of roads, prompting government to provide $200 million on roads annually (Presidents Speech: 46th Independence Anniversary). Almost the same number 69.3% were not members of SACCOs/ village banks. The respondents expressed deep suspicion for financial institutions brought about by failed banks (Cooperative Bank, Greenland Bank) and intermediaries such as Caring for Orphans, Widows and Elderly (COWE) that swindled people's deposits. As well as the high interest rates on loans offered by SACCOs, some up to 4.5% per month. Regarding the role of NAADS in improving animal and crop production the findings revealed the majority (53.7%) did not think so, only 15.6% thought so. There were several remarks from farmers at a training workshop by Land O Lakes and SNV for Bushenyi Dairy Farmers Cooperative (BUDICO) on 15 October 2008 at Katungu Hall Bushenyi, that government had ignored them and that instead was promoting piggery and poultry farming through NAADS. Table 4.6 also reveals that majority 54% did not think the investment climate had made it easier to build today than say 5-10 years ago.

Investment climate	**no.**	**Response**		
		Yes	**No**	**Don't know**
Roads have encouraged transportation	365	31.0%	69.0%	.
Membership in SACCO/Village bank	365	30.7%	69.3%	.
NAADS has improved animal/crop production	365	15.6%	53.7%	30.6%
Its easier to build today	365	15.3%	54.0%	30.7%

Table 4.6: Response on prevailing investment climate by residents

The study showed similar response from officials, with the majority (50.00%) responding that resources allocated to Bushenyi district are not properly utilized. Lesser respondents

(43.18%) were of the view that resources were properly utilized. On whether investment climate is favorable for all in Bushenyi many (54.55%) were in disagreement. An equal number (6.82%) did not know whether resources were properly utilized or whether the investment climate is favorable for all.

Investment climate	**no.**	**Response**		
		Yes	**No**	**Don't know**
Resources properly utilized	44	43.18%	50.00%	6.82%
Favorable investment climate	44	38.64%	54.55%	6.82%

Table 4.7: Response on prevailing investment climate by officials

4.4 Research Question (ii): What are the precise Policy Guidelines used in the allocation of resources?

Both residents and officials were interviewed concerning resource allocation policies and guidelines. Results are presented in Table 4.8.

On the friendliness of the 2007/2008 budget the results from residents showed as many as 61.4% of the respondents did not find it friendly. The increase in duties on petrol and diesel may have increased fears of increased prices and hence cost of living. Only 15.7% of the respondents felt safer as a result of Local Defense Forces. Equal numbers of respondents (30.7%) were in concert that Local Councils have put power into people's hands and elected leaders have led to better service provision. The appreciation of decentralization and local governance is probably slow since its merits are also slow and people are usually resistant to change.

Policy guidelines	no.	Response		
		Yes	No	Don't know
Previous 2007/08 budget was people friendly	365	15.3%	61.4%	23.3%
Local councils put power in people's hands	365	30.7%	54.0%	15.3%
Elected leaders led better service provision	365	30.7%	53.7%	15.6%
LDU led to increase in security	365	15.7%	69.0%	15.3%

Table 4.8: Response on Resource Allocation Polices By Residents

On the other hand, majority of officials (70.45%) affirmed the existence of policies on resource allocation , of these many (61.29%) indicated that this policy has been helpful in resource allocation and over half (54.84%) reported that this policy has aided poverty alleviation in Bushenyi district.

Policy guidelines	no.	Response		
		Yes	No	Don't know
Availability of policy on resource allocation	44	70.45%	15.91%	13.64%
Is policy help full	31	61.29%	35.48%	3.23%
Whether policy has helped poverty alleviation	31	54.84%	38.71%	6.45%

Table 4.9: Response on Resource Allocation Polices By Officials

4.5 Research Question(iii): How Effective are Actors in the Allocation of In Resource Allocation

Responses were obtained from both residents and officials on effectiveness of officials.

Table 4.10 shows that (38.6%) of resident respondents did not know if money for development was at times used for other things. The same number (38.6%) did not know whether village bank officials give loans without asking or accepting personal favors. On the other hand, 7.7% of the respondents believed that village bank officials give loans without asking or accepting personal

not think UPE and USE are free. This year the District Education Officer (DEO) Bushenyi, during a meeting with headmasters in Bushenyi threatened to arrest any of them who were found to have sent home pupils for lack of money.

Conduct by officials	no.	Response		
		Yes	No	Don't know
Times when development money is diverted	365	23.0%	38.4%	38.6%
Loans given without personal favors	365	7.70%	53.7%	38.6%
Free UPE and USE	365	7.70%	61.6%	30.7%

Table 4.10: Response on effectiveness of officials by residents

Results from participant officials revealed greater affirmation in support of effectiveness of officials. The greater number (63.64%) was in agreement that officials are effective during the process of resource allocation. Also in whether resource allocation involves a high level of integrity, transparency and accountability most (72.73%) responded in the affirmative.

Conduct of officials	no.	Response		
		Yes	No	Don't know
Effectiveness observed	44	63.64%	34.09%	2.27%
Integrity, transparency and accountability	44	72.73%	13.64%	13.64%

Table 4.11: Responses on Effectiveness of Officials by Officials

4.6 Poverty Alleviation

The study revealed that 46% of the respondents responded negatively to education services and only 23.7% appreciating them. However 30.7% did not know. Also more respondents (38.4%) thought health care services have helped people. A clear majority53.7% did not think village banks had helped people with only 15.6% in the affirmative. The levels of apathy were 38.4% where as only 31% indicated hard work pays and therefore are better motivated. The rest 30.6%

apathy were 38.4% where as only 31% indicated hard work pays and therefore are better motivated. The rest 30.6% were indifferent to work

Poverty alleviation	no.	Response		
		Yes	No	Don't know
Education services have made lives better	365	23.3%	46.0%	30.7%
Health care services have helped people	365	31.0%	38.4%	30.6%
Working hard pays	365	31.0%	38.4%	30.6%
Village banks helped people improved lives	365	15.6%	53.7%	30.7%

Table 4.12: Response on poverty alleviation by residents

The study showed that most officials (81.82%) alleged there was poverty in Bushenyi. Also many (70.45%) suggested poverty alleviation can be achieved through resource allocation. More than a half (63.64%) of the respondent officials acknowledged a relationship between resource allocation and poverty alleviation. However less than a half (40.91%) pointed out resource allocation as being very important as a strategy of poverty alleviation. Several (52.27%) suggested it was important, only a few (6.82%) suggested it was not important. On whether resources allocated to Igara and Sheema counties improve the welfare of people there, more than half (54.55%) did not think so.

Poverty alleviation	no.	Response		
		Yes	No	Don't know
There is poverty in Bushenyi	44	81.82%	18.18%	-
Poverty alleviation can be achieved	44	70.45%	15.91%	13.64%
Relationship between resources and poverty	44	63.64%	27.22%	9.09%
Is resource allocation important	44	40.91%	52.27%	6.82%
Improved welfare	44	40.91%	54.55%	4.55%

Table 4.13: Response on Poverty Alleviation by Officials

4.7 Observation of Records in the District

The observational results assisted the researcher in identifying the written records on resource allocation and poverty alleviation for the past 5 to 10 years. The researcher observed, Three Year Development Plans since 1998.

The district has several development objectives such as:-

- To improve service delivery for the development of the district
- To reduce morbidity and mortality rates through improved health service delivery
- To improve quality of and standards of education and sports in the district
- To increase household incomes, food security and sustainable exploitation of natural resources enhance socio-economic development of the district
- To improve the community welfare and protect the rights of vulnerable groups
- To promote transparency and accountability in the delivery of services

From the development reports these objectives appear to be realized with training of personnel involved in service delivery, construction of health centers, classrooms, culverts and procurement of plantlets for farmers. Training of farmers and vulnerable groups and sensitizing the community.

The researcher noticed that the resources allocated were to meet objectives and these reports showed indicators of poverty alleviation. This is clearly reflected in the summary of sub-county projects reflected in the Three Year Development Plans. For example in the year 2005-2008 Three Year Development Plan , some funds from Plan for Modernization of Agriculture (PMA) were used to increase Functional Adult Literacy (FAL) classes' sub-county wide in Kyeizooba.

Development reports were observed from every sub-county in Bushenyi in the District Resource Centre and Planning Department.

Information from the reports observed in NGOs such as Netherlands Development Organization (SNV),Voluntary Service Over seas (VSO) and Uganda Programme for Human and Holistic Development (UPHOLD) showed that beneficiaries from resource allocation were experiencing better welfare. Netherlands Development Organization (SNV) as a case in point has equipped dairy farmers in Bushenyi district with modern farming techniques improving the quality and volume of milk produced hence income of farmers.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter includes a summary of findings according to the research questions, conclusions in tandem with the objectives of the research and recommendations in line with the research questions.

5.1.0 Summary

5.1.1 Research question (i): Is there a Relationship between Resource Allocation and Poverty Alleviation?

The researcher found there to be existence of resource allocation. This was clear in the Three Year Rolling Development Plans at the district and the Quarterly Reports from the sub-counties. Yet the study showed that most officials (81.82%) alleged there was poverty in Bushenyi. This concurs with the information from the Three Year Rolling Development Plan 2007-10 (2008), mentioned in the contextual background of this study, that there is poverty in Bushenyi albeit at a reducing trend. The study showed evidence of a relationship between resource allocation and poverty alleviation. Fishers exact test, revealed in all results, on relationship between resource allocation and poverty alleviation, that significance is negligible ($F<0.01$) thus giving the researcher great confidence in them. This agrees with the notions in the literature review. For instance, that poverty varies with education and that education reduces the likelihood of being poor. Resource allocation policies were seen to have a relationship with the respondents' welfare. On whether resources allocated to Igara and Sheema counties improve the welfare of people there, more than half (54.55%) of officials did not think so. This may be answered from the responses from officials open ended questions:-

1) What would you like to see added or subtracted to policy to alleviate poverty?

- "More programmes on malaria control"
- " Girl child education"
- "Greater immunization"
- "Safe-motherhood"
- "Food security"

2) Other than resource allocation what else is being done to alleviate poverty?

- "Community mobilization"
- "Sensitization seminars on infant mortality"
- "Capacity building"
- "Functional adult literacy"

All responses were observed to be already being addressed, suggesting either a pre-occupation with the same issues or dissatisfaction with the way these issues are addressed.

5.1.2 Research Question (ii): What are the Precise Policy Guidelines used in the Allocation of Resources?

Policy guidelines included the Local Government Act CAP 243(2006). This was in line with decentralisation and putting power in the hands of people. From the study, equal numbers of resident respondents (30.7%) were in concert that Local Councils have put power into people's hands and elected leaders have led to better service provision. This may be because the people that are politically aware may be the same people accessing better service. This view is inherent in the deprivation trap discussed in the theoretical perspective of this study that people are unable to break out of the clutches of poverty because poverty breeds weakness which leads to vulnerability which causes powerlessness and consequently isolation propagating yet more poverty.

In addition Universal Primary Education (UPE) was identified as a prevailing policy in resource allocation. It was found out that 61.6% did not think UPE and USE are free. Among the two key problems of UPE mentioned in the literature review is poor pupil retention (UPPAR: 2000). This year the District Education Officer (DEO) Bushenyi, during a meeting with headmasters in Bushenyi threatened to arrest any of them who were found to have sent home pupils for lack of money. It is alleged some head teachers still demand money for meals, stationery and teachers upkeep discouraging some parents from sending their children to school.

On Primary Health Care (PHC), less than half the respondents (38.4%) thought health care services have helped people. As noted in the literature review of this study, user charges on public social services cannot be afforded by an average Ugandan (UPPAR: 2000). The assessment unveiled ten monetary costs borne by the clients of public health services irrespective of the socio-economic status, namely consultation fees, treatment charges, drug costs, exercise books, supplies like syringes and razor blades, registration fee, admission fee, prescription fee, transportation costs and bribes. As a consequence of these costs, 56 percent of the communities in which the study was carried out attributed health expenses as the number one cause of their poverty status. This may also be in part to the poor staffing in health centers with qualified medical personnel choosing to work in urban centers and private practice.

Another policy is enhancing agricultural production through promotion of Plan for Modernization of Agriculture, National Agricultural Advisory Services (NAADS) and Area based Agricultural Modernization Programme (AAMP). Regarding the role of NAADS in improving animal and crop production the findings revealed the majority (53.7%) did not think so, only 15.6% thought so. There were several remarks from farmers at a training workshop by Land O Lakes and SNV for Bushenyi Dairy Farmers Cooperative (BUDICO) on 15th/10/2008 at Katungu Hall Bushenyi, that government had ignored them and that instead was promoting

piggery and poultry farming through NAADS. The way these resources are allocated are top-down with little consultation with the farmers hence dissatisfaction and resistance to imposed new ideas and technologies. As earlier noted in the literature review, one of the fora bringing government, donors and civil society organisations to review Uganda's experience with Structural Adjustment Programmes (SAPS) ended with a consensus that the current parameters the government is relying on to conclude that poverty is rapidly being reduced are highly devoid of a participatory approach to the understanding of the poverty situation in Uganda (SAPRI, 2001)

Another policy in resource allocation included the National Budget where for instance in the 2007/2008 National budget emphasis was put on promoting Savings and Credit Cooperative societies SACCOs. On the friendliness of the 2007/2008 budget the results from residents showed as many as 61.4% of the respondents did not find it friendly. The increase in duties on petrol and diesel may have increased fears of increased prices and hence cost of living. The study revealed 69.3% of the resident respondents were not members of SACCOs/ village banks. This may be due to the deep suspicion for financial institutions brought about by failed banks (Cooperative bank, Greenland bank) and intermediaries such as COWE that swindled people's deposits. As well as the high interest rates on loans offered by SACCOs, some up to 4.5% per month. In the contextual background, among the underlying causes of poverty in Bushenyi as revealed in the Three Year Rolling Development Plan 2007-10 (2008), were ignorance, illiteracy, low incomes, limited credit facilities as well as inadequate and inappropriate credit schemes. The effects of poverty on the other hand include poor savings, lack of capacity to invest, poor development and poverty. Poor membership to SACCOs in Igara and Sheema can therefore be explained by some or all the above fore mentioned.

Maintenance of roads and feeder roads is another key policy in resource allocation. At

sub-county level there is existence of The Operation Maintenance Sustainability Policy. Of the resident respondents 69% did not think roads have encouraged transport of goods and services. This could be attributed to the poor state of roads, prompting government to provide $200 million on roads annually (Presidents Speech: 46th Independence Anniversary). As already seen, in the literature review, that in Uganda, poverty varies with, among others infrastructure development (The Participatory Poverty Assessments: 1999, 2001).

The policies identified in the allocation of resources are in line with National Priority Programme Areas (NPPA) and district priorities. These are in turn a result of the Millennium Development Goals adopted in the UN millennium declaration which Uganda was party. The Human Development Report (2003) identifies mobilizing and reallocating domestic resources and focusing spending on reforms that increase efficiency and equity as needed to achieve these Goals. For countries stuck in poverty traps, countries require greatly expanded donor financing to invest much more heavily in health, sanitation and other key infrastructures even before economic growth occurs. Such investments are vital to create the conditions for sustained economic growth. At district level resources received from Central government are required by law to be accorded to national priority areas in given proportions. These foreign tailored solutions to home problems may be part of the reason many people are not appreciating resource allocation efforts. Globalization, liberalization and privatization that the donor countries prescribe may be vehicles that seek to promote capitalism and ultimately there own and few of the locals leaving the vast majority in lamentation.

5.1.3 Research Question (iii): How effective are the actors in the resource allocation process to fight against poverty in Igara and Sheema counties?

Some, (38.6%) of resident respondents did not know if money for development was at times used for other things. The same number (38.6%) did not know whether village bank

officials give loans without asking or accepting personal favors. Ignorance may be high among the respondents which corrupt officials may exploit. On the other hand, 7.7% of the respondents indicated that village bank officials give loans without asking or accepting personal favors. The greater number of resident respondents were either ignorant or did not think village bank officials conduct themselves professionally. From the literature review we observe, level of corruption remains very high in all Uganda Government Programmes (Uganda Poverty Status Report, 2001). In Bushenyi district among the key outstanding constraints to development are lack of trained sub-county planners; inadequate skills in data collection, analysis, interpretation, management and use; lack of promotional avenues for staff; low staff morale among staff caused by uncertainties related to the restructuring and inadequate remuneration; shortage of drugs despite regular purchases (Three Year Rolling Development Plan 2007-10:2008).

Yet results from participant officials revealed greater affirmation in support of positive conduct of officials. The greater number (63.64%) was in agreement that officials are effective during the process of resource allocation. Also on whether resource allocation involves a high level of integrity, transparency and accountability most (72.73%) responded in the affirmative.

These results suggest a deviation in thinking between resident respondents and official respondents. This may be due to absence of objectivity on the part of officials since the findings impinged directly on their effectiveness. Thus, a greater majority indicated effectiveness being exhibited by officials during the process of resource allocation.

5.2 Conclusions

5.2.1 Objective (i): Resource Allocation and its Relationship with Poverty Alleviation.

Government actions affect respondents' responses to education, healthcare, work and credit in Bushenyi District.

The study has provided enlightment about the existence of poverty in the counties of Igara and Sheema. The study has revealed that most (54%) residents earn more than 100,000/= Uganda shillings a month thus live above the poverty line. However, many of these use firewood as a source of fuel as opposed to electricity, solar, paraffin or charcoal.

A relationship was found to exist between resource allocation and poverty alleviation. Residents upheld the existence of this relationship with a relationship being found to exist between resource allocation policies like electing leaders, national budgeting, establishing local councils and local defense forces vis-à-vis welfare indicators such as literacy, health, and wealth. Therefore what government chooses to do affects the resident's responses to education, healthcare, work and credit.

5.2.2 Objective (ii): Precise Policy Guidelines used in the Allocation of Resources.

Various policy guidelines are used in allocation of resources in Bushenyi District.

The study also concluded that the precise policy guidelines used in resource allocation included Universal Primary Education, Universal Secondary Education, Primary Health Care and National Agricultural Advisory Services.

5.2.3 Objective (iii): Effectiveness of actors in the Process of Resource Allocation.

Loopholes in the resource allocation process may promote ineffectiveness among resource allocation actors in Bushenyi District.

On the effectiveness of officers during resource allocation it was discovered that there may be ineffectiveness in the process of resource allocation. When the researcher visited the Personnel Department at the District Headquarters, he observed an absence of well articulated documents on staff actors involved in resource allocation. The conclusions from the responses

from residents were seen to be more objective, hence, form the basis for this conclusion.

5.3 Recommendations

(i) There should be extensive studies conducted by government planning departments and NGOs to determine the nature of poverty in Bushenyi and these should be used by Central Government, Local Government and other stakeholders in allocating resources.

(ii) Appropriate policy guidelines should be formulated in consultation with residents to determine the best strategy or strategies in allocating resources to alleviate poverty. This means that government should avoid embracing foreign imposed policies such as Structural Adjustment Policies by the World Bank. According to the Human Development Report (2003), national strategies should be based on solid evidence, good science and proper monitoring and evaluation. Poor countries require freedom of maneuver with donors to design locally appropriate policies. Without true ownership national programmes will be neither appropriate to local conditions nor politically sustainable.

(iii) There should be investigations carried out by the Inspector General of Government (IGG) to identify ineffective officers in the process of resource allocation and disciplinary action like demotion, dismissal, imprisonment, fines and hefty financial penalties taken to discourage ineffectiveness.

(iv) In cases of inadequate staffing and lack of trained sub-county planners, tertiary institutions should be encouraged to tailor their curriculum to provide for these inadequacies. For instance more courses on local governance and sub-county planning should be adopted.

(v) There should be independent auditors contracted from private firms (if possible from abroad where corruption is less entrenched). These should be allowed to publish their findings to the media and these reports should be translated into the local languages to allow locals to identify

and vote out corrupt officials.

(vi) NGOs operating in Igara and Sheema should also be monitored by local government officials. Those doing a good work should be encouraged and recognized. Where possible government should partner with them and finance their activities in which they have proved more effective than government.

Contribution to knowledge

(i) This study will serve as a testimony to all stakeholders in the resource allocation process that people have favorable as well as unfavorable responses to government policies, hence requiring care to be taken when committing resources so as not to waste.

(ii) This work may provide literature review for related studies and may provoke further research into the importance of resource allocation as a strategy for poverty alleviation.

5.4 Suggested Areas for Further Research

(i) The researcher suggests that research should be carried out on the importance of people's attitudes to resource allocation. This may shade light on the people's responses to resource allocation captured in this research.

(ii) A similar research may be carried out in different counties or districts of Uganda to find out if similar findings can be deduced.

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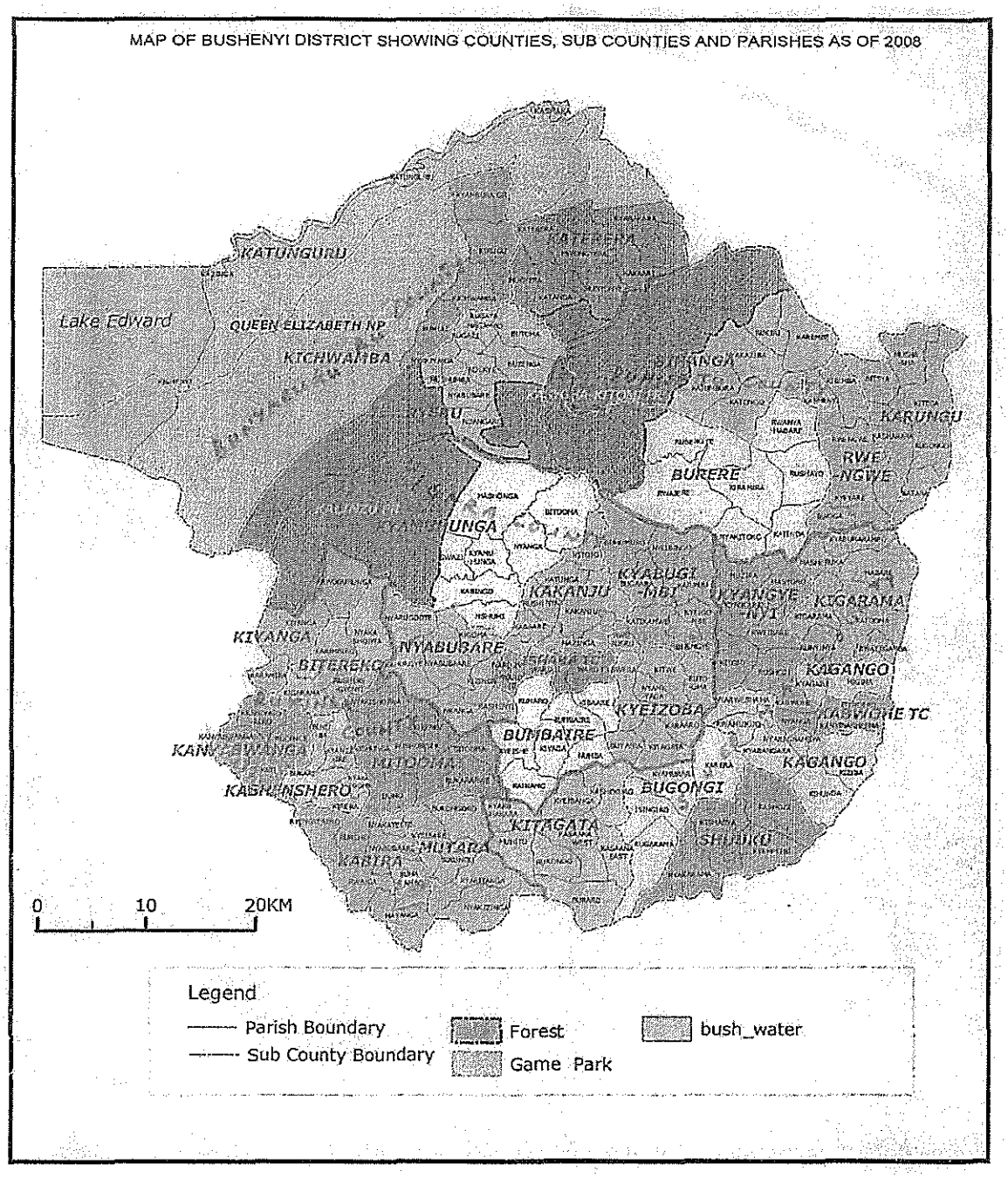
APPENDIX A


MAP OF BUSHENYI DISTRICT SHOWING COUNTIES, SUB COUNTIES AND PARISHES AS OF 2008
Lake Edward
KATUNGURU
QUEEN ELIZABETH NP
KICHWAMBA
KATERERA
KARUNGU
RWE NGWE
BURERE
KYABUGI -MBI
KAKANJU
KYANGYE -NYI
KIGARAMA
KIYANGA
NYABUBARE
BITEREKO
KAGANGO
KYEIZOBA
BUMBAIRE
KAGANGO
BUGONGI
KITAGATA
MUTARA
KABIRA
0
10
20KM
Legend
Parish Boundary
Sub County Boundary
Forest
Game Park
bush_water

APPENDIX B

N*	S+	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

*N is the population size. +S is sample size.

Source: R. V. Krejcie and D.W. Morgan (1970). Determining sample size for research activities' Educational and psychological measurement, 30, *pp* 607 – 10.

APPENDIX C

QUESTIONNAIRES ON RESOURCE ALLOCATION IN BUSHENYI DISTRICT

QUESTIONNAIRES: FOR RESIDENTS OF IGARA AND SHEEMA COUNTIES IN BUSHENYI DISTRICT.

Introduction

Dear respondent, this questionnaire is designed to get information on; Resource Allocation as a Strategy for Poverty Alleviation in Uganda: A Case Study of Igara and Sheema Counties in Bushenyi District.

The findings in this study will be presented to the School of Post Graduate Studies, Kampala International University, for the Award of Masters of Arts in Public Administration and Management. Kindly answer the given questions correctly. The information received will be treated in strict confidence.

Instructions: Answer by either ticking or filling in the underlined spaces.

Section A: Socio-Economic data.

A1. Indicate your income per month

i. Under 50, 000

ii. 50,000-100,000

iii. 100,000-250,000

iv. 250,000-500,000

v. Above 500,000

A2. What kind of energy do you use?

i. Electricity

ii. Solar

iii. Paraffin

iv. Charcoal

v. Firewood

Section B: Investment Climate.

B1. Roads have encouraged transport of goods and services

i. Yes

ii. No

B2. Are you a member of a Savings and Credit Cooperative (SACCO) or village bank?

i. Yes

ii. No

B3. National Agricultural advisory Service have improved animal and crop production.

i. Yes

ii. No

iii. I do not know

B4. It is easier to build today than say 5-10 years ago.

i. Yes

ii. No

iii. I do not know

Section C: Responses on poverty alleviation.

C1. Education services have made peoples lives better.

i. Yes

ii. No

iii. I do not know

C2. Health care services available have helped people.

i. Yes

ii. No

iii. I do not know

C3. Working hard pays

i. Yes

ii. No

iii. I do not know

C4. Money from village banks has helped people improve their lives.

i. Yes

ii. No

iii. I do not know

Section D: Policies on resource allocation

D1. Was the last Uganda budget 2007/2008 a people friendly budget?

i. Yes

ii. No

iii. I do not know

D2. Local councils have put the power into people's hands

i. Yes

ii. No

iii. I do not know

D3. Elected leaders have led to better service provision

i. Yes

ii. No

iii. I do not know

Local defence forces (LDU) have led to increase in security

i. Yes

ii. No

iii. I do not know

Section E: Effectiveness of officials.

E1. Are there times when money for development was used for other things?

i. Yes

ii. No

iii. I do not know

E2. Village bank officers give loans without asking or accepting personal favours

i. Yes

ii. No

iii. I do not know

E3. UPE and USE are free

i. Yes

ii. No

iii. I do not know

Thank you!

APPENDIX D

QUESTIONNAIRES ON RESOURCE ALLOCATION IN BUSHENYI DISTRICT

QUESTIONNAIRES: FOR OFFICERS

Introduction

Dear respondent, this questionnaire is designed to get information on; Resource Allocation as a Strategy for Poverty Alleviation in Uganda: A Case Study of Igara and Sheema Counties in Bushenyi District.

The findings in this study will be presented to the School of Post Graduate Studies, Kampala International University, for the Award of Masters of Arts in Public Administration and Management. Kindly answer the given questions correctly. The information received will be treated in strict confidence.

Instructions: Answer by either ticking or filling in the underlined spaces.

Section A: Policy on resource allocation

A1. Is there policy on resource allocation?

i. Yes

ii. No

iii. I do not know

A2. Is this policy helpful in resource allocation?

i. Yes

ii. No

iii. I do not know

A3. Has this policy helped in poverty alleviation in Bushenyi District?

i. Yes

ii. No

iii. I do not know

What would you like to see added or subtracted to policy to alleviate poverty?

.....

.....

.....

.....

Section B: Effectiveness of officials

B1. Officials are effective during the process of resource allocation

i. Yes

ii. No

iii. I do not know

B2. Resource allocation involves high level of integrity, transparency and accountability.

i. Yes

ii. No

iii. I do not know

Section C: Peoples response to resource allocation.

C1. Resources allocated to Igara and / or Sheema Counties improve the welfare of people there.

i. Yes

ii. No

iii. I do not know

C2. Poverty alleviation can be achieved through resource allocation.

i. Yes

ii. No

iii. I do not know

C3. There is poverty in Bushenyi

i. Yes

ii. No

C4. There is a relationship between resource allocation and poverty alleviation

i. Yes

ii. No

iii. I do not know

C5. How important is resource allocation as a strategy of poverty alleviation?

i. Very important

ii. important

iii. Not important

C6. Other than resource allocation what else is being done to alleviate poverty

1.....

2.....

3.....

4.....

Thank you!

APPENDIX E

OBSERVATION CHECK LIST

	Observation items	**Yes**	**No**
1.	Does the District have development plans?		
2.	Are the development objectives realized?		
3.	Are resources allocated to meet objectives?		
4.	Are there development reports from the areas of operation?		
5.	Do the reports/ records show indicators of poverty alleviation		
6.	Are the beneficiaries of resource allocation experiencing better welfare?		

APPENDIX F

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Faculty of Education and Management

KIU/WC/FE/RE 28th August, 2007

TO WHOM IT MAY CONCERN

This is to introduce to you **Begumya David Mugisha** (MAPAM/8735/51/DU) who has been a postgraduate student in the Faculty of Education and Management at KIU – Western Campus, pursuing a Master of Arts degree in Public Administration and Management.

He completed the course works/assignments and is now collecting information for his Proposal for a research titled:- ***"Resource allocation as a strategy of poverty alleviation. A case study of Igara and Sheema communities"***.

Any assistance rendered to him will be highly appreciated.

Yours Sincerely,

Keihura Kenedy
Coordinator Postgraduate Studies and Research
Faculty of Education and Management
K I U -Western Campus

Sector and sub sectors,
Please accord assistance to the bearer of the Circular.
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