

POPULATION GROWTH AND ECONOMIC GROWTH 2000-2013 IN UGANDA

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DECLARATION

I **RONO SILAS**, declare to the best of my knowledge that, this research is my original work which has never been published and/or submitted for any award in any other University for any academic award.

Signed... ..

RONO SILAS

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DATE.....

APPROVAL

This research report has been submitted with my approval as the supervisor and my signature is appended against the respective name below

Signed..  ..

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Date..  ..

DEDICATION

I dedicate this piece of work to my parents, especially my mother and my late Daddy who tirelessly supported me in all I needed, my brothers and sisters.

ACKNOWLEDGEMENT

I thank God who has made everything possible for me to complete this research report. My special appreciation goes to the Principal and Management of Kampala international University college of Applied Economics and management for rendering me this opportunity to pursue a Bachelors Degree of Arts in Economics. I will always be grateful for his generosity. My sincere gratitude goes to my supervisors, Mr. Muhureza Franklin for his unconditional support, commitment and priceless guidance accorded to me throughout this process. May the Almighty God reward him abundantly?

Thanks go to my mother for the time and patience she rendered me during my research process. my Late Daddy I love you so much . I have to confess that all your efforts have not been put to waste. My dear brothers Mathew Kibet,Dismas kwemoi,Felix Mangusho,Silas kwemoi,Sharon Cherotich,Drasila Chelangat and Nicodemus Kiprop I love you all and thank you very much for everything. Your support, encouragement and advice will always be treasured. My family members of kapkumayinSatya,kapsus,Raphael,Mathew,Chelangat,Andiema,Chemutai,Denis,Labu,Diana,Isaac,Kusuro long live and God bless you.

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ABSTRACT

The purpose of the study was to establish the Effect of population growth rate on Economic growth. The study adopted a cross sectional design which was quantitative and qualitative in nature. It involved descriptive and analytical research designs. The data was tested for reliability, analyzed using statistical package were presented basing on the study objectives. The results revealed a significant negative Effect of population on Economic growth. This means that high levels of population growth lower the GDP per capita of a country. The results also revealed a positive significant Effect that there are other factors that contribute to low Economic growth (GDP per capita) other than o population growth and if only population is made more productive then it will be of great importance to both Economic growth and development.

The study concluded that if the population of Uganda is utilized well it will promote faster Economic growth hence Economic Development and high GDP per capita.

ACRONYMS

GDP	Gross Domestic product
UBOS	Uganda Bureau of statistics
BOU	Bank of Uganda
IMF	International monetary Fund
UN	United Nations
UNFPA	United Nations Fund for Population Activities
UNAU	United Nations Association of Uganda

CHAPTER ONE

1.0 Introduction

Economic growth has traditionally been attributed to the accumulation of human and physical capital, and increased productivity arising from technological innovation. Before industrialization technological progress resulted in an increase in population, which was kept in check by food supply and other resources, which acted to limit per capita income, a condition known as the Malthusian trap. The rapid economic growth that occurred during the industrial revolution was remarkable because it was in excess of population growth, providing an escape from the Malthusian trap. Countries that industrialized eventually saw their population growth slow, a condition called demographic transition **Eurostar (2009)**.

According to research carried out by the **International Comparison Programme for the World Bank (2013)**, China is moving close to becoming as large an economy as the US, USA having a GDP of \$15.29T, GDP Growth rate of 1.7% and CHINA having a GDP of \$7.298T, GDP Growth rate of 2.98%. The evidence shows that by the end of 2011 China's economy was 87% the size of the US economy – and given the cumulative growth rates it's estimated that by the end of 2014 China might already be bigger. Africa having a total GDP of \$1.09billion with an expected increase 4.7% in 2015; **IMF (2010)**. East Africa is also expected to experience robust growth, increasing from 6% last year to 6.4% in 2014. Kenya having GDP of \$40.83b, Tanzanian GDP is \$28.25b of and Uganda GDP is \$19.88b. Growth will benefit from increased consumer spending in Kenya, higher consumption and investment in natural gas in Tanzania, a rise in activity in construction, transport, telecommunications, as well as exploration and construction in the burgeoning oil industry in Uganda. Uganda's economic growth performance since the 1960(s) has been relatively slow compared to some of the East Asian countries which were at the same level of

development, for example, South Korea and Malaysia Over a period of nearly 50 years, Uganda's GDP per capita increased **World Bank Report(2013)**

Thomas Malthus (1798) was an Economist who claimed that there is a tendency for the population growth rate to surpass the production growth rate because population increases at a geometrical rate while production increases at an arithmetic rate. The classic Malthusian hypothesis is that population growth dilutes the ratio of land and other fixed resources to labor; we find little evidence of this resource dilution effect. Fertility levels do, however, appear to affect the rate of growth of per capita GDP through investment: high fertility reduces household resources available for saving and investment. Perhaps our most important finding is that there is an additional medium term benefit to be gained from reductions in fertility: the immediate decline in relative numbers of children raises the proportion of the population who are of working-age and therefore raises GDP per head of population for a given level of labor productivity; **James A.; Dowrick, Steve (1990)**

United States Bureau of statistics (2010), defines Economic growth as the increase in the market value of the goods and services produced by an Economy over time. It is conventionally measured as the percent rate of increase in real gross or *real GDP*. Of more importance is the growth of the ratio of GDP to population (GDP per capita), which is also called per capita income. An increase in per capita income is referred to as intensive growth. GDP growth caused only by increases in population or territory is called extensive growth.

World Bank (2007) defines, Economic growth as the quantitative increase in the national income or increase in the per capita income of a country from one period to another i.e. an increase in the real output(actual goods and services) produced over two periods. It does not matter who produces these goods and services or how they are produced. Economic growth is measured by the rate of growth of real national income or the rate of growth of per capita income.

1.2 Statement of the problem

The Gross Domestic Product (GDP) in Uganda expanded 2.20 percent in the third quarter of 2013 over the same quarter of the previous year. GDP Annual Growth Rate in Uganda is reported by the Uganda Bureau of Statistics. From 2008 until 2013, Uganda GDP Annual Growth Rate averaged 5.6 Percent reaching an all-time high of 12.2 Percent in June of 2009 and a record low of 0.3 Percent in December of 2011. In Uganda, the annual growth rate in GDP measures the change in the value of the goods and services produced by the country economy during the period of a year. While laying the foundations for recovery and growth, stabilization came at the cost of a slowdown in gross domestic product (GDP) growth to 3.2% by June 2012. A gradual recovery is expected, with real GDP growth projected to reach 4.4% in 2012, then picking up to 4.9% in 2013 and 5.5% in 2014; **African Economic Outlook (AEO) (2013)**.

As draft Uganda Vision 2040 has been prepared. The Vision articulates clear strategies and policy directions to transform the country into a competitive upper middle income country with per capita income of USD 9500. It is expected that over the Vision 2040 period, average real GDP growth rate will be above 8.2 per cent per annum translating into total GDP of about USD 580.5bn (from USD17bn in 2010) with a projected population of 61.3m (from 32.9m in 2010). This study therefore seeks to investigate the Effect of population growth and Economic growth in Uganda.

1.3 The purpose of the study

To find out whether population growth has an effect on Economic growth in Uganda.

1.4 The objective of the study

To determine the level of population growth in Uganda from 2000-2013

To determine the level of Economic growth in Uganda from 2000-2013

To establish the effect of population growth on Economic growth in Uganda from 2000-2013.

1.5 Research questions

What is the level of population growth in Uganda?

What is the level of Economic growth in Uganda?

What is the effect of population growth on Economic growth in Uganda?

1.6 Scope of the Study

The study was conducted in Uganda, Uganda is found in Africa located in East Africa bordered by Kenya on the East, Sudan on the north, Tanzania on the south and on the west is democratic Republic of Congo; **Uganda bureau of statistics(2010)**

This study aims at establishing the effects of population growth on Economic growth.

1.6.1 Content of the scope

The study will be comprised of the following objectives, level of population growth in Uganda, level of Economic growth and the effect of population growth on Economic growth in Uganda (2000-2013).

1.7 significance of the study

The study will avail data to Government Non-Governmental Organizations (NGO'S) Development partners and Economists who are policy makers; these data therefore will assist towards formulating appropriate policies that will enable specific plans and policies towards combating high population growth rate and Economic growth in promoting Economic Development in developing countries.

To the community, it will increase public awareness about the threats of high population growth to the available resources in an Economy so as to create a mitigation measures for it.

To the researcher, it will portray the competence, professionalism, and intellectual maturity of the student in conducting scientific research and studies to fill the gaps left by other researchers.

CHAPTER TWO

LITERATURE REVIEW

2.0 Conceptual Perspective

An increase in the capacity of an economy to produce goods and services, compared from one period of time to another. Economic growth can be measured in nominal terms, which include inflation, or in real terms, which are adjusted for inflation. For comparing one country's economic growth to another, GDP or GNP per capita should be used as these take into account population differences between countries;www.wikipedia.com

World Bank **(2007)** defines, Economic growth as the quantitative increase in the national income or increase in the per capita income of a country from one period to another i.e. an increase in the real output(actual goods and services) produced over two periods. It does not matter who produces these goods and services or how they are produced. Economic growth is measured by the rate of growth of real national income or the rate of growth of per capita income.

Economic growth is usually associated with technological changes. An example is the large growth in the U.S. economy during the introduction of the Internet and the technology that it brought to U.S. industry as a whole. The growth of an economy is thought of not only as an increase in productive capacity but also as an improvement in the quality of life to the people of that economy. Gross domestic product (GDP) is the market value of all officially recognized final goods and services produced within a country in a given period of time; **united states Bureau of statistics (2010)**

Population - the people who inhabit a territory or state; "the population seemed to be well fed and clothed" people- (plural) any group of human beings (men or women or children) collectively; "old people"; "there were at least 200 people in the audience"

home front- the civilian population (and their activities) of a country at war; **dictionary (2000)**

Population growth (increase in population per 1000 population) is defined as the birth rate (number of births per 1000 population minus the death rate (number of deaths per 1000 population) minus net emigration; **Bloom and Williamson (1998)**

Definition of Population growth rate: The average annual percent change in the population, resulting from a surplus (or deficit) of births over deaths and the balance of migrants entering and leaving a country. The rate may be positive or negative. The growth rate is a factor in determining how great a burden would be imposed on a country by the changing needs of its people for infrastructure (e.g., schools, hospitals, housing, roads), resources (e.g., food, water, electricity), and jobs. Rapid population growth can be seen as threatening by neighboring countries.

2.1 Theory Review

Economic growth could be traced back to 1798 when Thomas Malthus **Published the book An Essay on the Principle of Population (1798)**. Malthus claimed that there is a tendency for the population growth rate to surpass the production growth rate because population increases at a geometrical rate while production increases at an arithmetic rate. Thus, the unfettered Population growth in a country could plunge it into acute poverty. However, the pessimist view has proven unfounded for developed economies in that they managed to achieve a high level of economic growth and thus, both population and the real gross domestic product (GDP) per capita were able to increase. The debate between positive and negative sides of population growth is ongoing. Population growth enlarges labor force and, therefore, increases economic growth. A large population also provides a large domestic market for the economy. Moreover, population growth encourages competition, which induces technological advancements and innovations. Nevertheless, a large population growth is not only associated with food problem but also imposes constraints on the development

of savings, foreign exchange and human resources. Generally, there is no consensus whether population growth is beneficial or detrimental to economic growth in developing economies. Moreover, empirical evidence on the matter for developing economies is relatively limited.

Harrod - Domar growth model was named after two well-known economists, Sir Roy Harrod of England and Professor Evesey Domar from the US. It is a conventional empirical that helps people to understand the economic growth rate derive from the productivity of capital and the savings level. This model states that aggregate savings are arranged from any funds with the purposes of investment. According to the Harrod - Domar growth model, the growth rate of an economy is depended on two important factors - the savings level and capital-output ratio of the economy. Economic growth of Harrod – Do mar model is under three conditions as follow; Investment is equal to saving Using full of capital stock Full employment Therefore, the rate of growth in GDP will be sustainable if the capital stock and labor have the same rate of growth as income growth rate (warranted rate of growth).

Neoclassical economists believe that a long term rate of economic growth requires rising in the supply of labor and an improvement in labor or capital productivity. Neoclassical growth models tend to emphasize the simplicity of substitution among factors of production such as labor, capital, land, or other essentials in the production of commodities, which allow the economy to achieve *steady-state growth* which means a constant proportionate rate of growth of all real variables. Neoclassical theory also cited about the long-run equilibrium of a competitive economy by paying attention to the accumulation of capital goods, growth in population, and technological progress. There are two famously known models in Neoclassical theory as below.

The issue of population and economic growth is also closely related to the Issue of minimum wage. Population growth enlarges labor force and, therefore, will push wage down. The standard economic labor demand model predicts that low wage will raise the demand for labor. As a result, the welfare of the economy is likely to increase. Moreover, low wage would encourage industries that are labor intensive. It can be demonstrated in a theoretical Model that a large population growth could have

both negative and positive impacts on productivity. A large population may reduce productivity because of diminishing returns to more intensive use of land and other natural resources. Conversely, a large population could encourage greater specialization, and a large market increases returns to human capital and knowledge. Thus, the net relationship between greater population and economic growth depends on whether the inducements to human capital and expansion of knowledge are stronger than diminishing returns to natural resources **Thomas R. Malthus (1992), Gerald M. (1995)**

2.2 Related literature

Economic development is the sustained, concerted actions of policy makers and communities that promote the standard of living and economic health of a specific area. Economic development can also be referred to as the quantitative and qualitative changes in the economy. Such actions can involve multiple areas including development of human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy, and other initiatives. Economic development differs from economic growth. Whereas economic development is a policy intervention endeavor with aims of economic and social well-being of people, economic growth is a phenomenon of market productivity and rise in GDP. Consequently, as economist points out: "economic growth is one aspect of the process of economic development; **Joseph (2003), Ursula, 2003)**

The higher the productivity is, the country has better potential to produce more goods at a lower price and better quality goods are (visible) and services are (invisibles). These goods will be attractive to other countries and therefore the export of a country will increase. This creates more incoming hot money to a country and AD aggregate demand grows as more is being exported than imported and economy grows; **Gosh (2013)**

2.2 The level of population growth in Uganda

A body that advises the government on population growth policy issues, the Population Secretariat emphasizes that there is need for effective planning to ensure that the rapid population growth does not turn into a demographic burden. The 2009 state of the World Population report by **United Nations Population Fund (2009) (UNFPA)** showed that Uganda's population was at 32.7million marking an increase from 31.9million people in 2008. The report also indicates that Uganda's current population growth rate is at 3.3 per cent, a rise from 3.2 per cent last year this puts Uganda among the first five countries of high population growth rate in the world, it's ranked third after Niger and Yemen. Uganda is one of the countries with high population growth rate in the world and its population is anticipated to be 56million by 2025 **UNFPA (2009)**.

United Nations Association of Uganda UNAU(**2009**) is taking part in helping curb this problem; so far it has taken the initiative to inform the youth about the current situation. That is, in the UMUN conference held on 8th and 9th of July at Nkumba University young people were informed of the current world population and Uganda's population respectively Uganda at 33million: Time to act" is a theme set by the Population Secretariat as an effort to curb down the rate of population increase in Uganda. The Campaign will aim at soliciting for 33million actions that will help address the seven key issues from all the 33million Ugandans. Therefore As a result of higher population, a 1% increase in population growth would decrease per capita income by 2%. Conversely, if Uganda achieved a 10% reduction in its population growth rate (from 3.4% to 3.1%), it could expect to boost per capita income by 20% in the long term (called the so-called steady state which countries are expected to approach within 30 years or so), and it would immediately embark on a higher path of per capita economic growth to reach this higher steady-state level of per capita income; **UNAU(2009)**

2.3 The level of economic growth (GDP) in Uganda

After a year of turbulence, the Ugandan government stabilized the economy in 2012 with inflation falling to 14.6% from 18.7% in 2011. Tightened fiscal and monetary policy helped bring fiscal balances under control. While laying the foundations for recovery and growth, stabilization came at the cost of a slowdown in gross domestic product (GDP) growth to 3.2% by June 2012. A gradual recovery was expected, with real GDP growth projected to reach 4.4% in 2012, then picking up to 4.9% in 2013 and 5.5% in 2014 as the GDP of Uganda stands at \$19.88 billion. With a rich and diversified base, natural resources weigh heavily on the Ugandan economy, although their contribution to growth and structural transformation has been declining. However, the recent discovery of commercially viable oil reserves in the Albertine Graben region, in western Uganda, has the potential to provide a unique opportunity for the country to carry out an economic structural transformation; **United Nations Population Division (2002)**

Over the last 30 years, Uganda's planning frameworks have focused on short to Medium term horizons. However, experience shows that long term planning is a key factor in propelling socioeconomic development and equitable distribution of wealth in many countries all over the world. For example, a number of East Asian countries (Malaysia, Singapore, South Korea, and Thailand) adopted long term planning to guide their development paths. The long term planning helped to guide Governments in these countries to intervene strategically through multiple approaches to foster growth.

2.4 Effects of population on Economic growth

A high population growth rate-about 3.2% per annual other problems originate from this, problem of dependents most of the country's resources are for supporting dependents instead of being used for development purposes. Government expenditure on social services increases, problem of Unemployment; some members of the labor force are unemployed. Rural-urban migration with all its consequences retards Economic growth and Development. **(2004)**

Problem of poor quality of the population ;most people do not attain a higher level of Education due to limited resources.consequently,this leads to low labor productivity and hence economic growth and development are retarded;**Sheffrin (2003)** Problem of population pressure; Generally speaking, Uganda is not densely populated i.e. Total area of Uganda divided by total population.so this is not a problem .however, in some parts of Uganda like kigezi,karamoja,resources are not enough.Therefore,such areas are over populated in terms of resources. On the other hand, some areas like Bunyoro are under-populated. Land is still underutilized. Therefore low Economic growth in the country;**Hirschman, A. O. (1981).**

2.5 Other factors that contribute to Economic growth of a country.

More Resources One of the chief catalysts of a growing economy is an increase in the available resources. Throughout history, wars were fought over territory, because kingdoms that had more land could grow more food, which meant that they could support a larger economy and population. While it isn't as common for war to be declared over resources, there is still a great deal of competition in order to get them and use them. As another example is the talk of increasing offshore drilling and of drilling for oil in Alaska in order to fix the United States' economy-- more resources (oil) would result in better economic growth.

Technology An increase in technology also helps spur economic growth. Oftentimes it's advanced technology that allows a society to get more or better quality resources. For instance, without the technological advances of the past few decades we wouldn't have access to wind energy, tidal energy, solar energy or the variety of biofuels that we do now. Because of technology that allows us to both captures more resources and makes better use of the resources that we have, there is a great potential for economic growth

Superior Resources Another factor that can contribute to economic growth is an increase in the quality of available resources. For instance, jet fuel is a more suitable

fuel than coal for powering vehicles. So if an economy switches from one resource (coal) to another, more efficient resource (jet fuel), then that economy will see a growth because there is a higher quality resource that can be used. A simpler example is that good, black, rich soil that produces higher quality crops is worth more than soil that will produce crops that are edible but not as fertile;<http://www.ehow.com>

An increase in investment in human capital can improve the quality of the labor force. Skilled labor force has a significant effect on growth. An institutional framework which regulates economic activity such as rules and laws. There is no specific set of Institutions that promote growth; **The New Vision 20/may/ 2014**

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter covers the way the research was carried out in line with the research design the procedures of sampling, sources of data, methods of data collection, processing and analysis and measurement of study variables.

3.1 Research Design

The study adopted a cross sectional design which was quantitative in nature. It involved descriptive and analytical research designs to establish whether the changes in the independent variables affect the dependent variable. This is because the objective was to examine the relationship between these variables.

3.2 Study Population

The study population covered a period of a 13 years (2000-2013) and much of the information was got from the ministry of finance, planning and Economic Development in Uganda.

3.3 Sampling Method and Size

The researcher used both stratified sampling where the researcher interviewed and administered some questionnaire and purposive sampling techniques which targeted specifically the experts in issues to do with Economic growth of the country.. The researcher solicited responses from about 3 respondents in the ministry of finance, planning and Economic Development but much of it was through observation and since the research involved use of secondary data therefore information was obtained from already the existing resources carried out by other researchers.

3.4 Data Sources

- **Primary Data.**

The required primary data was collected directly from the respondents (Ministry of Economic growth and Development). This was done through administering a structured questionnaire. Respondents were guided through the questionnaires to ensure high level of accuracy in the data collection process.

- **Secondary data**

Secondary data was used to support the empirical findings of the study. This data was obtained from ministry of finance, planning and Economic Development, Uganda Bureau of Statistics, Bank of Uganda reports, existing literature in previous research paper findings, newspapers and conference proceedings. This literature relates population and Economic Growth in Uganda.

3.5 Data collection instrument

Primary data was collected from respondents using structured semi-standard questionnaires and personal interviews. The questionnaire contained mainly closed ended questions and open-ended questions all in line with the study objectives. The respondents answered based on the extent to which they agree or disagree with the statements in the questionnaire. The questionnaire was self-administered for clarity purposes and to seek respondents' opinions. Secondary data was obtained through literature review of previous research findings and existing literature on each study variable

3.6 Data processing and analysis

The data was processed using computer models especially typesetting, editing, printing and binding. The data was then analyzed using both qualitative and quantitative methods and presented in form of frequencies, percentages, tables, for easy description and interpretation of the finding.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS.

4.0 Introduction

This chapter presents findings of the study that were generated from data analysis and its interpretation.

4.1 The results indicate the nature of Uganda population Distribution in Economic Activities.

Employment by main industry	Population in the sector		
	Males (%)	Females (%)	Total (%)
Agriculture	71.2	82.5	76.5
Mining/manufacturing	2.9	1.4	2.2
Construction	2.8	0.1	1.6
Sales and services	9.4	6.8	8.2
Others	13.7	9.2	11.5
Total	100	100	100
Main source of livelihood	Rural	Urban	Total
Subsistence farming	77	12.2	68.1
Employment	14.0	69.5	21.7
Others	9.0	18.4	10.2
Total	100	100	100

Source: **UBOS (2005).2002; population and housing census. Main Report**

Agriculture; employs more females (83% of female) than males (71% of males) overall the agriculture sector employs 77% of the population aged 10years and above

followed by sales and services employing 8%. Subsistence farming; employs 77% of the rural population and 68.1% of the total population of 10 years and subsistence farming includes crop grown livestock rearing/herding, fishing , hunting, gathering primary for own consumption but may sell some of the produce. Subsistence farming in urban Areas supports 12.2% of the urban population. This shows how significance of Agriculture to Economic growth and Development. Employment income which includes cottage industries and business enterprises employs 69.5% of urban population compared to 14% of the rural population.

4.2 Statistics data showing population growth and GDP of Uganda from 2000-2013

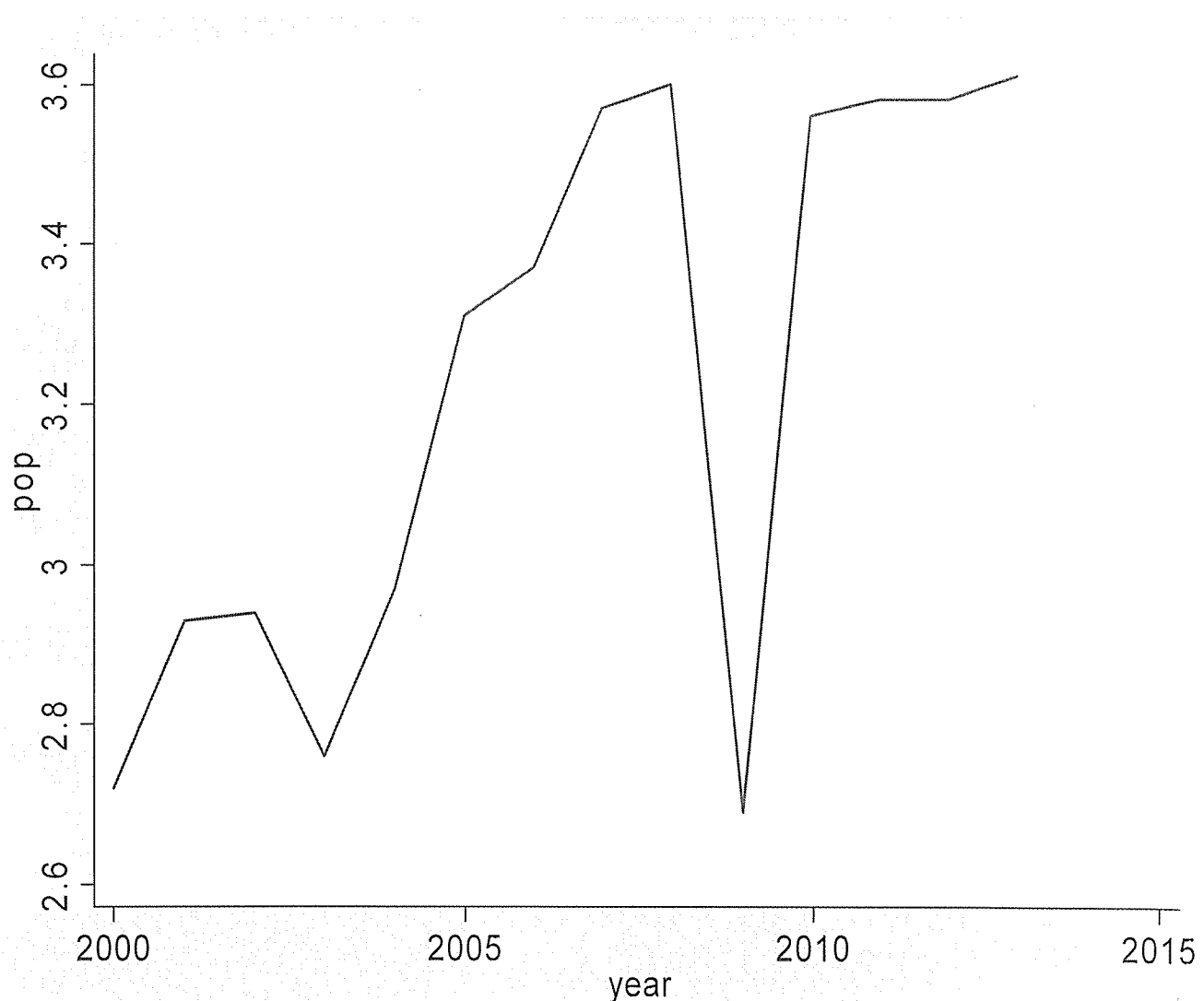
Number	Year	Population growth rate (%)	GDP per capita(us billions)
1	2000	2.72	7.09
2	2001	2.93	7.46
3	2002	2.94	8.11
4	2003	2.96	8.63
5	2004	2.97	9.22
6	2005	3.31	9.80
7	2006	3.37	10.86
8	2007	3.57	11.77
9	2008	3.6	12.80
10	2009	2.69	13.73
11	2010	3.56	14.44
12	2011	3.58	15.32
13	2012	3.58	15.76
14	2013	3.61	16.44

Source; Uganda Bureau of statistics 2012

The table above illustrates the rate at which population and Economic growth (GDP per capita) of Uganda has been growing per year beginning from 2000 to 2013; It can be seen that right from 2000 the population has been increasing from year to year as well the GDP per capita but GDP per capita Increases much higher than the population. Despite of the increase of population growth rate there has been a slight decrease in population in the years of 2008 and 2009 due various reasons like Famine, Diseases, and political instabilities within the country. GDP per capita also reduced in 2011 and

2012 because of Economic instabilities like Inflation, Unemployment and low investments, however; both population growth and Economic growth are increasing at annually but reports show that population is growing at very faster rate which calls for urgent measures or policies to be put in place to control this high growing population.

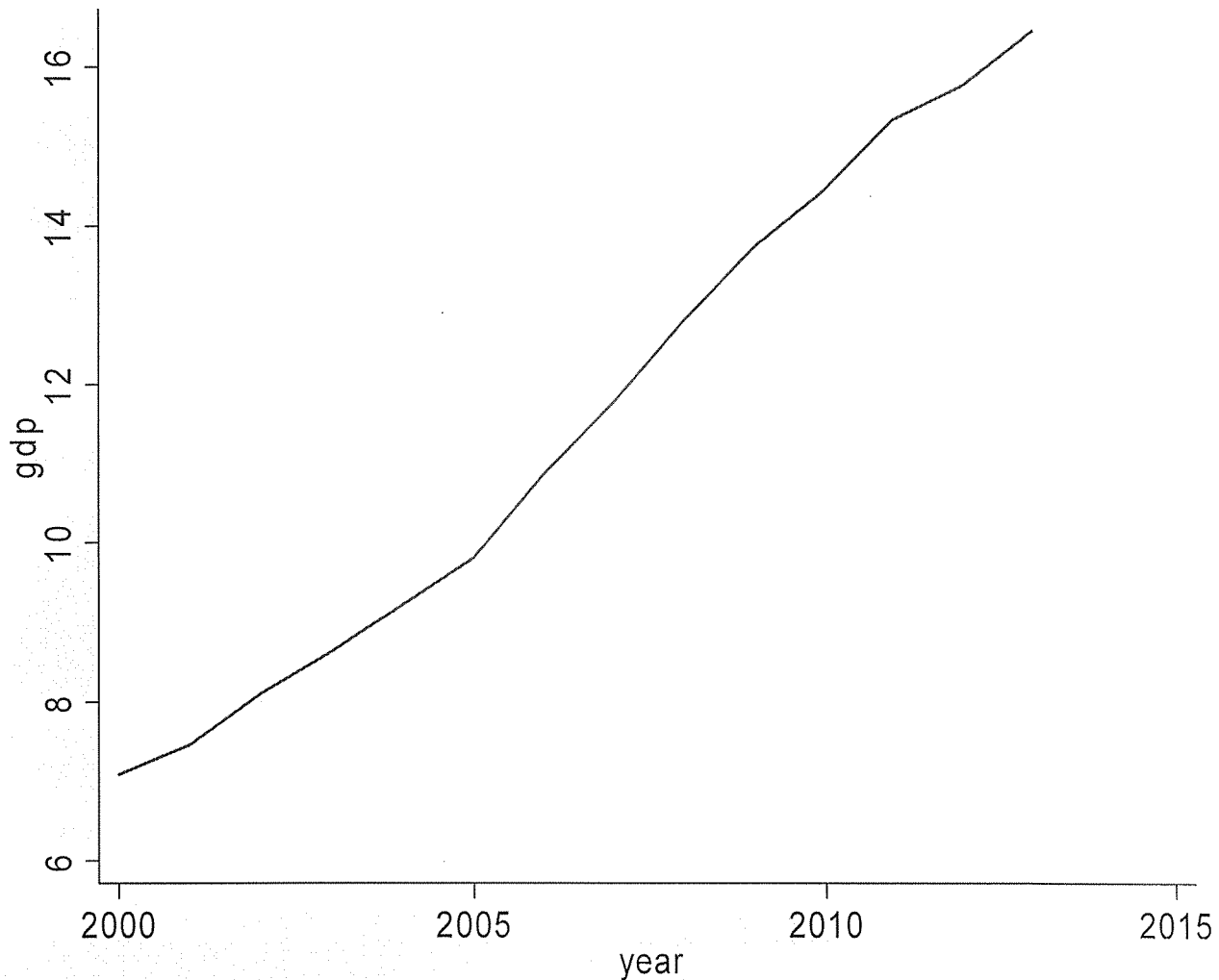
4.3 The trend of population growth rate (2000-2013) for Uganda



The line graph above shows the rate of population growth; population growth rate started at a slow rate of 2.8% in 2000 to 2002 when it reached 2003 and 2004 the population had increased by 0.3%. In 2005, 2006 and 2007 the population was increasing steadily up to the rate of 3.6% and by the year 2008 the population started reducing slowly, in 2009 it now reduced at a very faster rate from 3.6% to 2.7%. From 2010 it again increased sharply to 3.7% and up to today the population of

Uganda is growing at a faster rate compared to other countries of the world. Its population stands at 36.04 million people. Analysis of the impact of population on a broad range of development issues has not received the serious attention it should have. Implications for poverty alleviation particularly in rural areas and infrastructure investment, as well as other issues, stand out in this regard. An enormous increase in the population of developing countries over the next three to four decades is inevitable. Understanding the impacts of this increase is not just a matter of defending or rebutting the assertions that have dominated the population debate: it is a matter of great policy relevance. Uganda's total population has grown to 34.5 million this year, with the proportion of females and males being the same at 17.3 million each. This is up from 33.8 million Ugandans in 2010. According to the latest state of the world population report by the UN Fund for Population Activities (UNFPA), Uganda's annual population growth rate has fallen from 3.3% in 2010 to 3.1% in 2011.

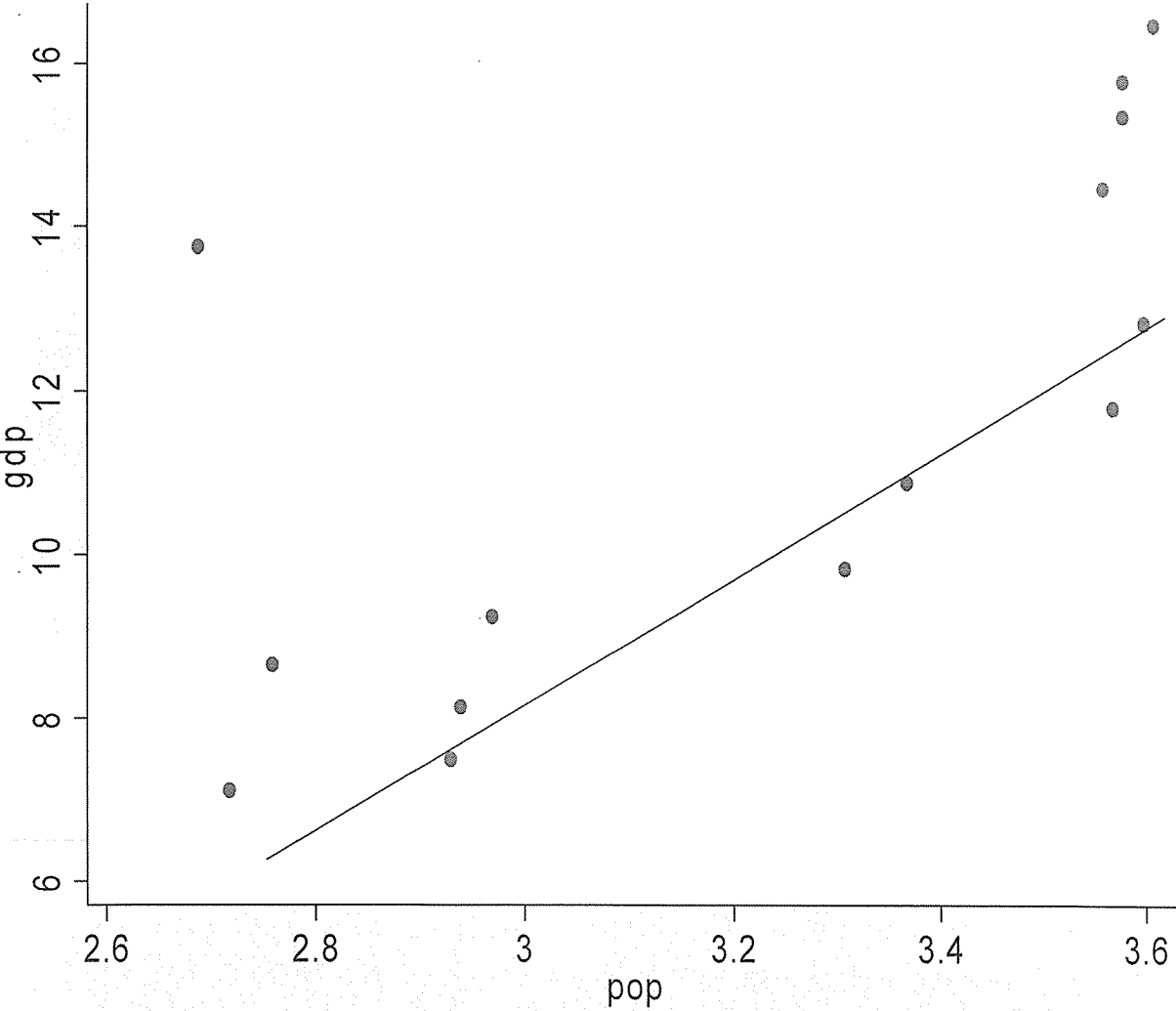
4.4 The trend of Economic growth (GDP per capita) 2000-2013 of Uganda



The line graph above shows how the GDP per capita of Uganda has been growing, the GDP per capita of Uganda has been steadily increasing every year from 2000 to 2005 but from 2006 to 2009 it increased at a very higher rate and in 2010 there was a slight decrease and an increase of the GDP per capita from 2011 to date GDP per capita has been increasing steadily. Uganda's GDP per capita stands at Us 19.08 billion. The sharp

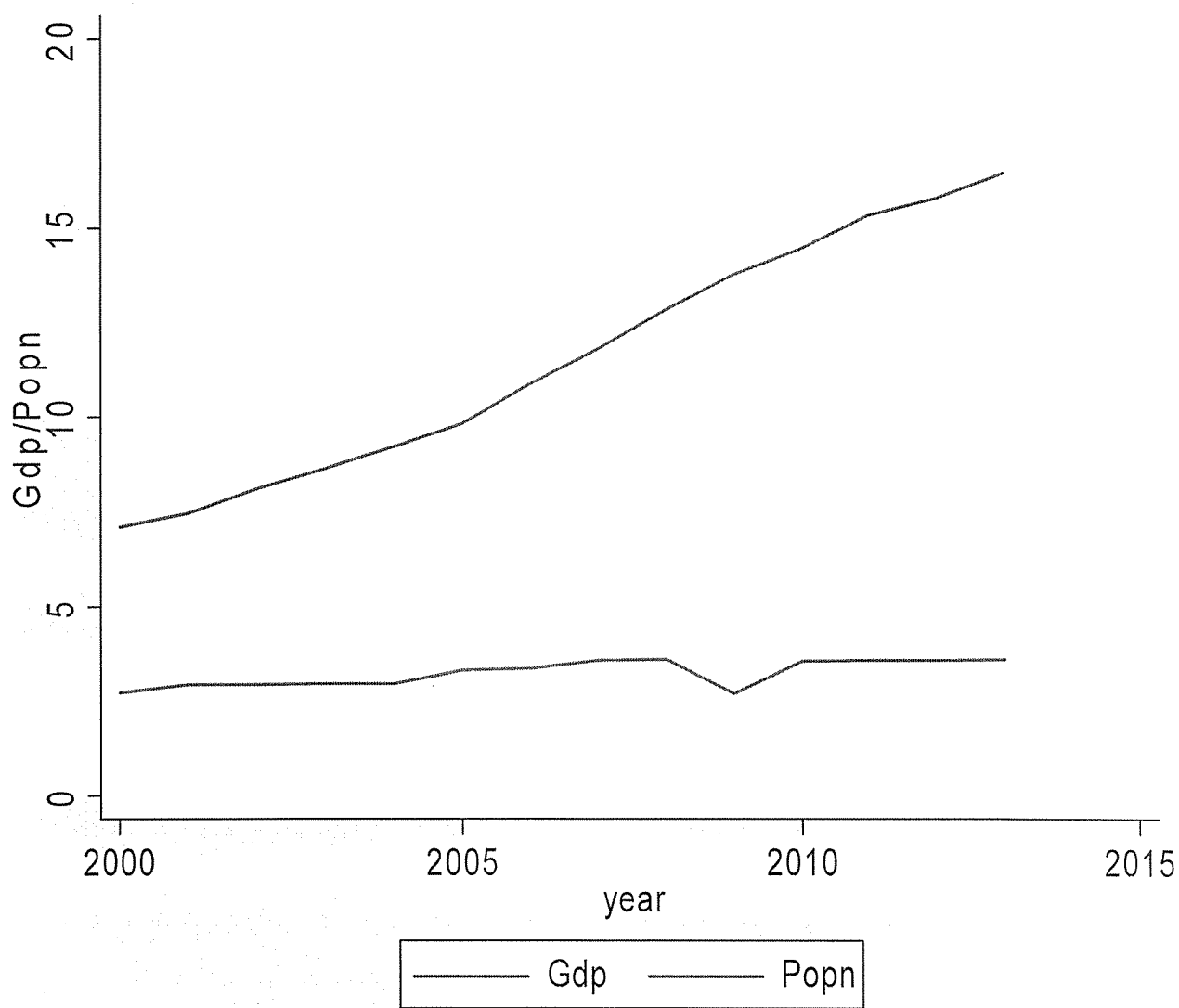
deterioration in the balance of payments current account (from -7.8 per cent of GD in 2205/06 to -12.4 per cent in 2009/10) reflects in part poor performance by agricultural exports (accounting for about 60 per cent of total merchandise exports) while imports have grown rapidly. Increased volatility and depreciation in the exchange rate are making agricultural inputs more expensive and will further slow the growth of the sector.

4.5 The Effect on population growth rate on Economic growth(GDP per capita)



The above scatter diagram shows that there is a very strong positive effect of population growth on Economic growth because many points are near to one another and this implies that a small proportionate increase in population to a higher increase in the GDP per capita due to Various like The productivity of the labourforce is high, Increase in Efficiency, the size of the Labor force being High, other factors include Government induced growth, Technological change, Increase in the stock of capital.

4.5.2 The line graph showing years against both GDP per capita and population growth rate in Uganda for the past 13 years.



The GDP per capita has been increasing at a much higher rate shown by the line graph moving upwards while population growth rate has been increasing in a decreasing manner shown by the line graph moving almost in a horizontal manner. The economy of Uganda has great potential, and it appeared poised for rapid economic growth and

development. Chronic political instability and erratic economic management since self-rule has produced a record of persistent economic decline that has left Uganda among the world's poorest and least-developed countries. The national energy needs have historically been more than domestic energy generation, though large petroleum reserves have been found in the west and this is expected to increase the GDP of Uganda.

4.5 The correlation Analysis

The objectives of the study were based on the Effect of population on Economic growth. In order to achieve this, the Pearson (r) correlation coefficient was computed given the interval nature of the data and the need to test the direction and strength of relationships that exist among the study variables. Table below presents the correlation analysis results.

	Population growth rate	GDP per capita
Population growth rate	1.000	1.000
GDP	0.716660	

This shows that there is a strong correlation between population and GDP per capita because of 0.72 from the figure above.

4.6 The regression Analysis.

source	Ss	Df	Ms
model	70.1030101	1	70.1030101
Residual	66.4043824	12	5.53362354
Total	136.506493	13	10.5604994

Number of obs = 14

F (1, 12) = 12.67

Prob > F = 0.0039

R-squared = 0.5136

Adj R-squared = 0.4730

Root MSE = 2.3524

Gdp	Coef	Std. Err.	t	P> t	[95% Conf	Interval]-
Pop	6.256281	1.757732	3.56	0.004	2.426512	10.08605
_cons	-8.663668	5.708435	-1.52	0.155	-21.10128	3.773943

The regression above indicates that the increase in population can be explained by 51% Increase in the total GDP per capita. The strong Effect implies that as GDP per capita increases the population also increases, This degree was found to be significant as implied by the values above. This is shown by the R- Square above.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The study focused on the Effect of population growth on Economic growth. This chapter is divided into four sections, .discussion of findings, conclusions, recommendations. These sections are guided by the study objectives.

5.1 Discussion of Findings

The discussion of the findings is in relation with the objectives of the study.

5.2 The trend of population growth from 2000-2013.

The population of Uganda has been general increasing at a high rate of 3.4% per year, which puts Uganda among the countries with the highest population growth rates in the world. The demographic implications of this high population growth rate can be seen from the figure 2 above.

According to the United Nations projections, Uganda's population is expected to reach 103.2 million people in 2050. This projection is based on considerable fertility decline from presently about 7 to only 2.9 in 2045-2050. Whether this will be achieved is far from certain and will likely depend on overall economic development in coming decades as well as government efforts to support a fertility decline. But even with this considerably fertility decline, population growth will still be over 2% per year in 2045-50 and Uganda's population is projected to stabilize at a population of some 200 million only in the 22nd century. The costs of rapid population growth are cumulative: more births today make the task of slowing population growth later difficult, as today's children become tomorrow's parents. In general, food supplies and agricultural production must be greatly increased to meet the needs of a rapidly growing

population, this limits the allocation of resources to other economic and social sectors, Secondly , the rapid increase in population means that there will be an increase in the dependency ratio This implies that the country concerned will have to allocate increasing resources to feed, clothe, house and educate the useful component of the population which consumes but does not produce goods and services Thirdly, a rapidly growing population has serious implications for the provision of productive employment Since the rapid population growth is normally accompanied by a proportionate increase in the supply of the labor force, it means that the rate of job creation should match the rate of supply of the labor force In Uganda the rate of labor force supply has outstripped that of job creation, implying that the rates of unemployment have been increasing rapidly In other words, the number of people seeking employment increases more rapidly than the number of available jobs This kind of situation. poses a menacing problem for society.

5.2 The trend of Economic growth (GDP per capita) from 2000-2013

The Economic growth of Uganda has been steadily increasing year after after as it can be witnessed by the figure 4 above, despite many challenges like inflation, political instability, Uganda's economy is recovering from years of unstable economic growth and is expected to achieve a growth rate of 5% in 2014 driven by renewed macroeconomic stability, export policies, increased access to credit and low inflation. Policy response to moderate the demand side, namely measures to reduce high population growth are necessary now even though benefits are likely to be realised in the medium- to long-term. Lower population growth will reduce the number of future mouths to feed as well as the number of people to provide services to.

Importantly also, a reduction in population growth will edge Uganda faster toward the demographic transition — a smaller share of dependent population under 15 and a larger share of the productive population between the ages of 16 and 65. This so-called population dividend has historically played an important role in accelerating the national economic transition from low- to high-income status.

5.3 To determine the level of population growth in Uganda from 2000-2013

The findings of the study indicate a positive relationship between population growth and Economic growth. This therefore implies that population presents opportunity for innovation, speed, and dexterity. This will help to enhance and improve productivity. In addition to this, the young population provides a potentially big domestic and local market which if well nurtured can act as an incentive for industrialization and urbanization. Similarly, this will help to spur economic growth, create employment, foster technology transfer and generate revenues for investments in development of other strategic sectors.

5.4 conclusions

In conclusion, there is no doubt that the population problem in Uganda is real and challenging. The impact of the effect of high birth and death rates, increasing population size and density, rapid population growth, and increasing dependency burden all translate into greater demands on the Uganda governments in productive activities which in turn accentuate the problems of unemployment, underemployment, persistent poverty, urban slums, crime and political unrest. To the extent that population variables influence development and are also influenced by them, the theme of this analysis is that if Uganda is to effect changes in the critical growth components of their populations (especially fertility) a marked reduction in Uganda's population growth rate, then a viable population policy for the constituent states should be one integrated into their Economic development plans.

The study revealed that population is increasing more rapidly than Economic growth which reduces GDP per capita therefore the Ugandan government should implement policies that will ensure that population growth keep base with the available resources in order to achieve Economic growth otherwise the country could soon reach Malthusian trap as stated by Robert Malthus in his theory.

For Uganda to achieve considerate Economic growth and development, the country should develop human capital and ensure productivity and this when the population is only made productive and equipped with skills hence GDP per capita increase

5.5 Recommendations

Uganda's planning frameworks have focused on short to medium term horizons. However, experience shows that long term planning is a key factor in propelling socioeconomic development and equitable distribution of wealth in many countries all over the world. For example, a number of East Asian countries (Malaysia, Singapore, South Korea, and Thailand) adopted long term planning to guide their development paths. The long term planning helped to guide Governments in these countries to intervene strategically through multiple approaches to foster Economic growth.

The research community should continue to broaden and deepen the knowledge base for population policy. Research efforts should focus on problems in countries where population pressures appear serious and on the specific aspects of the problem that particularly affect those countries. An examination of economic benefits in countries that have successfully slowed population growth should also be given priority. Further, research should probe specific under-served groups in countries where market failures may be depriving such groups from obtaining benefits from family planning and reproductive health services. The research community should also strive to make progress in estimating costs and resource requirements for population interventions.

5.6 Areas for further Research

Further research has to been done on how other factors can affect Economic growth (GDP per capita) of Uganda.

Further research has to be carried out about population growth and general Development of Uganda.

Further research has to been done on why Economic growth (GDP per capita) of Uganda is growing at a slow base compared to other countries developed countries like Malaysia, Singapore and Taiwan.

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