

**IMPACT OF FOREIGN AID THROUGH NGOs FOR SUSTAINABLE  
DEVELOPMENT OF RURAL COMMUNITIES IN CENTRAL  
UGANDA. A CASE STUDY OF CARITAS  
INTERNATIONAL - LUGAZI CATHOLIC  
DIOCESE**

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**A THESIS  
PRESENTED TO THE SCHOOL OF  
POSTGRADUATE STUDIES AND RESEARCH  
KAMPALA INTERNATIONAL UNIVERSITY  
KAMPALA, UGANDA**

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**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE  
OF A MASTER OF ARTS IN DEVELOPMENT ADMINISTRATION AND  
MANAGEMENT**

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**SEPTEMBER, 2010**



## DECLARATION A

"This thesis is my original work and has not been presented for a Degree or any other academic award in any University or Institution of Learning".

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### DECLARATION B

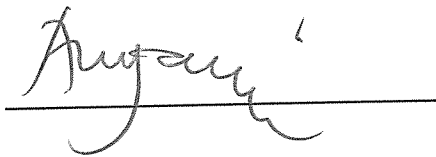
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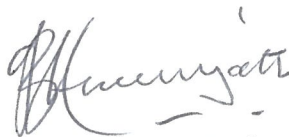
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## APPROVAL SHEET

This thesis entitled "\_ Impact of Foreign Aid Through NGOs for Sustainable Development Of Rural Communities: A Case Study Of Caritas International - Lugazi Catholic Diocese - Uganda" prepared and submitted by Andrew Isabirye in partial fulfillment of the requirements for the degree of Master in Development Administration and Management has been examined and approved by the panel on oral examination with a grade of PASSED.

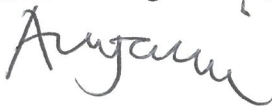
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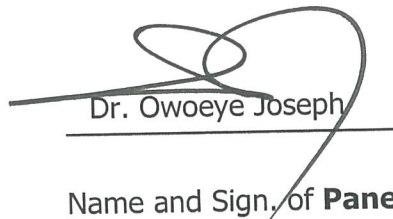
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## **DEDICATION**

This work is dedicated to development workers especially in services challenged by political, socio-cultural and economic conditions to illumine them towards holistic development.

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UCW	Uganda Council of Women
HE	His Excellence
CVI	Content Validity Index
SPSS	Statistical Package for Social Scientists

## **ABSTRACT**

The aim of this research report was to find out whether sustainable development can actually be realized when aid is passed through NGOs. Three objectives were used during the study. That is; to find out the various forms aid received, to identify the best forms of aid, and to find out how the various forms of aid complement each other to lead to rural development.

Caritas an international NGO working in Lugazi Catholic diocese in Uganda was used as a case study. Data was collected and analysed using both qualitative and quantitative methods. A study population of 200 respondents were served with questionnaires and a sample size determined using Collombat's formula. Interview guides were used to ascertain the questionnaire responses. Collected data was processed and fed into SPSS for advanced analysis and interpretation.

The findings show that foreign aid through NGOs actually lead to development contrary to previously held doubts on its relevance to boost development. Data interpretation yielded the best form of aid is capacity building; and that different types of aid work better while are in complementarity with each other.

Governments, NGOs and other development partners need to work together to jointly address rural development needs. Since aid usually has conditions, benefits to both the recipients and the donors need to be measured quantitatively in order to assess its urgency for sustainable development.

## **CHAPTER ONE**

### **1.0 INTRODUCTION**

#### **1.1 Background to the study**

According to Cox, P, N Shams, GC Jahn, P Erickson & P Hicks. (2002), a Non-governmental organization (NGO) is a legally constituted organization created by private persons or organizations with no participation or representation of any government. For Tanzanian government, an NGO is a voluntary grouping of individuals or organizations which is autonomous, non-political organized for the purpose of enhancing the legitimate economic, social and/ or cultural development or lobbying or advocating on issues of public interest or interest of a group of individuals or organizations ([www.lead.or.tz/publications/authoritarianism](http://www.lead.or.tz/publications/authoritarianism)). In the cases where which NGOs are funded totally or partially by governments, the NGO maintains its non-governmental status insofar as it excludes government representatives from membership in the organization. NGOs have developed to emphasize humanitarian issues, developmental aid and sustainable development.

This study was about Foreign aid through NGOs and how it impacts on sustainable development of rural communities with particular reference to Caritas International which continues to provide life-saving food, water, shelter, medicine and household necessities to disadvantaged people in various parts of the world. Caritas International is a confederation of 162 Catholic relief, development and social service organizations working to build a better world, especially for the poor

and oppressed, in over 200 countries and territories.

Caritas works without regard to creed, race, gender, or ethnicity, and is one of the world's largest humanitarian networks.

The first Caritas organization was started in Freiburg, Germany, in 1897. Other national Caritas organizations soon later formed in Switzerland in 1901 and the United States (Catholic Charities, 1910). Today, the Confederation is one of the world's largest humanitarian networks with 162 members working in 200 countries and territories.

Presently Caritas is headquartered at Caritas Switzerland in Lucerne, while operating numerous field offices on five continents but under the jurisdiction of a regional Caritas office.

Tendler (1982) indicated that it was long an article of faith that NGOs provided well-targeted aid. In support of this, Tendler, Kuziemko and Werker (2006) stated that NGOs are widely believed to be closer to the poor than state aid agencies are. They directly deal with local target groups, circumventing (frequently corrupt) recipient governments. This reduced funds leakage which resulted in better alignment with the needs of the poor.

Even donor governments appear to share the view that NGOs have an important role to play so that aid could reach the poor and render it more effective. The share of bilateral (Official Development Assistance) ODA channeled to or through NGOs reached up to 20% in recent years for some donor countries (Nunnenkamp

2008). But already by the 1990s, some critics suspected that the case for NGO aid largely rests on ideological grounds. In particular, the view that NGOs have a clear focus on the poor has come under attack. Rather than trying to outperform state agencies and risk failure, NGOs may prefer the quieter life of implementing the policy agenda of their home government, especially if they depend financially on official "back donors". Both the critics' attempts to demystify NGO aid and the proponents' articles of faith have hardly been subjected to empirical scrutiny.

This is due to the fact that NGOs tend to be more active in recipient countries with more pressing need for aid. But the poverty orientation of NGO aid does not appear to be particularly strong, for example when looking at the extent to which rising per-capita income of recipients reduces NGO aid.

According to the World Bank, NGO aid has an important complementary role to play when governance is particularly bad and the local environment is highly distorted – a view echoed in various UN and national aid policy documents (World Bank 1998 and United Nations Millennium Project 2005).

It is therefore widely believed that Foreign aid through NGOs can lead to sustainable development of rural communities. However, the field of sustainable development can be conceptually broken into three constituent parts: environmental sustainability, economic sustainability and sociopolitical sustainability.

Sustainable development does not focus solely on environmental issues. The

United Nations 2005 World Summit Outcome Document refers to the "interdependent and mutually reinforcing pillars" of sustainable development as economic development, social development, and environmental protection ([www.ifuw.org/programme](http://www.ifuw.org/programme)).

### **Aid and Human Priorities**

The intension of aid is contestable. Some skeptics say that even in poor countries, aid typically lacks a poverty focus. According to Watkins (1995), bilateral donors collectively spend only 7% of their aid budgets on priority areas such as primary health, basic education, water and sanitation provision, and nutrition programs. That even when aid is given in education, it goes to the benefit of those better-off. For him, the critical importance of primary education in social and economic development, and in enhancing opportunities for women; and again divert funds to tertiary institutions and payment for foreign consultancies is a misallocation of aid on a huge scale.

For poor households, inadequate provision of water and sanitation is a major cause of exposure to water-borne diseases, and a demand on the physical strength and labor time of women who collect water. Yet water supply and sanitation for urban areas receives four times as much development assistance as for rural areas, and much of it goes to providing relatively high-cost tap water to private homes (Watkins, 1995). And on health care, the story is the same. Without well-run primary health care facilities, women are denied the opportunity to control

their own fertility, with adverse consequences for their own and their children's health, and their own opportunities for education and employment. They are also exposed to unnecessary risks during pregnancy and their children are more likely to die.

Along with investment in women's education, investment in their health is the most important factor in reducing infant mortality rates, and in reducing family sizes and demographic pressure. And investment in health promotion is by far the most efficient form of health finance, both because it brings benefits to more people; and because it is cheaper to prevent diseases than to cure them. Yet donors continue to regard investment in primary health care as a peripheral concern. The primary health care facilities which could prevent or treat 80% of the diseases affecting poor people receive 1% of international aid flows (Watkins, 1995).

The failure to develop a poverty-focused aid program has been particularly evident in the case of Japan, which is the second largest OECD (Organization for Economic Cooperation and Development) donor. A successful Japanese government is convinced that economic growth can be achieved through export oriented industrialization and that such growth would be reflected in the economic improvement of the poor Japanese. It is evident therefore that donors, like recipients, have an in-built preference for investing scarce resources in areas where the social and economic returns to society are highest.

known as three dimensions (triple bottom line) with the resultant factor being technology, hence it is a continually evolving process; the 'journey' (the process of achieving sustainability) is of course vitally important, but only as a means of getting to the destination (the desired future state). However, the 'destination' of sustainability is not a fixed place in the normal sense that we understand destination. Instead it is a set of wishful characteristics of a future system that needs to be protected, maintained and preserved. Therefore, development which donors project must ensure that it targets an integral improvement of both the present and the future of the recipients.

## **1.2 Statement of the problem**

The main objective of foreign aid is to promote economic growth in poor countries and thereby lift people out of poverty. In this sense, foreign aid was distinguished from emergency relief such as medical supplies, food, water and other items that might be supplied in the event of a disaster. Many rural communities in Uganda get aid through Caritas International and despite of this, they were still characterized by low levels of development. For example, a Clinton administration task force conceded that, " despite decades of foreign assistance, most of Africa and parts of Latin America, Asia and the Middle East are economically worse off today than they were 20 years ago."(Cato Handbook, 2009).

This study therefore, assessed the impact of Foreign aid through NGOs for sustainable development of rural communities with particular reference to Caritas an international charitable organization working in Lugazi Catholic diocese of

Uganda.

### **1.3 Purpose**

The purpose of this study was to find out the impact of Foreign aid through NGOs for sustainable development of rural communities with particular reference to Caritas – Lugazi Catholic diocese.

### **1.4 Objectives**

- i. To find out the various forms of aid received through Caritas for development of rural communities in Mukono district.
- ii. To identify the best forms of aid that lead to development of rural communities.
- iii. To find out how various forms of aid complement each other to lead to development of rural communities.

### **1.5 Research Questions**

- i. What type of aid is received through Caritas for development of rural communities?
- ii. What type of aid is more effective in fighting underdevelopment?
- iii. How do the various kinds of aid complement each other to lead to development?

## **1.6 Scope**

### **1.6.1 Content scope**

This study surveyed the various forms of aid received and administered by Caritas and how best they complement each other to lead to the development of rural communities and to identify the best forms of aid for development.

### **1.6.2 Geographical scope**

The study was conducted in Lugazi Catholic diocese of Uganda in Mukono district. Lugazi Catholic diocese was chosen because it is one of the new dioceses of Uganda. The diocese was formed in 1996 as a break away from the then Kampala Archdiocese and so the researcher felt it important to find out how that move of break away with the help of humanitarian organizations such as Caritas has impacted on the development of rural communities in Lugazi Catholic diocese.

### **1.6.3 Time scope**

The time scope was from 2000-2008. The researcher chose this period on assumption that most of the projects undertaken by Caritas in Lugazi Catholic diocese were completed and therefore it was important to know how Caritas contributed to the sustainable development of the local communities.

## **1.7 Significance**

This study will help the following category of people:

### **1.7.1 Policy makers**

The study is likely to help policy makers to come up with appropriate policies to address problems related to underdevelopment and adopt appropriate measures

to solve them.

### **1.7.2 Government**

The study aims at helping the government to identify appropriate means of funding of rural community development programmes and also identify priority areas for donor funding. The study will also help governments to appreciate the contribution of NGOs to the development of the country and also to come up with appropriate methods of ensuring effective use of resources for development of the country.

### **1.7.3 Scholars**

The study was intended to help academicians as a source of literature for further research about the impact of foreign aid through NGOs for sustainable development.

It is also meant to help the researcher to better understand and address the factors of underdevelopment through partnership development, Policing and also recognize the factors that complement foreign aid to lead to development of the economy.

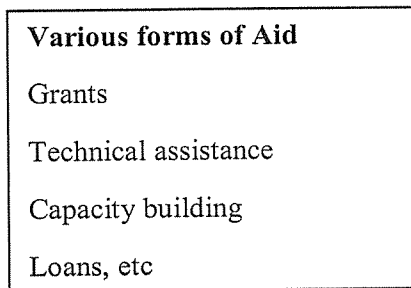
## **1.8 Operational Definitions of Key Terms**

The term "impact" is used as a major operational term to refer to effect of donor assistance on the lives of the beneficiaries. It's used to find out whether development progressively happens after receiving NGO oriented donor support. Likewise terms such as donor aid, foreign aid, grants, official development

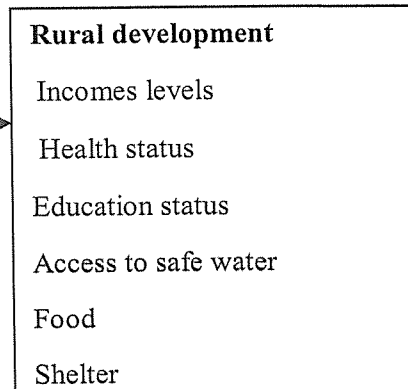
assistance are used interchangeably to carry the same connotation as help coming from developed economies to lesser industrialized countries.

## 1.8 Conceptual framework

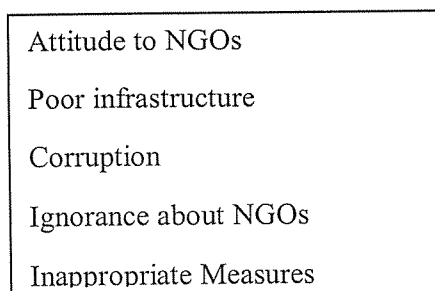
### Independent variables



### Dependent variables



### Extraneous variables



The above conceptual framework indicates that aid through Caritas - Lugazi may be of various types and this may include; Grants, Technical assistance, Capacity building, Loans, and so on. This aid may also be in more concrete forms like life-saving food, water, shelter, medicine and household necessities, depending on the problems on the ground. The conceptual framework also indicates that other factors described as extraneous variables account for the success or failure of foreign aid to lead to development of a target population.

It assumed that the rural development which is reflected in terms of incomes levels, health status, and education status, access to safe water, food and shelter

is a function of the type of aid, amount and Complementarities of all the forms of foreign aid in order to lead to development of a community.

## **CHAPTER TWO**

### **2.0 REVIEW OF RELATED LITERATURE**

#### **2.1 Introduction**

In the previous couple of years, a series of global campaigns have called for increases in foreign aid. In the run-up to the Monterrey Summit in 2002, for example, Kofi Annan and James Wolfensohn (then head of the World Bank) traveled around the globe several times to campaign for doubling spending on aid, claiming that this was necessary to reach the Millennium Development Goals (MDGs) by 2015. The call was repeated more recently by Jeffrey Sachs both in his capacity as Director of the UN Millennium Project (Erixon, 2005).

According to Watkins (1995), it was realized that the worlds Highly Indebted Poor Countries need more financial help in order to develop. This conclusion was arrived at from the Bretton Woods Conference, saying that financial resources were needed to expand economic growth and employment in poor countries. This would have to be done in a strategic manner aimed at fostering of development in poor countries. Because if not well done, the provision of external aid and technical expertise could distort the economies of recipient countries by creating an unhealthy reliance on foreign exports and imported goods or by reducing the pressure on governments to embark on painful and long overdue tax reforms (Watkins, 1995: 171).

It has also been acknowledged that aid is not just assistance to developing

countries without conditions. These same conditions have been posited as the major causes of under development or slow rate of development in recipient countries. Aid ministries from development countries want to contribute to sustainable development, yet are under pressure to use aid to promote national strategic and commercial interests for donor economies. Much control is put on governments of poor countries especially because they have financial diversionary tendencies. But in this case we should not forget that its government which are the aim players in policing for development. According to Watkins (1995), enjoy some degrees of freedom that their governments and multilateral agencies lack. But they may also be less accountable and at risk of co-option by particular interests.

This chapter focuses on some few forms of aid, how the different forms of aid complement each other for development, and the relevance of foreign aid in the eradication of poverty in the world.

## **2.2 Grants**

The review of literature indicated that there is a relationship between type of aid received and development. For years, proponents of 'aid' have argued that poor countries are poor because they lack the funds to invest in the infrastructure that would enable economic activity to take place, which in turn means that they are unable to attract investments, originally used to justify mega-projects, such as roads and dams, these arguments continue today in modified form, ostensibly

justifying investments in schools and hospitals.

According to Erixon (2005), donors have justified aid with various theories and political motivations, but its core justification, the 'gap theory', is fundamentally flawed. This theory assumes that poor countries are trapped in a vicious cycle of poverty because they are unable to save and hence have insufficient capital to invest in growth-promoting, productivity-enhancing activities.

Clemens, (2004) conducted a study of aid flows to 67 countries between 1974 and 2001 and divided aid into three categories, that is, aid for disasters, emergencies, and humanitarian relief efforts, including food aid had a negative simple relationship, since disasters simultaneously cause growth to fall and aid to increase. This was the case in the tsunami that undermined growth in Sri Lanka, and donors responded with more aid. In a simplistic growth regression, cases like this have show up high aid with low or negative growth, making it appear that aid had a poor relationship with development, an obviously misleading result.

According to Levine and Ruth (2004), grants in form of multilateral aid might be more effective than bilateral aid, and untied aid is thought to have higher returns than aid tied to purchases in the donor country. They add that donors with large bureaucracies, heavy reporting requirements, or ineffective monitoring and evaluation systems probably undermine the effectiveness of their own programs.

Two influential and overlapping views argue that aid in form of grants is more effective when donors allow for greater "country ownership" or broader

"participation" in setting priorities and designing programs (country ownership allows for the recipient country to have a stronger say in these decisions; broader participation allows civil society or faith-based nongovernmental organizations to have a voice alongside the government in the development program choices). These issues have been regularly debated and have begun to change donor practices, but have been subject to little systematic research (Levine and Ruth 2004).

According to Burnside et al (2002), new research has taken a different track by exploring the idea that not all aid is alike in its impact on development. This view suggests that most research on aid and development is flawed regarding both substance and timing.

Burnside et al (2002), indicates that almost all studies look at the relationship between total aid and development, even though large portions of aid are not primarily directed at development. For example, food and humanitarian aid are aimed primarily at supporting consumption, not development, as is the provision of medicines, bed nets, and schoolbooks. And aid to support democracy or judicial reform is not primarily aimed at stimulating development.

These important aid-financed activities help improve recipient welfare by supporting basic consumption needs, developing political institutions, and strengthening health and education but are likely to affect development only

indirectly, if at all.

By contrast, Steven (2003) points out that aid to build roads, bridges, or telecommunications facilities or to support agriculture and industry is more directly aimed at production and should be expected to accelerate growth and development. Given the range of likely impacts of different kinds of aid, it is not surprising that some research on aid and growth has shown a weak relationship.

However, the question still remains, does foreign aid lead to development? According to Erixon (2005) the motions proposed for support of aid have not yielded results. He says, aid has failed to 'fill the gap'. Instead, it has, over the past fifty years, largely been counterproductive: it has crowded out private sector investments, undermined democracy, and enabled despots to continue with oppressive policies, perpetuating poverty. Incumbent governments have been criticized for using aid to remain in power by using it to fund mechanisms that suppress opposition and democracies. Poor people are used in the procurement of aid with a view that it will be used to reduce poverty but instead it is sometimes used to subtly shadow their human rights and individual efforts to develop. Watkins (1995) says that external assistance is no solution to fundamental problems of poverty, which are rooted in injustice and the denial of rights. But that this does not deny the critical importance of external assistance to poor people and their governments, whether it comes in the form of aid or investment flows or debt reduction packages. Unfortunately most developing countries are not

receiving the kind of external support they need.

### **2.3 Technical Assistance**

The review of literature further indicated that technical aid leads to development. However, technical assistance, is aid given by governmental and economic agencies to support the economic, social and political development of developing countries but has got a number of problems associated with it. Technical aid may come from developed or developing country governments as well as from international organizations such as the World Bank. But research indicates that the conditions of World Bank have not been favourable to developing countries, hence rural under-development.

A common criticism in recent years is that rich countries have put so many conditions on technical aid that it has reduced aid effectiveness. In the example of tied aid, donor countries often require the recipient to purchase goods and services from the donor, even if these are cheaper elsewhere. Other conditions include opening up the country to foreign investment, even if it might not be ready to do so (Stiglitz, 2004).

In addition, Devarajan et al., (1996) indicates that commitment to providing technical assistance is all good and well, but it might not have much of an impact if the assistance is allocated to projects with small returns.

Sachs and Stiglitz, (2004) have argued that, although large amounts of technical

aid has sometimes failed, it has supported poverty reduction and growth in some countries and prevented worse performance in others. They believe that many of the weaknesses of aid have more to do with donors than recipients, especially since much aid is given to political allies rather than to support development.

They point to a range of successful countries that have received significant aid such as Botswana, Indonesia, Korea, and, more recently, Tanzania and Mozambique, along with successful initiatives such as the Green Revolution, the campaign against river blindness, and the introduction of oral re-hydration therapy. In the 40 years since aid became widespread, they say, poverty indicators have fallen in many countries worldwide, and health and education indicators have risen faster than any other 40-year period in human history.

## **2.4 Capacity Building**

Peizer (2005) indicated that Capacity Building is, being used by government to transform community and industry approaches to social and environmental problems. He defines capacity building as the "process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive, adapt, and thrive in the fast-changing world. No doubt this leads to development. It is also evident that capacity building leads to acceptability, community participation in projects and its monitoring and evaluation.

The relationship between aid monitoring and evaluation and development of rural



communities is also evident. Steven Radelet, (2003) points out that Monitoring and evaluation are essential to improving the effectiveness of any project and hence development.

He adds that careful project monitoring allows managers to make appropriate decisions on a day-to-day basis and ensures that projects are carried out as designed and modified when necessary. Evaluation enables project managers to understand and demonstrate the results of their work, determine the best strategies for achieving their goals and document lessons learned to improve future programs (Steven Radelet 2003)

NGOs are from time to time used to help governments in service delivery because of corruption and bureaucracies. According to Cato handbook, the inadequacy of government-to-government aid programs has prompted an increased reliance on nongovernmental organizations (NGOs). Private voluntary organizations (PVOs) or NGOs are said to be more effective at delivering aid and accomplishing development objectives because they are less bureaucratic and more in touch with the on-the-ground realities of their clients.

"When aid bureaucracies evaluate the work of NGOs," Maren adds, "they have no incentive to criticize them." For their part, NGOs naturally have an incentive to keep official funds flowing. But on the other hand, government provision of foreign assistance through PVOs instead of traditional channels does not produce dramatically different results (Cato Handbook, 2009).

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On the other hand, co-responsibility is an important phenomenon in management. Donors have to respect recipients' efforts to achieve development. For example, (Watkins, 1995) the provision of expert advice to design a health care system may reduce the incentive for governments to develop their own health expertise. And this is driven by the unequal power relationship between the donor and recipient to distort local priorities and undermine local capacity.

## **2.5 Complementing factors for Development**

For an economy to realize development from foreign aid, factors such as existence of infrastructure must be in place or on the verge of improvement. According to The Harrod-Domar model of the neoclassical economics, development is principally related to population and savings. On the side of developing countries, this model implies further that developing countries are poor because they lack capital. And since developing countries have surplus labour, poverty can be eradicated through the use of capital growth or foreign aid for that matter. However according to Smiley (1995), these neoclassical development models have been applied, for the past 50 years to the third world, but with far less success.

According to Todaro (1989), the Marshall plan implemented in Eastern Europe which comprised of massive capital injection worked to lead to development because of the existence of infrastructure. So during that period growth was doubly convergent - internal incomes became more equal and so was the wealth of nations. But in the third world, growth is doubly divergent. Gaps between rich

and poor people widen every day, and so gaps between rich and poor nations.

The Colombo plan of Asia is seen to have helped member countries to develop with the help of foreign aid. The need to administer aid effectively required competent human resource. Therefore the Colombo plan provided a framework for bi-lateral arrangements involving foreign aid and technical assistance for the economic and social development of the region ([http://en.wikipedia.org/wiki/Colombo\\_Plan](http://en.wikipedia.org/wiki/Colombo_Plan)). It's seen in this plan that technical assistance in form of human resource was to complement development aid from developed countries.

## **2.6 Problems with Foreign Aid**

A number of criticisms are raised against foreign aid that it has failed to lead any country to sustainable development. This however does not disregard the importance of foreign aid to developing countries. Although Official development finance from Bilateral and Multilateral agencies and OECD represents around 13% of national incomes of many low income countries, this proportion is very significant (Watkins, 1995). For him, human welfare in poor countries is influenced far more by the external trade environment, debt and domestic policies than by international development assistance.

Poor economies are spending most of their local incomes on debt services. So what is the intension of aid in the mind of donors is a hard question to contest. Creating market opportunities through trade and writing-off debt, Northern

governments could do more to enhance human welfare than they could ever achieve through their aid budgets. For aid has the potential both to bring about positive change and to do more harm than good.

There is also another threat to cut aid significantly. Proponents of such views have already submitted their request to donors. In 1995 the Congress asked US government to cut aid altogether to Africa and concentrate foreign aid programs on areas of strategic interest, such as the Middle East, and Russia. So what is this strategic interest in these countries, is it oil and weaponry respectively or something else?

Another proposal put forward by Senator Jesse Helms was of the establishment of a quasi-independent foundation to fund long term development activities and that USAID be replaced by a foundation that generates own resources from private sources (Watkins, 1995: 181). This means that citizens do not feel fine with using their hard earned money to use it to under develop poor countries.

On similar views, the Australian government withdrew a commitment to raise its aid budgets to 0.4% of GDP by 1995. In Canada, overseas development aid as a percentage of GNP is down to 0.34% from a high of 0.49% in 1991 – 92 and, based on government projection, the level was expected to fall to 0.3% by 1997 – 98. in the last six years, the ratio between defense and aid expenditures has become more unfavorable to aid. EU members' contribution to European Development Fund (EDF) was cut by 5%. British bilateral aid programs to Africa

are projected to fall by about 17% (Watkins, 1995). These sentiments and changes in the amount and kind of aid to developing countries whether to governments or to NGOs threaten the planning programs and strategies of many development practitioners of poor countries.

This further means that the UN aid target of 0.7% of GNP appears increasing illusory and the demands to maintain the target are reducing. But Watkins (1995) defends that the decline is due to conflict related and natural disaster emergencies diverting a growing proportion of development assistance into humanitarian relief. For example, in 1988, less than 3% of bilateral aid was spent on emergencies and relief but today, its more than 11%. When aid can lead to sustainable development, perpetual donation can be discouraging even to the rich economies. Economies that have received aid for a long lime still find it very hard to stand by their own. This can be seen is cases of need for emergence supplies and relief. Aid has to be used to build infrastructures and to increase local capacities to be determinants of their own destinies.

## **2.7 History of Civil Societies in Uganda**

### **2.7.1 Before Independence**

The first strand of NGO development in Uganda can be traced during the pre-independence period. The economy was largely controlled and led by the western powers in the name of colonialists. According to Noran, NGOs were composed of mainly peasants and workers. The first organizations were the Cooperative societies whose aim was to resist the monopolization of trade in agricultural

products by the colonial state and immigrant communities from Europe and Asia. Colonialist had established infrastructures, which would enable them to repatriate agricultural products to their home countries. The famous East African railways and many other major roads were mainly intended to facilitate transportation of products from Uganda to overseas countries. Cooperatives were to ensure fair prices and better terms of trade with the locals. The second organization was the formation of trade unions to address labor related issues including low wages and poor working conditions.

Elite-led membership organizations were formed in Uganda in the colonial period by middle class Africans aggrieved at the colonial policies. These included organizations such as the "Young Men of Buganda", the "Young Men of Toro", and the "Uganda African Welfare Association" (Bazaara & Barya, 1999). In addition, some women's organizations including the "Uganda Council of Women" (UCW) were founded at this time. In the main, these comprised middle-class urban women. UCW members rallied around collective women's rights issues such as citizenship, civic education and voting rights and they actively pushed for increased female participation in national politics (Tamale, 1999).

Charitable organizations were founded often under the auspices of the church, such as Red Cross Society and the Salvation Army and other organizations based in Europe in general and UK in particular. These were distinct from the membership-based organizations in that they acted as philanthropic intermediaries providing welfare services to the poor. In this role they were the early precursors

of the non-governmental organizations as we have them today.

### **2.7.2 Post-Independence Period NGOs**

This period was characterized by self-determinism to achieve development. Many organizations were taking root but were only suffocated by the Amin regime, which interfered a lot with their activities.

It was after the current president (H.E Yoweri K. Museveni) took office in 1986 that a national war on economic recovery and reconstruction (Noran) was instituted. Many NGOs started to be formed and to participate actively with the support of government in the reduction of poverty in the country. And at present the number of NGOs in Uganda is over 3,500 working in various development areas in the country (NGO Forum).

## **2.8 Role of NGOs in Poverty Alleviation**

Many stakeholders in development efforts recommend the contribution of NGOs in the fight against poverty and underdevelopment. They say that a strengthened civil society, of which NGOs are a part, is essential to the healthy functioning of the state. This has been prompted by the manner projects are implemented. A number of factors account for the success of NGOs' work in poverty reduction. These include; smaller management structures, participatory approaches in projects designs and implementation, high ethical and practical standards of accountability both to the donors and to the beneficiaries.

For Watkins (1995), NGOs work with local counterparts in facilitating community-

based development efforts, with the emphasis on the participation of local communities and on enhancing the capacities of the poor. This approach to development starts by listening to the poor themselves, recognizes the role and needs of women in the development process, and considers environmental implications and sustainability of project initiatives.

Bilateral and multilateral donors and NGOs alike need to listen and learn from local communities, rather than arrive at preconceived ideas about the route to sustainable development. This is cooperation in development, which respects the rights and dignity of each other.

NGOs have been favored by some donors because NGOs are believed to have their ears on the ground. This has not only increased their need for efficiency and call on more support but has also attracted more confidence and aid from donors. The World Bank estimates that NGOs in India for example now handle 25% of all foreign aid, and the combined efforts of NGOs across the developing world are estimated to reach some 250 million people. And the tendency to channel official aid through NGOs is likely to continue, with an increase in direct funding of Southern NGOs (Watkins, 1995).

Donors are choosing to channel more aid through NGOs because they are perceived to be more efficient and cost-effective than governments. NGOs are believed to have a better record in reaching the poor, working in participatory ways, strengthening local institutions, and being flexible and innovative.

## **CHAPTER THREE**

### **3.0 METHODOLOGY**

#### **3.1 Introduction**

This chapter focuses on the research design used in the study, area and population of the study, sampling procedure and research instruments, data collection methods, and data analysis.

#### **3.2 Research Design**

The study followed both longitudinal and cross-sectional research design because it deals with crosscutting issues over an extended time frame. A combination of both qualitative and quantitative research methods were used in research and analysis of findings.

#### **3.3 Study Population**

The study population was the employees of Caritas of Lugazi Catholic diocese in Mukono district and the members of the local community who were Caritas beneficiaries. The total population for this research report was 200.

#### **3.4 Sample Size**

The sample size was determined using the Collombat's formula

$$n = \frac{N}{1 + N(e)^2}$$

Where:

N-Total population

e - The exponential constant whose value is approximately 0.05.

n –Sample

### **3.5 Data collection methods**

#### **3.5.1 Instruments**

##### **i. Questionnaires**

The questionnaires were frequently used because the respondents filled them at their own convenience. Some questions were open ended while others close ended. The questions were planned in such a way that the researcher would use an interview guide to conduct the interview. In-depth interviews were also used because it enabled the researcher to fully understand someone's impressions or experiences, or learn more about their answers to questionnaires. The interviews also incorporated informants who were not able to write or read the questionnaires.

##### **ii. Interview Guide**

The researcher carried out personal interviews to collect data from the respondents. An interview guide contained questions such as: What type of aid received through/ by Caritas - Lugazi for development of rural communities? How best should development aid be administered for development of rural

communities? And how do the various forms/ types of aid received complement each other for development of rural communities? These were useful in the collection of primary data. Interview guide was advantageous in that they enabled the researcher to get detailed answers about the subject under study.

### **iii. Observation**

This method was mostly used to gather information about the non-verbal behavior. This involved using personal intuition of the researcher by seeing and hearing. The advantage of the observation method is that research can be conducted in a natural environment rather than in an artificial setting, and can easily be conducted for a long period of time. Observation studies help to comprehend complex issues through direct observation and then if possible, asking questions to seek clarification on ambiguous issues and answers in the questionnaires. The data obtained is rich and uncontaminated by self-report biases.

## **3.5.2 Sources of Data**

### **i. Primary Data**

Primary data was gathered from the field information collected from questionnaires and interviews. Focused group discussions were used to acquire a deeper understanding of the respondent's experiences as far as the topic of investigation was concerned. The researcher also used observation techniques not only to interpret the bodily expressions of the respondents while being interviewed

but also to witness the economic activities supported by Caritas.

## **ii. Secondary Data**

Secondary information was collected from publications like books, book reviews, journals, internet, and periodicals. Deeper study of the topic for investigation was given higher priority to develop grounded data to support this research report. Information gathered was either quoted directly or interpreted in its real sense for expression.

### **3.6 Validity**

After constructing the questionnaire the researcher contacted the supervisor and other experts in order to get expertise judgment on the validity. According to Gay (1996) constructing validity over an instrument is refined based on expert advice. The following formula was used to test validity index

$$\text{CVI} = \frac{\text{Number of items regarded relevant by judges (X)}}{\text{Total number of items (Y)}}$$

CVI = Content Validity Index which was found to be 0.67.

The variables imbedded in the interview questions were used as items to calculate CVI. 8 interview questions out of 12 were chosen as valid for use to guide the interviews.

### **3.7 Data Analysis and Quality Control**

For qualitative data, the researcher identified similar responses at the end of each day of data collection and coded them according to the themes of study. Tentative

themes were identified and code categories assigned to each theme. Important themes from the collected data were also identified and supplemented by information given by the interviews.

Data analysis was done using both qualitative and quantitative methods. Quotations from both secondary and primary sources of data with relevant information to the findings were included to substantiate findings. During analysis, respondents' expressed feelings; attitudes, ideas, and statements were put into consideration. The answers from different informants were compared to identify similar responses and used in the presentation of data.

Quantitative analysis resulted from codification of qualitative statements and themes to for the measurement of the central tendency to determine the relationship between the variables and to discover the existing dispersion. Results that measured less than 50% showed a minimal or negligible relationship between the variables in question. Data from questionnaires is presented in form of frequency tables, pie charts and bar graphs.

Data results are presented in tabular forms, graphs, pie charts including the percentages of information got from the field depending on the themes of study.

### **3.8 Validity of Instruments**

Validity of instruments was ascertained by first of all discussing the questionnaire and interview schedule drafts with the supervisor. The content validity of the instrument was found to be worthy and above 0.7 and therefore execution for the

pilot run was used for the study.

### **3.9 Ethical Considerations**

An attempt was made to:

Exercise confidentiality, anonymity and privacy so as to safe guard the interviews and other respondent's altogether.

The researcher avoided deception in the process of research.

The researcher was honest and trustworthy about aims and, or goals and procedures of the study.

Notably, during data collection, some of the names of respondents were withheld on request.

### **3.10 Limitations of the Study**

A number of limitations were encountered while the researcher was conducting his investigation. These included the following:

The researcher did not present quantitative measure of how much economic improvement Caritas beneficiaries have achieved since the inception of the Caritas organization in Lugazi Catholic diocese.

The research report did not investigate the different kinds of donor agencies in relation to their types of aid that are provided to NGOs. This would help understand the various kinds of conditions that accompany aid.

Being a Catholic run organization, there was difficulty in allowing me to carry the

research. The researcher was required to visit a number of top leaders in the diocese to discuss the intension of the research.

household well being in terms of nutrition, health and education but also the urge/ drive to seek out options available for their development.

## **4.2 Demographic Profiles of the Respondents**

### **4.2.1 Gender**

A total of about 200 respondents were given questionnaires, of whom 102 were males and 92 were female which translates to 51% and 49% respectively. This shows that both genders are involved in the development programs in their respective areas.

### **4.2.2 Age**

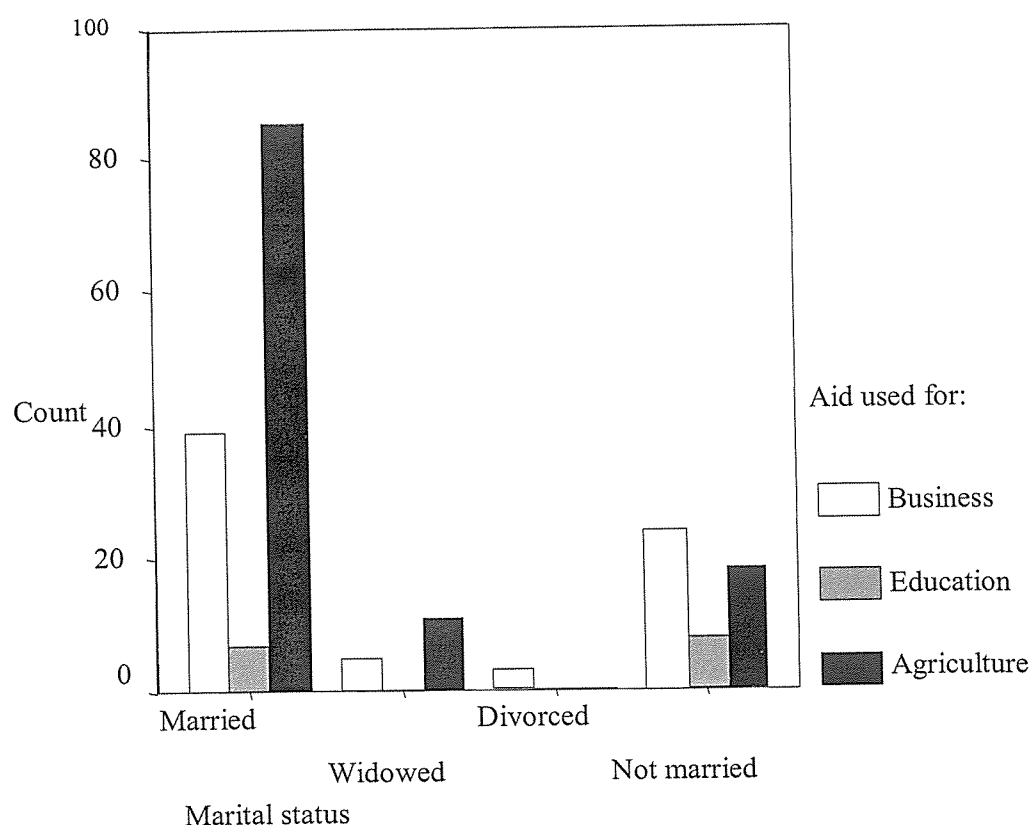
The age that participates much in development aspects was also considered. Those of age group 26 – 40 years were the majority standing at 96 accounting to 48% of the respondents. This could be because that is the prime age for every individual to start development efforts. Age group 21 – 25 years were 73, age group 15 – 20 years were 14 and those above 40 years were 17 and these accounted for 36.5%, 7% and 8% respectively.

### **4.2.3 Marital Status**

Most of the respondents were found married standing at 131 accounting for 65.5%. The widowed were 16, the divorced were 3 and those not married were 50 and all of them accounting for 8%, 1.5% and 25% respectively. The married were more because they seem to have more responsibilities and so the need to ensure they can achieve development in their families. Findings through

observation shows that majority of the unmarried were school going children some of whom wanted aid for academic purposes. The other unmarried group was living as adults in their own homes. The type of aid chosen also reflected much on the marital status of the respondents. The unmarried were more interested in aid for business whereas majority of the married wanted aid for agricultural purposes. This is illustrated by the diagram below:

**Table 1:** Marital Status and choice of Economic Activity

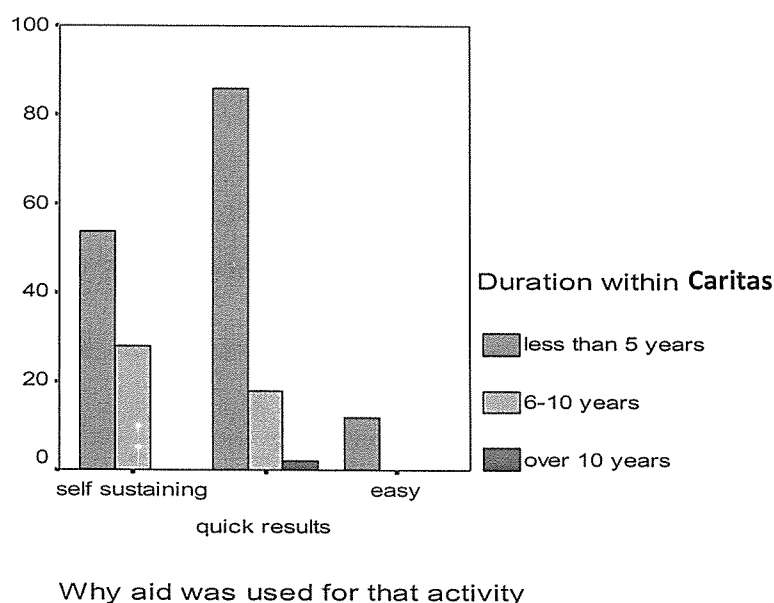


**Source:** Field research findings

The choice for an activity to be invested in with the aid received was very much determined by age, sex and duration within the organization. Aid which was

mainly in form of capacity building was more appealing to people involved in agriculture and these were mainly mature adults. Some agricultural activities were also viewed by others as quick result activities. Poultry and piggery farming, Loans and grants were taken by young adults interested in trading. For them trading is an easy activity whose results can be realized quickly. On the other hand, formal education grants regarded in this report as self sustaining economic activity were taken by young ones. Likewise when functional education/ training were administered, it was regarded as something of quicker results. This gives us a picture on the urgency of aid in development of rural communities and also tells more whether Caritas organization in Lugazi has acted as a catalyst in the development of the local people. This is illustrated in the figure below.

**Table 2:** Duration in Caritas and Choice of Economic Activity



**Source:** Field research findings.

### 4.3 Choice between the kinds of Aid and Development

The choice of aid depended mainly on whether aid will make one self sustaining, aid can bring quick results or whether the activity for which aid would be used wasn't a cumbersome provided it brought economic improvements. Actual statistics can be seen in the figures below. Being an agricultural area as well, agriculture attracted a bigger proportion of the population of study standing at 114, accounting for 57% followed by business activities at 35.5%. Those who chose a certain type of on the basis of quick results were the highest of about 106 individuals accounting for 53% followed by those interested in achieving a self sustaining economic livelihood standing at 82 individuals which translates to 41%.

**Table 3:** How aid received was used

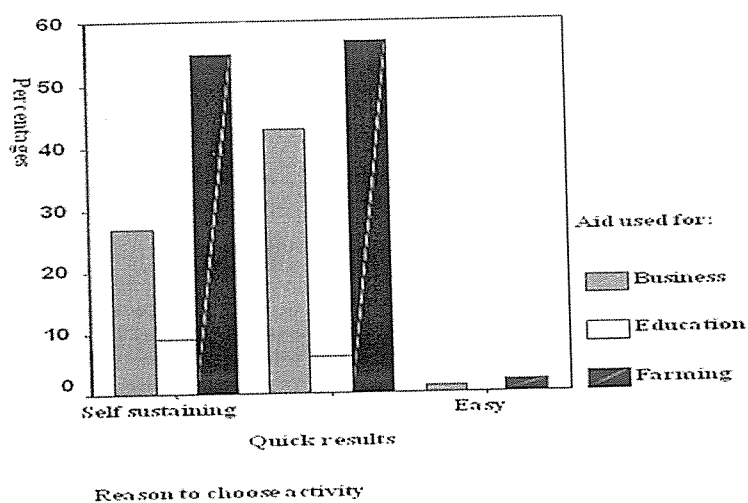
Aid use		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business	71	35.5	35.5	35.5
	Education	15	7.5	7.5	43.0
	Farming	114	57.0	57.0	100.0
	<b>Total</b>	<b>200</b>	<b>100.0</b>	<b>100.0</b>	

**Table 4:** Choosing between the different Aid types

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sustainability	133	66.5	67.2	67.2
	Returns	21	10.5	10.6	77.8
	Refund	44	22.0	22.2	100.0
	<b>Total</b>	<b>198</b>	<b>99.0</b>	<b>100.0</b>	
	Invalid Information	2	1.0		
<b>Total</b>		<b>200</b>	<b>100.0</b>		

**Table 5:** Why aid was used for that activity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Self sustaining	82	41.0	41.0	41.0
	Quick results	106	53.0	53.0	94.0
	Easy	12	6.0	6.0	100.0
	<b>Total</b>	<b>200</b>	<b>100.0</b>	<b>100.0</b>	



**Source:** Field research findings

#### 4.4 Type of Aid Administered by Caritas

Caritas provided different types of support to poor people but in the case of Lugazi Catholic diocese, it provides only four (4) aid types. That is, capacity building, technical assistance, grants and loans. Support goes mainly to help people involved in agriculture (poultry, apiary, piggery and traditional food crops), health (support to hospitals and clinics especially in the fight against HIV/AIDS, malaria and also helped in acquisition of clinical instruments), Education especially helping orphans and vulnerable children attain formal education. Individuals who want to start businesses are also supported with loans at friendly interest rates.

The table below high lights the different types of aid that Caritas administers. It also shows the statistics of the beneficiaries of the different kinds of aid.

**Table 6:** Types of Aid

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Capacity building	103	51.5	51.5	51.5
	Technical assistance	14	7.0	7.0	58.5
	Grants	27	13.5	13.5	72.0
	Loans	56	28.0	28.0	100.0
<b>Total</b>		<b>200</b>	<b>100.0</b>	<b>100.0</b>	

**Source:** Field research findings

Small community based organizations are also supported with grants so that they can participate effectively in poverty alleviation programs. This therefore also

means that caritas works with other development partners in her activities. First Caritas receives support from other funding agencies like Catholic Relief Services and in turn also supports smaller organizations.

#### **4.5 The Best Forms of Aid**

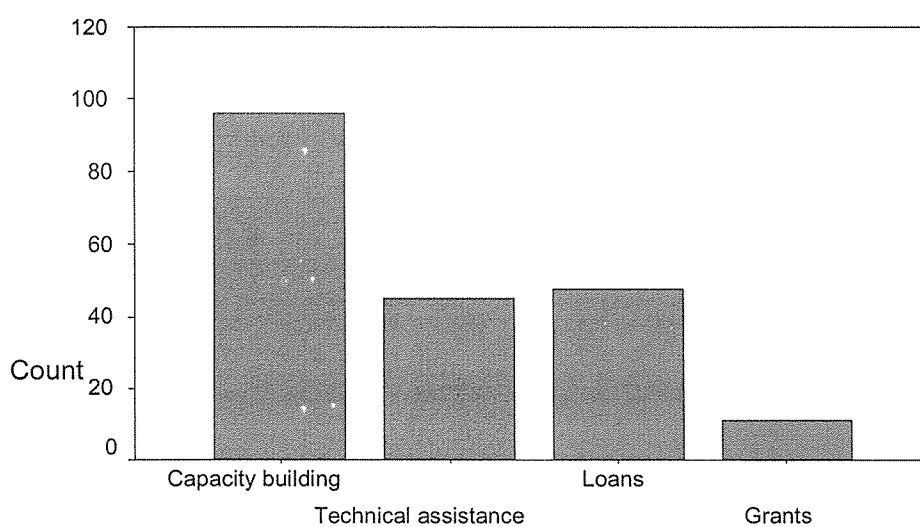
Among the different types of aid administered by Caritas in Lugazi, Capacity building was recommended as the best. A total of about 96 respondents opted for capacity building as the best form of aid and this accounted for about 48%. Giving out loans at very low interest rates took the second category. 48 equivalent to 24% respondents said that loans are the best form of aid to achieve development. According to them, a beneficiary is free to choose the investment he/ she wants to do without being pushed into activities little known. The third category of aid was technical assistance chosen by 45 individuals accounting for 22.5% of the respondents. Giving out grants was recommended by very few individuals. A total of about 11, equivalent of 5.5 % respondents chose grants as their best form of aid. In this regard, the responses of on the choice of the best form of aid is illustrated in the in the table below.

**Table 7:** Aid with an Integral Development approach

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Capacity building	96	48.0	48.0	48.0
	Technical assistance	45	22.5	22.5	70.5
	Loans	48	24.0	24.0	94.5
	Grants	11	5.5	5.5	100.0
	<b>Total</b>	<b>200</b>	<b>100.0</b>	<b>100.0</b>	

The above table can graphically be expressed as below.

**Table 8:** Graph showing the best form of Aid according to Field Research



Aid with an Integral Development Approach

**Source:** Field research findings

## 4.6 Uses of Development Aid

### 4.6.1 Agricultural Development

Answers to the question on agricultural development were not only in regard to

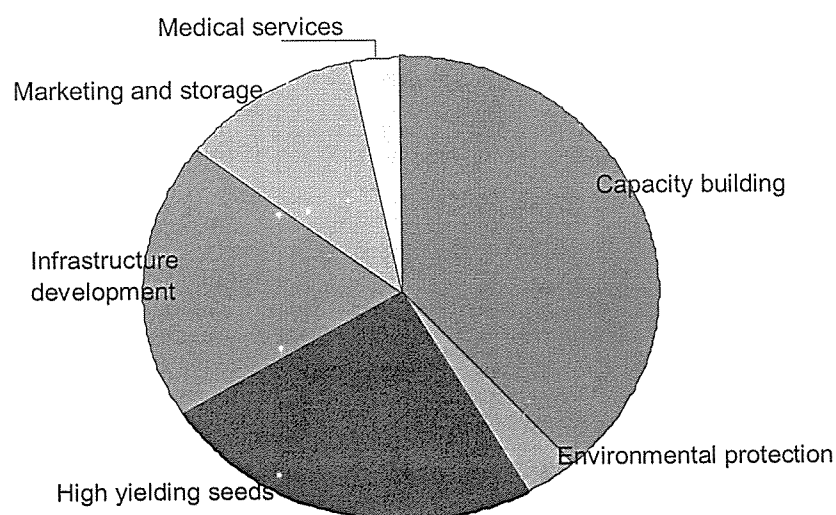
the types of aid that Caritas gives but open to all other funding agencies and non governmental organizations. A questionnaire asking which form of aid can lead to agricultural development was posed. Capacity building was chosen as the best form of aid by a total of about 77 respondents which accounted for 38.5%. Provision of high yielding seeds was also liked making it the second category of best aid that boosts agricultural development. A total of about 48 respondents equivalent to 24% chose the provision of high yielding and drought and pest resistant seeds as the best way foreign aid should be channeled. Infrastructure development stood at 19.5% and was chosen by 39 respondents. Funding for environmental protection as many times these days is being emphasized by International donors was recommended in this research by only 7 respondents accounting unfortunately for only 3.5%.

The table and the chart below show the statistics on foreign aid and agricultural development.

**Table 9:** Aid that leads to Agricultural Development

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Capacity building	77	38.5	38.5	38.5
	Environmental Protection	7	3.5	3.5	42.0
	High Yielding Seeds	48	24.0	24.0	66.0
	Infrastructure Development	39	19.5	19.5	85.5
	Marketing and Storage Facilities	23	11.5	11.5	97.0
	Medical services	6	3.0	3.0	100.0
	<b>Total</b>	<b>200</b>	<b>100.0</b>	<b>100.0</b>	

**Table 10:** Pie Chart Showing how Aid that leads to Agricultural Development



**Source:** Field research findings

The researcher also put a questionnaire on how capacity building can lead to development of Lugazi Catholic diocese. According to Wikipedia online dictionary,

Capacity building can be defined as assistance which is provided to entities, usually developing country societies, which have a need to develop a certain skill or competence, or for general upgrading of performance ability. Most capacity is built by societies themselves, sometimes in the public, sometimes in the non-governmental and sometimes in the private sector. Some respondents felt that the questionnaire was not adequate to show the importance of capacity building. "We want to know how we can manage our economic activities by ourselves" Mama Maria quoted saying. The following are the summarized responses on how capacity building as a form of aid helps to develop the poor people according to the poor themselves and Caritas staff.

#### 4.6.2 Capacity Building

**Table 11:** How capacity building leads to sustainable development

Capacity Building on following:		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	• Functional education	22	11.0	11.0	11.0
	• Trains on use of local resources	142	71.0	71.0	82.0
	• Trains on knowing trend of development	27	13.5	13.5	95.5
	• Knowledge of environmental needs	2	1.0	1.0	96.5
	• Starts from known to unknown	7	3.5	3.5	100.0
<b>Total</b>		<b>200</b>	<b>100.0</b>	<b>100.0</b>	

**Source:** Field research findings

From the above table, the respondents who said that Capacity building trains people on how to use local resources to develop were 142 out of 200 and this accounted for 71%. The second group of about 27 that is, 13.5% respondents felt that capacity building helps them to know the trend and dynamics of development. Functional education defined as an informal education method which imparts skills of how to deal with day to day complicated realities. This form of education localizes the educational skills in order to suit the immediate needs of the local people. According to the research, those who chose that capacity building provides them with functional education were 22 and that that accounted for 11%. Those who saw that capacity building helps them to know the unknown by starting from the known to the unknown were only 7 corresponding to 3.5%. On environmental

tenet, those who chose that capacity building helps them to know the environmental needs and how people relate to the ecological requirements were miserably 2, corresponding to 1% of the respondents.

In conclusion, Capacity building as a form of foreign aid is recommended as the best form of aid to lead to rural development in Lugazi Catholic diocese. However, as also indicated by the research findings shown in the figures above, capacity building goes along away in leading to rural development in conjunction with other forms of aid. And this now takes us to the next section of this research findings to establish how the different kinds of aid work together to lead to development.

#### **4.6.3 General Development**

In reference to the Marshal Plan which was used to drive development in Europe aid leads to development when it finds favourable conditions. Aid of the Marshal Plan worked faster to lead to development because infrastructure, skills were still in place and acted as sine qua non for aid to be effective. I quote what Ms Justine Nabakoza lamented "they train us but when you ask for loans they disturb that you that you opted for training only". Mukasa Francis also said that "*Govumenti etu yambe batuzimbire enguudo .... Tunatunda tutya ebirime nga enguudo mbofu*" translated as 'government should help us build roads, for how can we sell our farm produce when roads are broken down?'

In this way, this section presents the computed field findings of how different kinds of aid administered Caritas complement each other to lead to development

farm produce storage facilities was chosen by 32 respondents equivalent to 16% because it can help for example in marketing of farm produce.

**Table 13:** Cross-tabulation on how different kinds of aid complement each other

Count		How NGOs should help you to develop					Total
		Sufficient Loans	Training	Marketing Opportunitie	Hospitals	Schools	
How different kinds of Aid complement each other	Training - loan	12	7	19		5	43
	Loans – farm inputs	4	7	23	1		35
	Technical assistance - high yielding seeds	6	15	34	5	1	61
	Grants – technical ass	11					11
	Infrastructure grants - marketing	4	5	13	3	7	32
Total		37	34	89	9	13	182

**Source:** Field research findings

In cross tabulation using SPSS software computes that when training is carried out on condition of getting sufficient loans, then 12 individuals would chose it. When training is done under the condition of provision of marketing opportunities 19 would be in favour of it. The interaction of technical assistance with provision of high yielding seeds under the condition of marketing opportunities 39 people chose it.

#### 4.7 The Role of Caritas in Lugazi Diocese

The theme of this research was to find out whether foreign aid through NGOs can lead to the development of rural communities. A case study of Caritas as an NGO promoting development in Lugazi catholic diocese was taken. It was important to find out whether caritas for all the time it has taken operating in Lugazi has led to

some form of development. Through interviews and observation, caritas is very appreciated by the respondents. Specifically the following are the findings on how caritas has helped respondents to develop. For the sake of this paper, benefits have been broken down according to the way respondents were asked to fill the questionnaires, although some respondents said that they were benefitting all the items in the questionnaire.

**Table 14:** Development through Caritas

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Ability pay for bills	43	21.5	21.5	21.5
	Good /healthy family	8	4.0	4.0	25.5
	Good nutrition	14	7.0	7.0	32.5
	Economic independence	133	66.5	66.5	99.0
	Women emancipation	2	1.0	1.0	100.0
	<b>Total</b>	<b>200</b>	<b>100.0</b>	<b>100.0</b>	

**Source:** Field research findings

#### **4.7.1 Economic Empowerment**

According to the research conducted, the number of respondent who feel that Caritas has helped them to become economically independent were 133 out of 200 individuals, which is equivalent to 66.5%. Those who feel that joining Caritas has achieved them the ability to pay for own bills were 43 respondents, corresponding to 21.5%. This is a great contribution to the well being of Caritas projects beneficiaries.

#### **4.7.2 Food Production**

A total of 14 respondents, equivalent to 7% reported to be enjoying good family nutrition as a result of Caritas activities in Lugazi. This is one of the most important factors in rural development. Good nutrition reduces a number of health risks including diseases from poor balanced diet. Although 14 respondents is a small percentage, use of modern farming methods leads to high production of household food and also for sale making it another important economic activity in the area.

#### **4.7.3 Health Improvement**

Public health being an important aspect for well-being, 8 respondents corresponding to 4% said that Caritas has enabled them to have good and healthy families. Contribution of Caritas in health care involves support to local hospitals, supply of medical utilities at an affordable price. Volunteer medical personnel (Technical Assistance) provide counseling, pre-natal and post-natal services, pediatric support and guidance to the local communities.

Women emancipation was ranked lowest standing with only 2 respondents, equivalent to 1%. But that does not disregard the importance of gender mainstreaming in local communities.

The above findings show the significance of Caritas as an NGO in promotion of development in the rural communities of Lugazi Catholic diocese. It therefore tells us that foreign aid through NGOs contributes to development. This affirmation

## **CHAPTER FIVE**

### **5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

Foreign aid is known for its contribution to the development of economies. Though the relevance of aid in the development of economies is still criticized, evidence shows that a good proportion of economic well-being of individuals is as a result of donor aid. Problems are always emphasized more than its contribution to development. Among the basic questions in this research was to find out whether aid has impact in the development of rural communities. Field findings show that the beneficiaries like aid because it contributes to their development. The beneficiaries are not only unable to determine the type of aid brought to them but also the conditions under which aid has to operate.

This thesis provides personal assessment on the forms of aid that are available to the beneficiaries. Emphasis is put on evaluation of the preparation of the environment in which aid is supposedly expected to lead to development.

#### **5.2 Gender and Choice of Aid Type**

As indicated in the table 1 of marital and choice of aid, it is evident that women who comprised the biggest proportion of respondents prefer aid that is directed towards agriculture. So the responses had a stronger upper hand of women even though the husbands were around. This highlights the importance of agriculture in the life of rural communities. Gender relations have always left women to bear the burden of providing for household nutrition. This is the reason why women think

that development in rural areas through NGOs needs to address the agricultural needs of the country.

In Uganda, agriculture contributes the highest revenue in terms of GNP. It is a call that if we need to improve the incomes of the country along side the income of the women, agriculture has to be given highest priority. Measures to address agriculture in this way will involve factors that promote marketing, high tech-researched seeds, manure, mechanization, proper land administration and management. Traditional gender relations which leave a bigger workload to women must be altered. Development is not meant for a specific gender but for the whole economy.

Short and medium term interventions means requires that aid needs to largely incorporate women as a priority gender and to be directed towards agriculture. Intervention on this level will ensure family nutrition, natural environmental conservation and rapid household income. Long term approach has to address issues of gender imbalances in economic, socio-political terms, improvement of farming technology by introduction of mechanized agriculture and agro-processing, scaling of productivity, establishment of inter-relations of departments, strengthening of international trade and a streamlined revenue collection system and infrastructural development in rural areas as a form of national accountability feedback.

The strategic location of Lugazi diocese further gives it an opportunity to venture

in business. That is why the second category of aid that was chosen was aid being directed towards business openings. This was to be addressed by building the capacity of the rural people to engage in income generating activities but transactional in nature. A bigger number of respondents for this category were single parents and the elderly. This is because of the apparent ease of the activity to run a small business. The major drive on their minds was to have some liquidity all the time. However this is not a sustainable activity because businesses need to be fed from some where which means that those who engage in it need much money and increased number of professionals to guide them. This is very hard given the fact that Lugazi is rural center. The desire to get loans in order to open businesses in rural areas is always feared by development actors because of the problems related to loan processes and management. Although aid can lead to development as we saw in the marshal and Colombo plan, it can retard development especially when infrastructure is not in place. Attitude in loan management has to be in tune with business and this is what I will call 'culture' in my later sections. As was mentioned earlier that Africa has been receiving aid but the targeted development indicators are not being achieved. There are families which have become poorer because of poor investment culture in managing loans. Communities affected in this way apparently are those that required loans and not so much of grants. But whatever the case may be, if funds are not used well to lead to development it is poor business culture.

It is also interesting to note that the biggest number of beneficiaries of Caritas

were those that were new. Caritas is building capacity and presence in many areas. Being a new diocese, a lot of people are joining the organization in order to have their needs met. I believe Caritas has a good reputation and so development through it will be achieved in the long run. Also we can reason that the number of caritas members were those of less than 5 years is camouflaged by the deep desire to make quick returns. This echoes the fact that aid has to be managed carefully otherwise long term objectives might not be met. Quick financial returns do not normally build a sustainable development.

### **5.3 The Best form of Aid**

Field research shows that the best form of aid for development of rural communities must be in form of capacity building. Capacity building when administered well leads to development. On this particular note capacity building as a form of aid can be addressed with an appreciative or distortionary approach. Capacity building works well when local knowledge is enhanced and built. It is very respectful to recognize that though poor local communities have potential knowledge to achieve development. A development actor must be able to study the people he/ she wants to help in order to build development bench marks. And this is what I call appreciative approach of aid to development. The marshal plan worked well in Europe because there was infrastructure, something to begin from. Therefore in the case of rural communities the present local knowledge must be used to build development programs. NGOs very often use terms such as participatory approach to projects management, from the conception stage to the

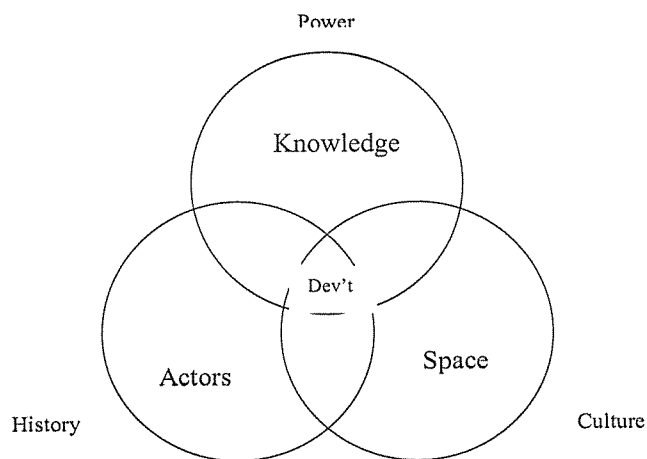
evaluation project phase. This is to ensure that local people fully assume ownership of development interventions. Therefore it is a respectful development approach.

As found out from the field research, the approach NGOs are using to address poverty related issues ranging from medical services to household incomes and the economy at large are very much evident. Aid through NGOs is of great impact to rural communities. Development approaches of NGOs lead to evident results. As it is known that there is almost no development interventions without hidden personal motives, NGOs are helping a lot government in reaching out to the poor and most often neglected persons. On this note positive outlook to NGO interventions in development of communities must be emphasized and more support given.

#### **5.4 Conclusions**

Development is a multifaceted progression in the well being of individuals. One single aid target cannot exclusively lead to integral development. A lot of factors need to be addressed in order for aid to have an impact. This is the playing field of aid. Aid that is thrown without institutional infrastructure is like pouring a glass of water to soak a desert. The figure below illustrates the above assertion.

## Poverty Reduction Framework



*Adopted from Brock, K et al (2004)*

From the above figure development aid in form of capacity build increase knowledge and potency of the poor. Knowledge is power to master ones development destiny. Once people are enabled to build know-how, they can be able to direct their behavior towards development and can also make informed decisions on their life.

Predisposition to work for development has to be inculcated by change if necessary of cultural attitudes which hinder development. Traditional gender relations which leave bigger work load to one gender, marginalization and oppression must be discouraged. Building an investment culture too helps in management of development aid. Many people are poor because of cultural attitudes for example, killing of albinos, female genital mutilation, corruption, and

so on.

The actors in this case are the NGOs, governments and other development agencies. These provide policies and funds for use in development. Once the actors present policies and funds that are not friendly, development is retarded. Conditional aid if engineered badly with hidden personal interests then development cannot take place as expected. Projects implementation and management programs can be just destructive if not well taken care of. Approaches of project implementation must be those that can encourage development for both short and long term development. Sustainable development can be achieved only if dependence on aid is minimized and local competence built. History of actors in the field of development is also determinative for development to happen. Politico-economic turbulence, alliance, stability or even insurgencies are very significant in laying out an unfavorable development field.

Development can also be looked at from the chain management perspective. In order to lead to development, a number of areas have to be dealt with because of their interconnectivity. Capacity building, technical assistance, grants and loan have a great inter-relationship in leading to development. Emphasis on one development aid can slow development pace. Therefore even if one development approach, capacity building was the priority form of aid, it works well when other forms of aid are also in operation.

NGOs have proved efficient in a number of ways in leading to development

develop should be allowed when giving aid. Conditions to access aid are often less in favour of the recipients. If the poor have to develop, they should not be exploited through hidden donor conditions.

### **5.5.3 Local Community**

Donor aid will not go on indefinitely. Beneficiaries must be alert and willing to learn modern forms of development by taking on a new culture for development and investment. Traditional practices apparently not relevant should be dropped after all culture is dynamic and time never waits for anyone. Learn to invest in opportunities. The environment of development is created by you.

## **5.6 Recommendations for further Research**

The researcher recommends the following areas for further research:

It is important research is carried out on the desires of the donors when they are giving foreign aid. This is really to investigate the conditions that are usually accompanied with aid.

Benefits to both the donors and aid recipient countries need to be researched on and assessed in order to give an informed decision of whether to accept aid or not. This will also help in determining the most relevant type of aid for development and to identify how much economic power and well being has been contributed to the aid recipients as a result of that particular aid.

It is also important to investigate the coping mechanisms that beneficiaries use in

order to develop after cession of the donor funds. This is meant to discover the economic sustainability of donor funded projects.

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## APPENDICES

### APPENDIX I: QUESTIONNAIRE

Dear Sir / Madam,

This study is about the foreign aid through NGOs and development of rural communities. Please choose by ticking only one option that suits your level of agreement or disagreement for each of the following items. In some cases you will be required to give a detailed answer to the question. The information you will give is purely for academic purposes and will be treated with confidentiality.

#### SECTION ONE

##### Demographic characteristics of respondents

1. Sex of respondent                      Male ☐                      Female ☐

2. Age of the respondent

15 – 20 ☐    21 – 25 ☐                      26 – 40 ☐                      Above 40 ☐

3. What is your level of education?

Certificate ☐    Diploma ☐    Degree ☐    Masters ☐

4. What is your marital status?

Married ☐                      widowed ☐                      Divorced ☐                      Not married ☐

5. What is your religious affiliation?

Muslim ☐ catholic ☐ protestant ☐ Traditional Africa ☐

6. For how long have you worked in your organization?

Less than 5 years ☐ 6-10 years ☐ over 10 years ☐

7. What is your monthly salary/wages?

0-200,000 ☐ 210,000-400,000 ☐ above 400,000 ☐ Not appropriate ☐

## SECTION TWO

### The type of aid through Caritas and development of rural communities

How do you rate the importance of aid through grants on the following aspects in rural areas?

Aspects	Very important	Important	Less important
Agricultural development			
Education			
Health			
Business development			
Assistance to the vulnerable people			
Others (mention)			

What type of aid have you received from Caritas?

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How did you use the aid you received?

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Why

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Explain how you made a choice between the different kinds of aid?

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How do you know that you are developing?

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How could NGOs help you to develop?

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### **SECTION THREE**

#### **Type of Aid that leads to development of rural communities**

What kind of aid leads to agricultural development?

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How?

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How are all areas of need catered for when asking for aid?

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How does capacity building through training programs lead to sustainable development?

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How best should development projects be carried out?

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Which kind of aid should be suspended and why?

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Which kind of aid leads to development in various areas, and how?

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#### **SECTION FOUR**

**How various kinds of Aid complement each other to lead to development of rural communities?**

How has aid helped you to develop?

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How do the different kinds of aid received work together to lead to your development?

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How do other kinds of aid fail to develop people?

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Why is there still poverty in this place?

-----

How does aid help you to sustainably develop?

-----

How is it possible to develop without aid?

-----

How should people prepare to receive aid?

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**Thanks for your cooperation**

## **APPENDIX II: THE INTERVIEW GUIDE**

Dear Sir / Madam,

This study is about the foreign aid through NGOs and development of rural communities. I request you to respond to the following questions. The information you will give is purely be for academic purposes and will be treated with confidentiality

- 1) For how long have you been/known in this organization?
- 2) What form of aid are received by your organization
- 3) Is there a difference between the type of aid received and development pattern need?
- 4) Are the needs of the local community being met?
- 5) How have the different kinds of aid received helped to develop the target people?
- 6) How effective is the capacity building carried out in your organization?
- 7) Has the activities of your organization led to increased incomes, nutritional level and housing?
- 8) How have you responded to all conditions that make aid effective?
- 9) What challenges do you face in administering aid to local beneficiaries?

10) Which kind of aid is more effective to lead to development and why so?

11) How do the different kinds of aid complement each other to lead to development of rural communities?

12) Why should NGOs be entrusted with development aid?

**APPENDIX III: TRANSMITTAL LETTER**



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**OFFICE OF THE ASSOCIATE DEAN, SOCIAL SCIENCES  
SCHOOL OF POSTGRADUATE STUDIES AND RESEARCH**

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20<sup>th</sup> May, 2009

Dear Sir/Madam,

**RE: REQUEST FOR ISABIRYE ANDREW, REG. NO.MAD/17541/71/DU  
TO CONDUCT RESEARCH IN YOUR INSTITUTION.**

The above mentioned is a bonafide student of Kampala International University pursuing a Masters of Arts in Development Administration and Management.

He is currently conducting a field research the title of which is **"Impact of Foreign Aid for Sustainable Development of Rural Communities: A Case of Caritas Lugazi Catholic Diocese."** As part of his research work he has to collect relevant information through questionnaires, interviews and other relevant reading materials.

Your institution has been identified as a valuable source of information pertaining to his research project. The purpose of this letter is to request you to avail him with the pertinent information he may need.

Any information shared with him will be used for academic purposes only and we promise to share our findings with your institution. Rest assured the data you provide shall be kept with utmost confidentiality.

Any assistance rendered to him will be highly appreciated.

Yours truly,

**DR. ROSEANN MWANIKI**

**ASSOC. DEAN SOCIAL SCIENCES – SCHOOL OF POSTGRADUATE STUDIES AND RESEARCH**

