

Creating
Trade Awareness

and calling for

Collective Action

to

Work out of Poverty

Campaign Toolkit for Uganda

Final Draft

Consumer Education Trust, Uganda

CUTS International

Dear Esteemed stakeholder,

The campaign toolkit that should be every stakeholder's companion in the process of discerning the link between trade, development and poverty reduction is here. It may not be the bible or Koran of the trade but, at least, a useful chapter therein, which should aid users in playing their expected roles through pro-active engagement in attendant processes.

Like all least developed countries, Uganda is faced with many challenges and problems, most central of which is widespread poverty, manifestations of which include poor social and economic indicators. Yet, well as the country has witnessed phenomenal changes and fair growth over the last two decades, it's not in dispute that development that should lead to major changes in the country's pitiable human and economic strata and result into considerable poverty reduction remains elusive.

This is due to a number of impeding factors that include political, social economic, geographical, and governance, among others. The present development approach, based on private sector-driven market-led economic growth has had less than desirable impact on lives and livelihoods of the resource-poor and vulnerable who predominantly live in rural locations where at least 80% of Uganda's population is based. Moreover, it is a fact that the positives occasioned by the current development approach cannot be sustained and the negatives, including environmental impacts cannot be reversed, if the full spectrum of stakeholders is not meaningfully involved.

Accordingly, the need for pro-poor-people policies and mechanisms that make trade work for the resource- poor cannot be overemphasised. When? Yesterday! Policies and mechanisms that promote human development and poverty reduction not only need to be pro-people or people-centred but also need to work for and to be owned by the very beneficiaries; the people in the rural and urban setups.

To realise pro-people centred policies and national development strategies there is need for collective, innovative, simple and clear approaches in partnership with like-minded stakeholders. Some of the approaches including awareness drives, building of capacities and empowerment on the know-how and do-how on trade and development issues.

The Trade Awareness Campaign Kit titled "**Creating Trade Awareness and Calling for Collective Action to Work out of Poverty**" is thus timely. It is expected to greatly benefit stakeholders in Uganda to participate effectively in reversing poverty trends and influencing trade frameworks for development. With collective action, we can work out of poverty and make a change for the better.

Chief Executive, CONSENT

Acknowledgement

This awareness campaign toolkit is developed and published under a global project titled "Linkages between Trade, Development and Poverty Reduction" and implemented by Consumer Unity and Trust Society International – Centre for International Trade, Economics & Environment (CUTS-CITEE) with Partners in 14 select countries in Africa, Asia and Europe. TDP project is supported by the Ministry of Foreign Affairs (MINBUZA), the Netherlands and the Department for International Development (DFID), United Kingdom.

The main purpose of the trade awareness campaign kit is to create and increase stakeholder socio-economic awareness, literacy and participation in influencing trade and development of pro-people policies through constructive advocacy and dialogue thereby enabling them to guard their interests.

CONSENT sincerely acknowledges CUTS International for the initiative to bolster good partnerships and championing South-to-South cooperation around issues of capacities development in relation to global socio-economic challenges.

We wholeheartedly thank all our partners, associates and well-wishers for the support extended to us in the course of making this work a reality. Special commendations go to those who reviewed the Kit and for everyone who made their valuable input. It is our sincere hope that your actions will empower others through availing them the 'stepping stones' contained in this toolkit.

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Part 1:

People count: Facing the poverty and development challenge

Exit cooperatives, enter market economy

For 65-year-old Consolata Nambwire (not real name), a resident of Mbulamuti Village, Kamuli District, life will never be the same again. The mother of six, who now vends fish at the trading centre, was once a cotton farmer when the Busoga region was part of Uganda's cotton belt. She could work on her 2 acre farm for most of the year, assisted by her children, when they were not in school. The harvests were sold to near-by agents who transported the commodity to ginneries using railway.

Today, Nabwire like tens of others engaged in production of the commodity has hanged up her hand hoe for petty trade. Well as she's still engaged in food-crop cultivation, it's for subsistence ends. Cotton production and export, for Uganda, at large, has lost its shine. Unlike many farmers who are not so lucky to engage in more than one enterprise, Nabwire, also, had several coffee bushes on the banana plantation adjacent to her home. She picked, dried the cherries and sold them through Busoga Growers Cooperative Union. Today, the union, too, is gone and has been replaced by ruthless middlemen who offer a pittance for the sweat of farmers.

Survivor in the urban jungle

Standing behind a mountain of newly offloaded banana bunches is Mukasa Lwanga (pseudonym), 52. Unknown to most of the traders and casual labourers at Kalerwe market, the Mecca of fresh produce in Kampala's neighbourhood of Kawempe, is that he was once a civil servant employed with the state-run Foods and Beverages Corporation, one of the first former state-owned enterprises to be sold off.

Like is the standard practice, Lwanga was sent home with a severance package, but far below what could get him started in a new world were fringe benefits that civil servants enjoyed during the good old days don't exist. Most critical was that he did not get any meaningful orientation or training to equip him with knowledge or new skills that would help him utilise better his severance package. But that is a story he only knows. For now, he's directing labourers to load food on waiting pick-up trucks, cars and *boda boda* bikes of his customers. At the end of the day, he will return to his boss, to give him a sales report, before he's paid a commission, transport and lunch allowance for the following day.

When Warriors turn arms on each other

Northern Uganda was the natural home of energetic young men and women who served in the military, commercial farms and factories during colonial days and the years following independence. The energetic youths can still be found in this region that neighbours southern Sudan, alright, but the majority of them are wasted.

The 20-year old civil war by the rebel Lord's Resistance Army has driven over 1 million people to internally displaced people's camps and scores more to other regions and overseas. The brutal war is about, rebel representatives have said, fighting a dictatorial government that has economically isolated the northern region. The conflict has left thousands dead or gravely injured and millions too shocked to engage in outdoor activities, and resulted in economic attrition of the region. Today, the region lags behind the rest of the country, and is one of the many scars that are manifestations of the

effects of war on lives and livelihoods of people caught in the middle of two belligerent forces around the world. Nevertheless, there is optimism and almost tangible hope in the air that the ongoing peace talks may bring the war to the end. However, most critically, the region cannot stand on its legs soon and will need lots of aid before it can get closer to its glory as a source of cotton, cereals and tobacco or, better still, to transform into an industrial hub of the country.

Many faces of the same problem!

Consolata Nabwire, Mukasa Lwanga and the people of Northern Uganda may live in different places, or could be faced with different challenges and problems but, no doubt, are instantiations of the impediments to meaningful growth and development in Uganda. Theirs are stories showing failure of the market to guarantee them sustainable livelihoods, a tragedy that, ultimately, would translate into constricted economic growth and development.

For Nabwire, an old woman who should be retired by now, there is no succour as most peasants – who make up the majority of Uganda's population, have no social security safety nets save their children who should help them in old age. When the livelihoods of farmers are disrupted forcing them to migrate to urban areas in search of jobs, the 'social security' of the aged is snatched away, instantly.

Lwanga, no doubt, has no social security mechanism to keep him comfortable. The urban jungle has become very hostile and kept him to his feet. Unlike Nabwire who can grow her own food, Lwanga must get his meals from the market. But both Nabwire and Lwanga cannot run away from the fact that their lives are at the mercy of an increasingly important phenomenon – trade. Both depend on the market for their survival. Even with her meals assured for most of the year, Nabwire has to engage in trade to make ends meet. For Lwanga, his entire life is wrapped around trade.

The people of Northern Uganda, even if they dropped the IDP status tomorrow, will depend on subventions from philanthropists and the state. And whatever arguments will be raised about what caused the war, that the rebels accused government of economic isolation suggests that the war had an economic and by extension and trade dimension.

In the end, Nabwire can be seen running away from farming because the trade environment has become hostile. Government's withdrawal from the market, selling off enterprises like foods and beverages corporation was backed up by data affirming that government is bad at managing business, but not that it couldn't not engage in trade. Armed conflicts like the war in northern Uganda only benefit arms manufacturers and dealers in overseas countries. This state of affairs affirms that rules, actors their respective roles in the marketplace have changed.

Locally, it's strange; the arms are tools for stifling trade and other human activities thereby undermining development and fuelling poverty. For Uganda to move forward and channel positive energies to overcome impediments that directly and indirectly negatively affect trade, fuel poverty and therefore undermine development, there is need for collective consciousness about the undercurrents, possible solutions and roles expected to be played by the various actors (state and non-state).

What ignited the development challenge?

In the increasingly globalised world in which we live, prosperity is more than ever dependent on the ability of people to connect to economic processes and to tap into the rich opportunities that an expanding global economy provides. This is no truer in developing countries than it is in developed countries and one of the most significant challenges developing world policy-makers face today is to facilitate the engagement of their inhabitants with livelihood enhancing processes.

However, this is easier said than done as illustrated by the failure of Uganda to achieve greater prosperity through overcoming sometimes 'home grown' problems and stimulating domestic trading activities and increased openness to international trade over the last three decades.

During the 1970s and '80s a number of developing countries, including Uganda suffered from economic crises brought on by economic mismanagement and the global economic downturn during that period. They were on the whole closed economies following import substitution policies and economies in which private economic activity was heavily regulated.

Despite some successes in following these policies, by the 1980s they were suffering from macroeconomic instability, a lack of competitiveness and low levels of economic growth. In response, Uganda and virtually all other LDCs in Africa, with the support of the IMF and World Bank, embarked on a radical reform process, which included a wide range of trade reforms and gave private traders greater freedom to operate and opened up their economies to international trade.

However, the results from these trade reforms have been mixed, with the country's economy failing to considerably increase its volumes of trade, both domestically and regionally. In addition, in spite of Uganda's achievement to stimulate higher levels of economic growth and trade through these reforms, large numbers of people in the country have not felt the impact of these reforms thereby frustrating efforts at poverty reduction and overall development.

At the micro level, the ability of the poor to take advantage of greater trading opportunities is mediated by the wealth creating assets they have access to. Where the poor are involved in production these include access to productive and secure landholdings, access to affordable inputs (including technology) and access to credit. Where the poor are selling their labour, the influence of trade policy on poverty is related to skills they have to take advantage of wage earning opportunities. Any policy that impacts on the extent to which the poor have access to these wealth creating assets will have an impact on development and poverty reduction regardless of the trading environment.

At the macro level economic stability, responsible stewardship by government and a secure infrastructure network are vital to the development process and the ability of the poor to take advantage of trading opportunities. Trade is nurtured by stability, predictability and a positive business environment and any factor, which disturbs these factors, will hinder the ability of trade to stimulate development and poverty reduction. In this respect, conflict, governance and economic management all have an important role to play in influencing the trading environment.

Moment of Truth: Uganda's socio-economic facts and figures

POLITICS AND GEOGRAPHY	
Geographical Location	East Africa, astride the Equator, land locked.
Geographical Neighbors	Kenya, Tanzania, Sudan, DR Congo, Rwanda
Administrative System and Structure	Decentralized system with central government retaining role of policymaking, supervision and administration. Units – 73 districts
Area	241.038 sq km (93.072 sq miles)
Life Expectancy	45 years (men), 47 years (women) – UN
Population Distribution	82% rural, 18% urban
System of Government	Multiparty democracy
SOCIAL AND HISTORICAL POINTERS	
Historical Background	Former British protectorate, stable before independence but chaotic afterwards leading to turmoil, unrest and socio-economic decline now on path of recovery
Major Languages	English (official), Kiswahili, Ganda
Major Religions	Christianity and Islam
Number of Phone Lines	1,500,127 mobile, 100,056 fixed (5% penetration) – MoFPED, June 2006
Access to Electricity	5% of population (250,000 connections - ERA)
Access to Clean Water	60% (national), 55% rural – 2004 (DWD)
Literacy Rate	69.9%
Adult HIV Prevalence	7% (MoH, 2005)
No of Radio Sets (per 1000people)	130 (UNICEF, 2002)
No of Television Sets (per 1000people)	16 (UNICEF, 2002)
Prevalence of Poverty	38% (MFPED, 2004)
Available Electricity Capacity	315mw (April 2005- ERA)
Population / Population Density	27 million / 126 persons per Km ² (MoFPED, 2005)
Population Growth / Fertility Rate	3.4% PA / 6.8 children per woman
ECONOMICS AND TRADE	
Main Exports	Coffee, Fish and fish products, tea, tobacco, cotton, maize (corn), beans (MFPED)
Monetary Unit	Uganda shilling
Exchange Rate	\$1=sh1.845; €1=2.150; £1=3.200
GDP Per Capita	US \$240 (World Bank, 2003)
Integration, Trade Arrangement	Member of EAC, COMESA, WTO, OIC, EU-ACP,
Major Taxes	Income tax (including corporate tax), withholding tax and rental income tax; value added tax (VAT); excise duty on certain products and sales tax. Imported goods attract import duty and import commission. (Source: MFPED)
Inflation	7.0% (March 2004 – MFPED)
Tax Revenue	12% of GDP (MFPED)

Part 2

Why should you care?

The linkages between trade, development and poverty reduction project (TDP)

The debate on linkages between trade, development and poverty reduction is not new. Because trade is broadly one of the remedial measures to address the numerous societal challenges prominent of which is poverty, it's the cause of interactions amongst most people, communities and nations and involves exchange of goods and services, culture and information.

The different trade frameworks and mechanisms in place variously impact on the livelihoods of Ugandans and have potential to increase or reduce poverty.

In the above respect, evidence is emerging that pro-people (poor) policies have greater impact on reducing poverty, than growth *per se*. Uganda has registered over 5% economic growth for over 15 years but over one third of Ugandans live in squalor. It could be you or your relative.

IDEAL TRADE POLICY FOR UGANDA SHOULD STRESS:

- ☺ A Uganda fully and effectively integrated into both the regional and global economies.
- ☺ Integration, and the associated smooth movement of goods, services, capital, technology and ideas, should lead to the further transformation of the economy from a supply-constrained one into a competitive, flexible and outward-oriented economy.
- ☺ Expectation that the global economy will open opportunities for all Ugandans, including income growth, employment generation and additional resources leading to the eradication of poverty, improved health, and education and welfare services.
- ☺ Used in a coordinated manner with other economic policies and alongside the development of effective institutions, trade policy should improve infrastructure and human capital and can promote the international integration and economic and social transformation of Uganda.

Given the present trade and investment regime, an open and simple trade policy can foster some external discipline, reduce distortions on domestic markets, and narrow the scope for wrong or unbalanced policies in other areas.

Effects of trade liberalization and investment on the poor need to be appreciated through discerning how international trade feeds into national development strategies like the Poverty Eradication Action Plan (PEAP), in a coherent manner. Examining the policy relevance of international trade on poverty reduction and the national development strategies is vital to achieve the Millennium Development Goals (MDGs) aimed at reducing absolute poverty by half by the year 2015.

Objectives of the Trade Awareness Campaign Kit

- ☺ Create socio-economic awareness among stakeholders for a critical mass to advocate on trade, development and poverty issues, to the benefit of the resource poor.
- ☺ Sensitize stakeholders to be socially informed to advocate for an equitable and just society.
- ☺ Project trade, development and poverty issues stakeholders need to advocate for addressing poverty.
- ☺ Empower stakeholders to advocate for development-oriented trade policies taking into account the interests, priorities, needs and aspirations of the resource-poor so that trade works for the poor.
- ☺ Promote a substantive and thoughtful policy discussion between stakeholders on the poverty reduction strategies and other development aspects of mutual interest.
- ☺ Facilitate stakeholder's cross-fertilization of experiences and lessons learnt on linkages between trade, development and poverty reduction in the developing countries to develop appropriate policy responses in Uganda.
- ☺ Facilitate synergy between stakeholders - government and civil society organizations to learn from each other and strengthen their collective perspectives and positions in the emerging debate on the linkages between trade, development and poverty reduction.

Millennium Development Goals (MDGs)

- 1. Eradicate Extreme Poverty and Hunger**
 - Reduce by half the proportion of people living on less than a dollar a day.
 - Reduce by half the proportion of people who suffer from hunger.
- 2. Achieve Universal Primary Education**
 - Ensure that all boys and girls complete a full course of primary schooling.
- 3. Promote Gender Equality and Empower Women**
 - Eliminate gender disparity in primary and secondary education preferably by 2005 and at all levels by 2015.
- 4. Reduce Child Mortality**
 - Reduce by two thirds the mortality rate among children under five.
- 5. Improve Maternal Health**
 - Reduce by three quarters the maternal mortality ration.
- 6. Combat HIV/AIDS, Malaria and other diseases**
 - Halt and begin to reverse the spread of HIV/AIDS.
 - Halt and begin to reverse the incidences of malaria and other major diseases.
- 7. Ensure Environmental Sustainability**
 - Integrate the principle of sustainable development into country policies and programs and reverse loss of environmental resource.
 - Reduce by half the proportion of people without sustainable access to safe drinking water.
 - Achieve significant improvement in lives of at least 100 million slum dwellers by 2020.
- 8. Develop a Global Partnership for Development**
 - Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory. That includes commitment to good governance, development and poverty reduction nationally and internationally.
 - Address the least developed countries' needs. This includes tariff and quota free access for their exports; enhanced debt relief for heavily indebted poor countries; cancellation of official bilateral debt and more generous official development assistance for countries committed to poverty reduction.
 - Address the special needs of landlocked and small island developing states.
 - Deal comprehensively with developing countries' debt problems through national and international measures to make debt sustainable in the long term.

Expected Outcomes

- ☺ Critical mass of Ugandans sensitized to advocate for equitable, just, result-oriented trade and development policies.
- ☺ Trade policy framework and national development strategies that enable trade work for the poor advocated for by different stakeholders.
- ☺ Constructive dialogue, approaches, ideas and recommendations on ways to improve effective participation of stakeholders, programming and poverty impacts and solutions.
- ☺ Greater clarity and acknowledgement of the differences and commonalities between stakeholders around key development issues.

Uganda

Part 3

What can be done? Understanding and deriving action from linkages

Can Trade lead to Development and Poverty Reduction?

Globally trade is appreciated as an important driver of economic development. For the past 50 years, the volume of world trade has grown by 6% on average every year.

Different countries have different comparative and competitive advantages in production of tradable (goods and services) and, also, have differences in culture, social systems and attitudes towards factors of trade like the environment. These differences can not simply be homogenized under the banner of free trade. They need to be looked at objectively as each community seeks to preserve its identity and maintain its own set of values.

- Trade creates wealth that could be used to increase human well-being.
- In some cases governments continue promoting protectionist measures against competition.
- When policy is wrong, consumers end-up with inefficient firms, higher prices, market failures and substandard tradable.
- Best protection is through fair and effective trade systems promoting socio-economic development, consumer welfare and competition.
- With multilateral agreements countries use loopholes and inefficiencies to ban or restrict trade through distortions, tariff escalations and environmental aspects.

At the micro level, the ability of the poor to take advantage of greater trading opportunities is mediated by the wealth creating assets they have access to. Where the poor are involved in production these include access to productive and secure landholdings, access to affordable inputs (including technology) and access to credit. Where the poor are selling their labour, the influence of trade policy on poverty is related to skills they have to take advantage of and wage earning opportunities. Any policy that impacts on the extent to which the poor have access to these wealth creating assets will have an impact on development and poverty reduction regardless of the trading environment.

Why Trade?

Individuals, businesses and countries essentially trade because they do not produce all that they consume as well as the differences in comparative and competitive advantages and production patterns that facilitate trade. The idea of comparative and competitive advantages suggests that, given demand, entities or countries should export products that they can produce relatively cheaply and import products for which they have production cost disadvantage.

Traditional trade models ignore the non-priced use of the environment as consumption good. This underestimates the value consumers may place on the environment and therefore the cost of using the environment for other functions. These factors can be significant in determining the comparative and competitive advantage.

Policy as a foundation and guide

Comprehensive development of the citizens, communities and the nation should be the strategic focus of policies, like trade policy, aimed at poverty reduction, promoting employment, economic growth, export promotion and diversification.

Because trade is an engine of economic growth, it should facilitate development and poverty reduction guided by pro-people policies and measures thereby benefiting both rural and urban setups. To facilitate domestic production geared to competitively satisfy local, regional and global markets like East African Community, COMESA and the EU among others that benefit Uganda.

A good trade policy is a key requirement for trade development and can ensure that the gains from trade are distributed equitably.

Poverty reduction and quality of life can greatly be improved through contributions of trading markets at local, national, regional and global levels plus employment opportunities in different productive and processing sectors.

Trade and other socio-economic policies affect farmers and other players in the economy in numerous ways that need to be looked at comprehensively and objectively.

To enhance productivity and viability of the major economic sectors – agriculture and farmers to reach their full potential there is need to fix and trouble shoot challenges like poor infrastructure, high production costs, low commodity prices, post harvest losses, lack of processing facilities, product safety, quality assurance and other market demands.

Creation of an enabling environment, policies and strategies can positively impact on farmers' produce prices in relation to cost of inputs therefore enhancing their incomes and standards of living.

UGANDA'S DRAFT TRADE POLICY OBJECTIVES

- (a) to promote competitiveness and raise efficiency in domestic production;
- (b) to increase the integration of Uganda into both the regional and global economy;
- (c) to stimulate domestic and foreign investment in export-oriented activities;
- (d) to promote the growth and diversification of exports of goods and services; and
- (e) to ensure the benefits of the growth and diversification of the traded goods sector are broadly distributed, with the explicit intention of reducing poverty.

POLICY STRATEGIES

- (i) to develop and sustain strong private and public sector trade promotion institutions;
- (ii) to improve the production of and access to accurate data and information on trade and market conditions in Uganda and in export markets;
- (iii) to stimulate value-added on existing primary product exports;
- (iv) to support both export growth and long term trade and payments balancing;
- (v) to promote and facilitate the competitive supply of quality consumer goods from Uganda and abroad;
- (vi) to improve the capacity to analyze the effects of trade developments on domestic economic activity, household incomes and poverty.

Pro-poor policies should facilitate productivity of the resource-poor to produce and access markets with quality products and prices in a competitive market.

"Agriculture is the major economic activity products from which form the bulk of exports, whether in raw or processed form."

Trade as a tool for growth and development is catalyzed and countenanced with investment in facilitating units and channels to deliver tradable goods and services to markets. Investment in infrastructure and strengthening capacities of institutions that support the agricultural economy is a key element that needs strong attention.

It should be noted and prioritized that domestic and foreign direct investment can play a major role in economic growth, efficiency and development through creation of capacity for domestic and export markets.

Actions and outcomes

☺ An Informed individual	=	Informed Decisions
☺ Informed Decisions	=	Individual Actions
☺ Individual Action	=	Collective Actions
☺ Collective Actions	=	Working Out of Poverty
☺ Working Out of Poverty	=	Sustainable individual, community and national Dev't

Addressing Micro Level Factors – Access to Wealth Creating Assets

Agriculture is to drive Uganda's Economy for another 20 years?

Agriculture is the mainstay of Uganda's economy. A major source of livelihood and employment for over 80% of the population (MFPED, 2007) and provides the bulk of the raw materials for industries.

In 2000, the sector contributed about 85% of the export earnings (PMA) a figure that has not changed significantly ever since. This justifies the need for Government to recognise it as a special sector for comprehensive development.

However, one of the most significant challenges the poor rural inhabitants in Uganda have faced over the last 30 years has been the disbandment of the marketing boards that controlled the marketing of a wide range of agricultural products. Although many of these marketing boards were inefficient, a drain on public finances and often paid farmers low prices, they played an important role in providing farmers with access to subsidised inputs such as fertiliser, seeds and pesticides and access to subsidised credit and transport.

Since the demise of the marketing boards farmers across the country have struggled to afford access to the inputs that would enable them to produce efficiently for the market.

Virtually across Uganda, coffee and cotton farmers have been hit especially hard by their inability to afford vital inputs such as pesticides and numerous crops have been hit by drought and disease in recent years.

Such supply-side bottlenecks can be could be addressed through effective implementation of the Plan for Modernization of Agriculture (PMA), targeting broad-based economic

Do you know?

- ☺ The Agricultural sector is the foundation of Uganda's economy and the prime engine of growth
- ☺ Accounts for 38.5% of the country's National gross Domestic Product (GDP)
- ☺ 85% of export earnings
- ☺ Provides 69% of total employment
- ☺ Bulk of raw materials for the largely agricultural based industrial sector.
- ☺ 3.8 million smallholder farmers who constitute three quarters of all farmers in Uganda depend on agriculture
- ☺ 44% of the sector's GDP is made up of commodities produced for home consumption
- ☺ 45% of food crops are marketed compared with over 75% of livestock and livestock products and 90% of fish.
- ☺ 70% is subsistence agriculture, 25% semi-commercial and 5% commercial.

But has constraints like

- ☺ Erratic climatic and weather conditions
- ☺ High costs of production
- ☺ Inadequate research and technology development
- ☺ Inadequate standards, rules and regulatory framework
- ☺ Inadequate market information
- ☺ Inadequate technical capacities at the districts
- ☺ Insecurity
- ☺ Lack of adequate skills and knowledge
- ☺ Lack of capital and access to credit
- ☺ Lack of proper land policy
- ☺ Low income commodity prices
- ☺ Pests and diseases
- ☺ Poor soil conservation and management
- ☺ Rain-fed agriculture
- ☺ Effects of HIV/AIDS pandemic on the sector

growth and taking into account comparative and competitive advantages at home, regionally and globally.

Generally, policies, national development strategies and reforms initiated and those in the pipeline should facilitate the agricultural sector to continue playing its predominant role of supporting and sustaining the economy. This should go on along side other strategic interventions and options.

Vital steps

Full operationalization of PMA is vital, including provision of adequate finances because one of the objectives for the Plan is poverty eradication through promotion of value addition. It is expected that when this happens, agro-processing and marketing would greatly benefit over 4 million resource-poor farmers, over 69% employed by the sector and increase the contribution of agriculture to GDP.

The status of the agricultural sector in Uganda warrants a well-aligned and result-oriented strategy for the revival of cooperatives as they can be instrumental the drive to realign production, marketing and immensely contribute to poverty reduction.

Government needs to fulfil its commitments under the Maputo Declaration, the instrument on agriculture signed under the African Union framework. Under the Declaration, member states undertook to scale up their expenditure on agriculture and its contribution up to 10% of GDP. It is envisaged that at that level, it would boost and effectively address sector constraints that lead to low productivity, low farmer incomes, poor quality of produce, low prices, low living standards as well as constraints in accessing and entry to regional and global trade.

Furthermore, government should invest in research, new and appropriate technologies, ensure the availability of affordable agricultural finance and infrastructure through the production and marketing chain.

Negative external forces that have a big impact on the local economy, too, must be addressed. For instance, substantial efforts are required in a campaign to put pressure on developed countries to end subsidization of their agricultural sectors in bid to allow markets to function unimpeded. This should help Uganda in areas where the country has comparative and competitive advantage therefore enable trade work for the poor.

Addressing micro-level factors – Market side constraints

Nearly 20 years following the launch of the Economic Reform Program, the country has spun through different shades and trends of restructuring, growth and development. The most significant ones were switching from a centrally planned and controlled economy to a market-oriented economy, liberalization and privatization.

Reforms and adjustments led to economic stabilization, liberalization of markets, rationalization of institutions/sectors, structural reforms and privatization of state-owned enterprises, among developments. The significant negative effects that have emerged over the same period include increase in poverty, unemployment, breakdown of safety-nets and a weak private sector that is supposedly the driver of growth.

The five pillars of PEAP:

- ☺ Economic management;
- ☺ Production, competitiveness and incomes;
- ☺ Security, conflict resolution and disaster management;
- ☺ Governance; and
- ☺ Human development.

The positives are numerous and include consistent economic growth, increased investment, increased revenue, emergence of a productive private sector, policy/law reform and formulation of a comprehensive development framework to tackle poverty – the Poverty Eradication Action Plan (PEAP).

A people-centred PEAP and other associated frameworks can play a significant role in poverty reduction with beneficiaries realizing and witnessing the relevancy of the strategy in their day to day life.

However, adopting and compliance to standards and quality production in agriculture, industry and services sectors will greatly impact positively on individuals, organizations and the country.

It is a foregone conclusion that the private sector's ability to competitively and sustainably access and stay in markets hinges on quality assurance, timely supplies and competitive costs. Therefore, there is urgent need to investment in realization of market preferences and requirements in order to address poverty.

Grim pointers

- ☺ A vibrant economy needs enabling policies that fuel and facilitate production, employment and consumption.
- ☺ Consumers without disposable income stagnate the economy.
- ☺ A population on hand-to-mouth existence can not save and cannot be a bedrock for development
- ☺ Businesses can not employ, meet their tax obligations, invest and expand if they can not sell products.

Investment in Infrastructure turns the tide against Poverty

Availability, accessibility, affordability, reliability and quality of infrastructure greatly impacts and facilitates trade, development and, invariably, often turns the tide against poverty.

Improved access to infrastructure and low cost utility services like transport, power and telecommunications enhances efficiency, productivity and investment to improve the business environment, boost domestic economic activity and increase Uganda's participation in target worldwide markets.

There is need to build on the positive and tangible results of liberalization of the communication sub-sector.

Irrespective of access costs, telecommunication roll out has played a great role to facilitate trade directly and indirectly in the last 10 years. For instance, provision of market information to farmers on mobile phones has helped enhance access to trade-support information and increased their ability to negotiate.

To achieve the PEAP objectives and meet the aspiration to realise the MDGs, measures to address challenges in infrastructure development are vital, especially transport, energy and Information and Communication Technology (ICTs).

Communication Sector Key Indicators (2002 -2004)

Services Provided	2002	2003	2004
National Telephone Operators	2	2	2
Fixed Telephone Lines	59,472	65,793	82,495
Mobile Cellular Subscribers	505,627	777,563	1,165,035
Internet/Email Subscribers	6,500	7,024	8,000
VSAT International Data Gateways	8	8	8
Internet Service Providers	17	18	18
Private FM Radio Stations	117	119	148
Private Television Stations	22	22	31
National Postal Operator	1	1	1
Courier Service Providers	11	14	19
Pay Phones	3,282	3,456	4,634

Source: UCC, 2005

potential to create employment and improve export earnings. ICTs, when strategically developed and applied, owing to its crosscutting nature, in the all economy sectors, would enhance economic development.

Infrastructure matters

- Roads deliver goods and services to the market
- roads deliver social services to the productive populace that produces and markets more
- Energy facilitates processing adding value to produce and addressing the post harvest losses and challenges
- ICT – telecom in particular improves access to information on markets requirements and preferences, new technology, quality assurance and decision-making.
- Quality, timely, appropriate, accessible and affordable ICT is one of the pillars to facilitate trade, development and poverty reduction.

ICTs as infrastructure have great potential for generating trade through e-commerce, gradually addressing poverty as it cuts across the entire economy.

Increased private and public sector investment in ICT development is vital for economic growth in general as it has

Addressing micro-level factors - Investment in Human development

Uganda, still, has grim human development indicators. Where the poor are selling their labour the development of skills through education and training is vital to their ability to gain access to secure and productive wage earning opportunities.

The country has strived to expand its investments in education and training, however, the resultant skills shortage has hindered the expansion of value-added production and resultant wage earning opportunities. The government has struggled to increase investment in primary and tertiary education since the reform programmes started in the late 1980's.

However, with the exception of the selective so-called universal secondary education, tertiary education is virtually in private spheres in Uganda, which threatens to distance the poor even further from opportunities to develop the basic skills they need to gain secure livelihoods.

Efficient, effective and productive human resources are realized through investment in education and skills development - institutions and facilitates.

A healthy, well-educated and skilled population is a foundation and pre-requisite for development. Private and public sector investment in human resources development is paramount.

“There is great need for investment in physical, human, social, institutional, innovation and technological processes. As capital accumulation and technical progress are the engines of growth, international trade is the fuel for the engine”.

Investment in education contributes to the accumulation of human capital, which is essential for productivity and therefore, higher incomes and sustained growth. Human resource development through education has good economic returns for Uganda in the short and long term. Education planners and providers should offer quality services and demand-oriented training at all levels.

Access to meaningful, quality education and capacities should increase and be strengthened to develop a crop of employable Ugandans to earn more and work out of poverty for development. Given that the services sector is one of the fastest growing sectors in the economy, it needs greater attention and investment to meet market demands through training employable human resources.

A Healthy Population for better Production, improved growth and Development

Healthy citizens lay a strong and sustainable foundation for development. Investing in health to confront the challenges faced by the productive human resource is paramount. Healthcare bills stagnate productivity, savings, and innovation as they place a heavy burden on the country's economy.

Prevalence of morbidity and mortality rates greatly impedes human productivity thereby contributing to poverty. Investing in improving the quality of

healthcare access, hygiene and sanitation through engagement of beneficiary communities in awareness initiatives would have lasting and positive outcomes.

Therefore, efforts should be put in actualising an enabling environment and policy framework to facilitate public and private sector investment in healthcare services. The existence of a conducive policy framework to this effect should be exploited to address challenges in healthcare delivery, and investment in prevention interventions as well as primary healthcare including hygiene, sanitation and human nutrition. A healthy and productive human resource is not a burden to the nation but is a boon to development and deterrent to poverty.

- ☺ Is derived from health citizens that do not drain the scarce resources
- ☺ Healthy and productive citizens fuel production, consumption and development.
- ☺ Investment in the health sector facilitates, infrastructure and services boost economic growth and development in short and long term.
- ☺ Quality, timely, accessible and affordable healthcare is one of the pillars to facilitate trade, development and poverty reduction.

Sustainable Development:

- *Requires a balance between the nature and mankind; through this balance, it programs for the life and development of both present and future generations without depleting natural resources.*
- Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
- Has a social, ecological, economic, spatial and cultural dimension.
- Focuses on improving the quality of life of all Earth's citizens without increasing the use of natural resources beyond the capacity of the environment.

Principles:

The Rio Declaration on Environment and Development determined the principles of sustainable development. Re-evaluation of these principles by considering trade can help building sustainable trade:

- Preventing and precaution
- Efficiency and cost internalization
- Equity
- Subsidiary
- Common but differentiated responsibility
- Good Governance
- Public participation and responsibility
- Openness
- Environmental integrity
- Polluter pay principle
- International cooperation

Cross cutting constant - Environment Conservation, sustainable utilization of resources

The environment is the basis for all production processes as it provides the natural resources and, generally, the 'natural' factors of production; land (biodiversity and minerals) air and water.

It is estimated that since 1970, some 30 percent of the planet's natural wealth has been lost through legal and illegal trade, population increase, acquisition of land, poverty among others.

Well as Uganda's overall development framework, the PEAP, the National Environment policy and National Environment Management Authority law prioritise preservation of the environment, there is need for all the other 'complimentary' policies and to put in place regulations to address and guide the extent to which the country should balance its economic development objectives with the need to preserve the environment.

Objective and coherent policy approaches are important to direct trade and development to address all manifestations of poverty. For example, industrialization is generally considered the key to improving domestic and export production, investment, household and national incomes and economic growth.

Trade can actually be good for the environment, since it creates wealth that can be used for environmental improvement, and the efficiency gains from trade can mean fewer resources used and less waste produced.

However, sustainable industrialization should be emphasised and "Blank cheque" industrialisation must discouraged and stopped. The former has high potential to improve socio-economic infrastructure ensure economic growth and development; with quality of life given sufficient cover without negatively impacting on the environment. The outcome is sustainable development.

Environment Perspective:

- The current trends seriously threaten the national and global ecosystems.
- Trade and market demands mean more production and with existing inefficiencies, result in more environmental damage. The wealth created by trade might not necessarily result in environmental improvements.
- Efficient and effective policy framework clearly spelling out measures and approaches on how to utilize and protect the environment in relation to trade at national and international levels is paramount.

The relationship between environment and trade policies in the quest for development and poverty reduction is crucial. This is against the backdrop that various trade policies and measures can impact and affect the environment while, conversely, policies designed to protect the environment can affect trade.

There is no simple pattern to the relationship between trade and prevailing environment policies. Consequently, markets may turn out to

be good or bad for the environment, a situation that requires that mechanisms should be devised to facilitate the realization of positive socio-economic and environmental development from the interaction.

In pursuit of economic growth and development, factors that can and that have led to negative effects on the environment such as rapid increase of the population, misuse of natural resources, increase of waste from human activities, and over-exploitation of farmland due to increased demand for food need to be addressed. To this end, mechanisms to check environment degradation, pollution and unsustainable exploitation and depletion of natural resources need to be devised and gradually implemented.

It is extremely important in the process of pursuing the objectives of PEAP that care should be exercised to ensure coherence with the MDGs as well as with national and international protocols to effectively protect the environment for sustainable development.

- ☺ Sustainable utilization of resources boosts production as goods and services are traded
- ☺ Biological resources facilitate research, innovations and development to address societal challenges.

“More recent economic models have extended the definition of factors to include assimilative capacity, that is, the capacity of the environment to reduce pollutants by natural processes”.

The multi-dimensional effects from structural, technological and the need for efficiency gains on the environment vis-à-vis trade, development and poverty reduction should be critical in decision-making.

They have positive and negative effects that need comprehensive impact assessment for sustainable development.

Macro-level factor - Investment in Good Governance; dialogue and communication

Evidence has emerged that the foundation for effective trade, development and poverty reduction is good governance; underpinned by principles of democracy, transparency and accountability. Most critically, in order to facilitate the development of an enabling environment for good governance to thrive, policies, laws, regulatory and institutional frameworks put in place should take into account the voices of stakeholders.

Although in recent years the role of the state in economic development has been deliberately downplayed and downsized by policy-makers, evidence on the ground reflects a situation to the contrary. This state of affairs underlines the importance the pivotal role governments ought to play in growth, development and poverty reduction.

Reform agenda

One of the key factors that have contributed to the success of reforms aimed at ensuring poverty reduction has been the development of well-sequenced reform programmes that have incorporated an assessment of the strengths and weaknesses of the economy into the policy response. Where this process takes place, in the ideal situation, sectors important to the poor can be protected, if say, they are threatened by competition or stimulated through liberalising reforms. But the reality is that government has not quite succeeded in this regard.

There are glaring challenges that Uganda still faces in designing trade policy instruments that have development and poverty reduction at their core, beyond conceptual rhetoric. A host of factors are to blame including but not limited to a lack of human resources, poor institutional development, the often complicating interventions of international institutions (like the world bank, International Monetary Fund and bilateral donors) and, evidently most importantly, poor governance.

Consequently, trade policy has all too often been implemented in an ad hoc fashion, without taking into account the long-term developmental impact. Lately, processes have been initiated that appear to move in the right direction.

Yet governance is a key factor in determining the impact of trade on development and poverty reduction. Where an open and participatory policy-making process exists, the interests of economically and politically marginalised groups are more likely to be taken into account. To some extent this environment exists in Uganda, but more needs to be done.

The importance of a participatory policy-making process is highlighted by the experiences of Uganda where political and economic decentralisation, which started in the early 1990's has brought many people closer to the policy-making process and made it relatively more responsive to their needs.

For instance, where policy-makers have the knowledge and expertise, through effective consultation, they are in position to assess the economic environment and design policies that integrate economic policies into a developmental framework, therefore, the benefits to development and poverty reduction efforts tend to be more pronounced.

Weak Participation

However, there is limited monitoring and evaluation by the poor beneficiaries as many don't appreciate the benchmarks, a situation partly blamed on illiteracy.

Consequently, less than desirable investment has been realised in the key agricultural sector and labour-intensive manufacturing by all the actors. This could be in part due to the failure of the policy-making/implementation process to reflect the interests of the poor through a participatory approach.

The case for good governance

- Boosts stakeholder participation in decision-making;
- Promotes good governance and transparency in decision-making;
- Builds stakeholder confidence in policy-making and ownership;
- Facilitates quality of participation and feedback from stakeholders;
- Facilitate market information;
- Reduces on loss of the scarce resources through informed decision-making increasing on poverty gradually;
- Quality, accurate, timely, accessible and affordable information facilitates trade, development and poverty reduction.

But it's also a result of meagre resources in the state coffers, a situation, still, that could be traced back to high incidences of poverty, poor productivity and a thin tax base. In essence, it illustrates the vicious cycle in which the country must extricate itself, if sustainable development that should benefit the majority is to be achieved.

Un-ending conflicts, elusive justice

The devastating scourge of conflicts, specifically in the northern and south western regions, has hindered efforts to develop the economy and combat poverty through trade expansion. Moreover, these conflicts have disproportionately hit the poor who are more vulnerable to the economic and social disruption that wars have spawned. The reasons for the prevalence of conflicts have been tied down to deficient governance underlined by less than desirable participation of sections of the country.

It is widely observed that trade and economic justice is in its infancy in Uganda. Persistence of unjust practices, inequitable distribution of resources and incomes, and low standards of living can be checked through measures focusing on equity, fair trade, justice and human rights.

Also, there are policy weaknesses, legal deficiencies and weaknesses in enforcement of existing laws, a state of affairs that contributes to prevalence of corruption, unlawful practices, anti trade practices and crime. Consequently, these occurrences strongly impact on trade, development and fan poverty as they threaten domestic and foreign investment, and erode benefits that would otherwise go to individuals, households and the country at large.

The cost of any form of crime or unfair practices is enormous as it impedes trade, development and efforts to reduce poverty. There is great need to evaluate and monetize the impact for effective response, understanding and corrective action.

Red tape in access to justice increases costs of trade, and in turn indirectly affects development and poverty reduction. A simpler and widely reachable process of access to justice and respect for the rule of law and order has the potential to create predictability, boost public management and attract both domestic and foreign investment with all attendant benefits.

Silent voices!

The voice of grassroots stakeholders is faint in public policy formulation and implementation. Ownership of public affairs_processes; access to public information and flow, effective stakeholder participation and cooperation need to be strengthened to enhance accountability, compliance and efficiency.

Strengthening communication channels through listening to the voice of stakeholders would facilitate trade, development and poverty reduction measures. Strategic investment in realizing the same is important. Deficits in good governance, transparency and accountability greatly impede sustainable development. At national level, there is urgent need for political will and total commitment to counter corruption, white-collar crime, bid-rigging and shoddy service delivery, among others.

Overall, it is smart to invest adequate resources in areas that have high potential to boost growth and development; infrastructure, social services, research and development, capacity building functional policy/legal (enforcement and compliance) regimes and improvement of the goods and services (quality production) chain to address supply-side constraints, market access/entry and competitiveness.

Cost of Public Administration

Uganda cannot sustainably finance a budget with a magnitude on public administration made of:

- 333 members of Parliament
- 69 Ministers
- 50+ Presidential Advisers
- 140+ Resident District Commissioners
- 79 Districts, most created along

"The world has enough food. What is lacking is the political will to ensure that all people have access to this bounty, that all people enjoy food security".

Kofi Annan
UN Secretary Genera

Consumers are everything: they boost Trade, growth and Development

Consumers are the foundation of society, markets and the economy; at individual and household levels they are the basic units of society and, in the marketplace, they are the core essence in production and trading processes.

At societal level, they are the taxpayers (directly and indirectly) and social services beneficiaries and the reason for the existence of government. Therefore, the needs, aspirations and fears of the consumer ought to be factored into all planning processes at government (public policymaking/ implementation) and business (trade) levels.

To work towards human-centred development, there is need for facilitation of trade to fight poverty through investment, improvement in productivity, employment and improving and increasing the tax base to fund service delivery.

The above would be achieved partly through coherent policies and strategies to enhance productivity, markets and incomes of individuals, households, and the private sector. Attendant and remedial policies and strategies should address issues of productivity, quality of goods and services, costs of production, production infrastructure, response to consumer needs and markets as the above factors greatly affect trade, development and poverty reduction initiatives.

Clear and present Challenges

The challenges to production and incomes need coherent and effectively coordinated policies, laws and strategies focusing on trade, investment, competition promotion, consumer welfare (including product safety and quality assurance) and better governance.

Allocating responsibilities

State and non-state actors (including industry; goods and service providers) – governments and civil society inclusive, should abide by:

- ☺ Ethical Standards - consumers expect industry and providers to conduct all their operations at all stages of the production, distribution and marketing, in a manner that the interests of consumers are considered at every stage and not endangered;
- ☺ Product Standards - consumers expect all goods and services produced, distributed and marketed to be safe, of good quality and to conform to standards defined in the established legal framework;

Strength of a consumer

- There is no comprehensive development without trade in goods and services;
- There is no trade without markets – CONSUMERS;
- Productive consumers with disposable incomes facilitate production and economic growth;
- Substandard and poor quality tradables deny consumers their money worth, waste saving, waste resources, kill market confidence and aggravate poverty;
- Observation of good business practices and standards builds the economy;
- Frameworks promoting good business practices should be institutionalized to facilitate trade and development;
- Business should be encouraged to observe human rights, labour,

- ☺ Fair-trade practices and fair competition - consumers expect industry and social services providers to promote and encourage the development and maintenance of fair, transparent and open competition in the marketplace;
- ☺ Good marketing practices - consumers expect all goods and services produced and distributed by industry and social service providers are marketed and promoted in an ethical manner and meet claims made;
- ☺ Provision of accurate information - consumers expect industry and social service providers to disclose accurate all material information regarding goods/ services on offer – ingredients, application, shelf life, among other areas;
- ☺ Establishment of feedback mechanisms - consumers have a right be heard through, say, providing industry and other social services providers their views for redress in case of an anomaly or unfair practice;
- ☺ Guarantees - consumers expect industry and social services providers to deliver quality goods and services to the market. Mechanisms to protect consumers from unfair relationships and conditionalities rather than erroneous business clauses that are unfair trade practices and do not promote equity, justice and effective socio-economic development. Clauses like “goods once sold are not returnable or exchangeable” must be expunged from markets because they encourage fraud and consumer exploitation.

Benefits ...

- Promotes consumer confidence as they are the essence of business
- Develops and enhances a culture of compliance, quality and good business practice
- Develops and enhances skills and organizational development,
- Develops a healthy, sound and competitive market base
- Promotes and reduces on inefficiencies and waste of resources at the business, household and national levels thus reducing poverty through smart allocation and investment of scarce resources.

“Consumer by definition include us all ... they are the largest economic group affecting and affected by almost every public and private economic decision. Yet they are the only important group whose views are often not heard”.

John F. Kennedy

Global Factors – Global Economic Actors and Forces

The structure of Africa's and specifically Uganda's trade continues to expose the country to several vulnerabilities – 90% of external trade is with overseas partners with the rest carried out amongst African member states. Along this path has emerged the dominance of many sectors by trans-national corporations or their local franchises. This is compounded by the twin fact that virtually all sub-Saharan least developed countries (LDC), including Uganda, depend on external support to balance their budgets.

In the increasingly multilateral economic and policy-making environment which characterises today's global economy, the impact of global economic actors and forces on the ability of the poor to trade their way out of poverty cannot be ignored.

The economic meltdown that obtained following the political crises and civil strife that characterized the country for much of the 1970s and '80s ensured that Uganda got under the tutelage of international aid and financial institutions: the World Bank and IMF. Consequently, the country was directed from outside with regard to public (economic and trade) policy.

Consequences

These devastating impacts led critical stakeholders to question the degree to which domestic concerns relating to development and poverty reduction have all along been taken into account in the design of trade reforms. Well as substantial policy space has been ceded, consensus is yet to be realized by all the actors, including bilateral partners, civil society organizations/ institutions and the vulnerable. Bad governance, for most part, has compounded the problem as voices of the vulnerable have seldom found their way into planning and policymaking processes.

The international institutions have responded to these criticisms by encouraging more active participation by domestic stakeholders in the support programmes they are overseeing, a process that needs to develop further in order to ensure domestic ownership of these policies.

The activities of multinational institutions impact the ability of the poor to gain access to secure livelihood-building opportunities. Despite its present low-level, Foreign Direct Investment (FDI) has played an important role in the growth of the industrial sector of Uganda with outcomes like the creation of thousands of jobs and contribution colossal sums to the country's coffers.

However, the long-term impact of FDI on the economy is not always so clear-cut, as illustrated by the disappointing impact of FDI in the energy (electricity power) and tourism sectors as it has had poor links to the domestic economy. Especially in the manufacturing and financial spheres it has had high levels of profit repatriation.

Taking decisive action

With many of the country's poor dependent on agricultural production for their livelihoods, the continuing high levels of subsidies and protection granted to developed world farmers hinders the ability of Ugandan farmers to increase their production for world markets. In addition, the continued high tariff and non tariff barriers (such as sanitary and phyto-sanitary standards) applied to the labour intensive exports impedes the expansion of labour intensive exports and the resultant benefits to marginalised wage earners.

But it's also true that the country doesn't have capacity to scale up production in terms of both quality and quantity to meet the needs in the export markets. This should require the reversal of the supply-side constraints in order to ensure that the country, particularly those engaged in the agricultural sector get the attendant benefits.

Impact of Non-Tariff Barriers

Developing countries find it difficult to comply with the EU's SPS and other standards. This requires action on two fronts. First, technical assistance must help exporters to comply with these standards directly and assist in the creation of the institutional capacity to do the same. Second, new standards need to be kept to the minimum and ensure that the interests of developing country exporters are taken into account in their formulation.

The impact of fluctuating and frequently low commodity prices has had a major impact on a number of economic sectors. For instance, the low price of coffee over several years recently has contributed to difficulties in reducing poverty in coffee producing areas.

Cotton farmers too, have also faced similar problems, highlighting the need for steps to be taken to support the diversification of farmers away from producing commodities that suffer from these structural problems.

The disappearance of cooperatives following the reforms of recent years has left commodity producers more exposed to the vagaries of fluctuating prices, and the reconstitution of these cooperatives may provide additional support to producers but only if the process is insulated from politics.

Part 4:

Taking action for self and country: How you could make a difference

Getting to Know, Creating Awareness and Taking Action

“As a consumer you have the right and political as well as socio-economic power to make a difference because, all the action in the market place; attendant processes and decisions are all about you. It is your right and responsibility to act now!”

As a stakeholder, it is your responsibility to take Action! Speak out and spread the word through:

Personal action

- ⇒ Creating awareness, sensitizing and empowering others on advocacy and development issues for a fairer and better society - working out of poverty;
- ⇒ Speaking out when you see an abuse or anomaly; unfair practices that deter development and fuel poverty;
- ⇒ Engaging in promotion and debate on consumer welfare and national development through advocacy around health, food safety, agricultural productivity, good governance, sustainable environment and development;
- ⇒ Calling for open and honest debate involving all stakeholders on consumers, societal and national development issues;

Community action

- ⇒ Taking action, behalf of the voiceless, through participation to build your understanding, community capacity and add your informed opinion on societal issues at hand by bringing to the attention of policy-makers, technocrats and businesses about their occurrence;
- ⇒ Joining the civil society, businesses and other stakeholders to advocate for mechanisms that facilitate constructive dialogue and participation in national decision-making processes;
- ⇒ Advocating for policies and mechanisms that improve dialogue, participation and information flow;
- ⇒ Advocating for policies and measures for monitoring and evaluating quality and quantity of policy implementation and delivery;
- ⇒ Informing and/or writing to policy-makers like the President, Ministers, Members of Parliament, Local Authority, Civil society about your or societal plight, issues of concern and possible solutions;
- ⇒ Providing information to build capacities of trade associations, business support organizations and the private sector in general on how best to serve you and society effectively; and
- ⇒ Spread the word and invite or get someone to join the trade awareness – literacy campaign from today and see how far trade can work for the poor.

Micro-level interventions

- In order to take advantage of trading opportunities the poor need access to assets such as land and skills, and access to affordable inputs and credit. Policy needs to respond to these needs in order for trade to benefit the poor.
- The poor need to be provided with access to trade related infrastructure in order to link them more closely to economic activity.

- If policies are to respond to trading needs of the poor there needs to be an open and participatory policy-making process that allows the poor to communicate their needs.

Poverty and trade reforms

- In order to put development and poverty reduction at the centre of trade reforms, policy needs to be informed by an analysis of the strengths and weaknesses of economic sectors and their importance to the poor. In this regard it is vital that policy-making institutions are strengthened in order for them to develop the capacity to develop these policies.

Foreign policy!

- There needs to be greater domestic ownership of trade policies being pushed by international institutions such as the World Bank and IMF so that they respond to the specific needs of the poor in individual countries.
- Increased FDI flows to developing countries can provide an important stimulus to poverty reduction especially when it is closely linked to sectors vital to the poor.

Food for thought

Further analysis and dialogue through this project may provide add value to existing efforts.

- The service sector is vital to the Ugandan economy. What role can the expansion of the service sector play in poverty reduction?
- What role is there for the expansion of the informal sector in poverty reduction?
- What is the net impact of food price fluctuations on the poor? Do the benefits of falling prices for consumers outweigh the losses to food producers, and vice versa?
- Through what channels does poor governance impact the poor? What specific governance polices would most benefit the poor?
- What factors determine the long-term impact of FDI on the local economy? How can multinationals and developing country stakeholders engage in more effective partnerships to support development?

ACRONYMS

\$	US Dollar
£	British Pound
€	Euro
AU	African Union
CUTS-CITEE	CUTS Centre for International Trade, Economics & Environment
COMESA	Common Market of East and Southern Africa
CONSENT	Consumer Education Trust
CSO	Civil Society Organizations
CUTS	Consumer Unity and Trust Society International
DFID	Department of International Development
DWD	Department of Water Development
EAC	East African Community
ERA	Electricity Regulatory Authority
EU	European Union
GDP	Gross Domestic Product
HIV/AIDS	Human Immunodeficiency Virus
ICT	Information and Communication Technologies
LDC	Least Developed Countries
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MFPED	Ministry of Finance, Planning and Economic Development
MoH	Ministry of Health
OIC	Organization of Islamic Countries
PEAP	Poverty Eradication Action Plan
PMA	Plan for Modernisation of Agriculture
R&D	Research for Development
TDP	Trade, Development and Poverty Reduction Project
UBOS	Uganda Bureau of Statistics
UCC	Uganda Communication Commission
UN	United Nations
UNICEF	United Nations Children Fund
URA	Uganda Revenue Authority
VAT	Value Added Tax
WTO	World Trade Organization

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The Rio Declaration: Some Key Notions

The Rio Declaration, which was held in Rio in 1992, firmly established the inherent link between environmental issues and development, stating, in its Principles 4, that “in order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be in isolation from it.”

The Declaration's 15th and 16th Principles set out two other important ideas that are now widely accepted by policy makers: the “precautionary approach”, which requires that “when there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as reason for postponing cost-effective measures to prevent environmental degradation;” and the “polluter pays” principle, establishing that “the polluter should, in principle, bear the cost of pollution”.

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About CONSENT and CUTS International

Consumer Education Trust (CONSENT) is a civil society organization (CSO) striving for a socially informed, equitable and just society through empowerment of consumers, promotion of ethical practices among businesses and engagement of policymakers to enact pro-people policies for present and future generations.

Designs and implements programs on awareness, capacity enhancement, constructive stakeholder dialogue, policy research and advocacy and advisory services on socio-economic issues through partnerships. Also undertakes independent work on contemporary issues and public policies that affect resource-poor communities, consumers and stakeholders in general. The findings are published in form of reports and briefs which serve as input into other programs like consumer awareness, advice, representation, standards developments, lobbying and policy advocacy. Reports are also disseminated to stakeholders who include communities, civil society organizations, government departments, policy-makers, regulators, the academia and foreign missions among others.

All programs are geared towards public awareness and education as an instrument for empowerment and enhancement of consumers' abilities through collaboration with stakeholders and organizations in public and private sector.

Focuses on roles, rights, responsibilities, sustainable consumption and development to enable consumers and stakeholders make informed socio-economic choices and decisions for a better consumer life, marketplace and society.

CUTS International

Established in 1983, Consumer Unity & Trust Society (CUTS) is a non-governmental research and advocacy organisation with its headquarters in Jaipur, India. CUTS have been working in several areas of public interest at the grassroots, national, sub-continental and international levels. These activities have now crystallised into five programmatic centres and three resource centres in India, Zambia, Kenya and United Kingdom under the umbrella of 'CUTS International'.

The activities span five broad functional areas:

- Consumer protection, that includes accountability, regulatory reforms etc.;
- Trade and development;
- Competition, investment and regulatory policies;
- Sustainable production and consumption, including consumer safety; and
- Rural consumers and women's empowerment

CUTS works with several national, regional and international organisations, such as Consumers International, London; International Centre for Trade and Sustainable Development, Geneva; South Asia Watch on Trade, Economics and Environment, Kathmandu. It serves on several policy-making bodies of the Government of India, such as the Advisory Committee on International Trade of the Ministry of Commerce and Industry and the Central Consumer Protection Council of the Ministry of Food, Public Distribution and Consumer Affairs. It is accredited to the UNCTAD and the United Nations Commission on Sustainable Development. CUTS is a member of a number of international networks in the areas of its work programme, such as the Asia-Pacific Research and Training Network on

Trade of the UN ESCAP. It has catalysed the setting up of International Network of Civil Society Organisations on Competition. In addition, CUTS representatives serve on various advisory bodies of WTO, OECD, UNCTAD, World Bank, University of Manchester, Loyola University, Chicago etc.

In the early 1990s, when the negotiations under the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) were at its peak, CUTS got involved with the issues of international trade and economics. Following this CUTS Centre for International Trade, Economics & Environment (CUTS-CITEE) was established in 1996. Since then CUTS-CITEE has been actively working on WTO issues. It participates in global debates on the effectiveness of the multilateral trading system and in particular how it is affecting the lives of people, especially poor. The Centre carries out high-level political economic analyses of multilateral trade issues, advocates at appropriate fora and strengthens capacities of the civil society in developing countries. It is regarded as a key research and advocacy group on issues of interest to developing countries. Its strengths lie in good networking and advocacy supported by research. It is closely following up the ongoing multilateral trade negotiations in the Doha round and the main objective is to provide necessary inputs to trade negotiators from pro-poor developmental perspectives. It endeavours to strengthen upward and downward linkages on critical trade and economic policy issues between policy-makers and civil society.