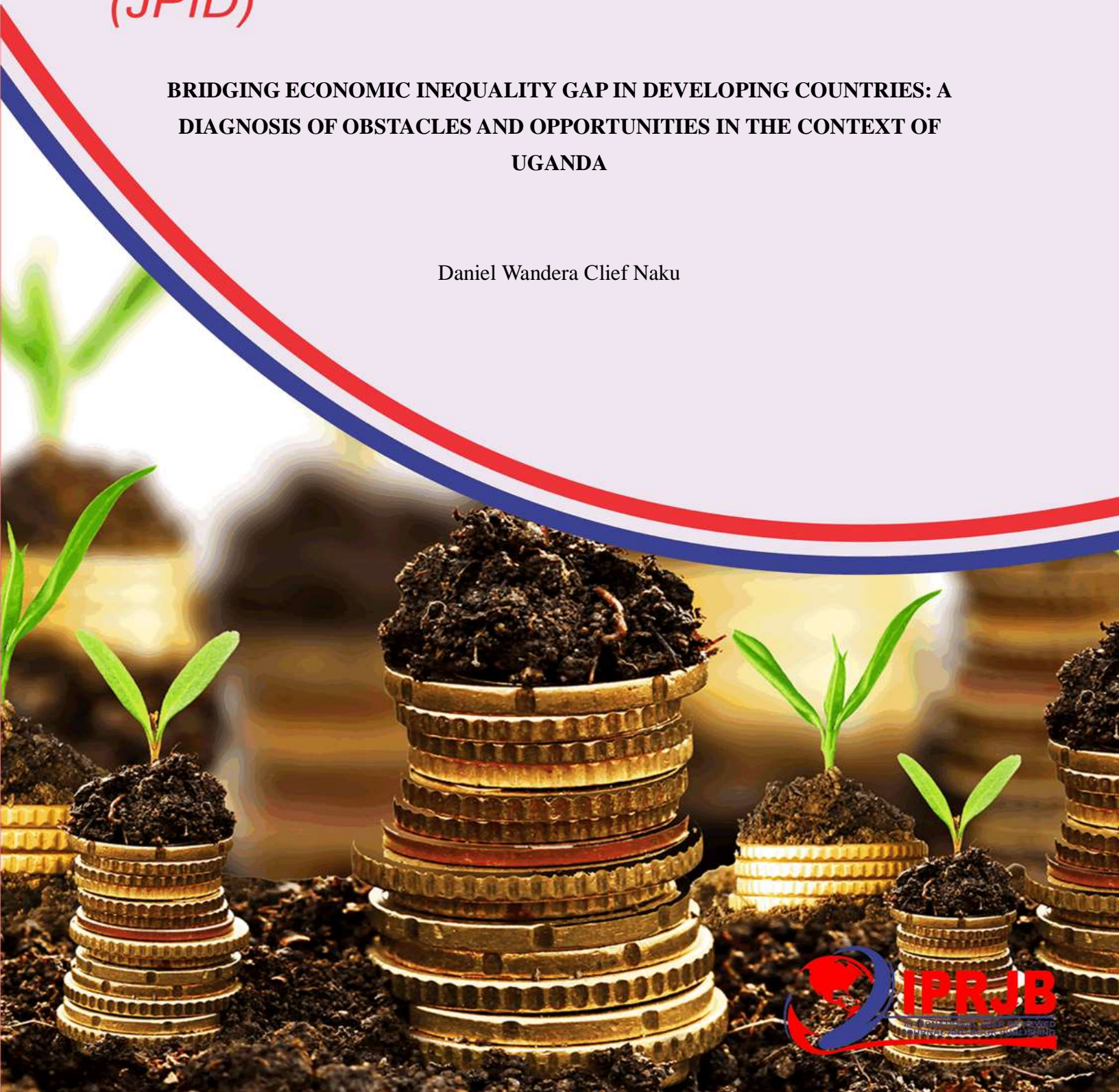


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**BRIDGING ECONOMIC INEQUALITY GAP IN DEVELOPING COUNTRIES: A
DIAGNOSIS OF OBSTACLES AND OPPORTUNITIES IN THE CONTEXT OF
UGANDA**

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BRIDGING ECONOMIC INEQUALITY GAP IN DEVELOPING COUNTRIES: A DIAGNOSIS OF OBSTACLES AND OPPORTUNITIES IN THE CONTEXT OF UGANDA

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Abstract

Purpose: Economists argue that a nation will never survive morally or economically when so few have so much, while so many have so little. In the context of Uganda where the level of economic inequality is high as revealed by the present gini coefficient of 0.42, the purpose of this paper was to explore obstacles making it difficult to bridge economic inequality in the country and the possible opportunities that could be capitalized on so as to bridge this gap.

Methodology: The study employed an extended literature review to explore the state of economic inequality in Uganda, the obstacles to dealing with the problem of economic inequality and the possible opportunities for addressing economic inequality in Uganda

Findings: Study findings show that economic inequality in Uganda is a chronically growing problem that will need more than just policies and regulations to deal with it. In this regard, political will and commitment by both the government of Uganda and its citizens are essential factors in this struggle.

Unique contribution to theory, practice and policy: The paper recommends that the political will and commitment of the prevailing leadership and policy makers in Uganda will be vital in bridging economic inequality gap in the country.

Keywords: *Economic Inequality, Obstacles, Opportunities*

1.0 INTRODUCTION

According to the World Inequality Report by Chancel et al (2018); economic inequality is on the increase in almost all regions and largely being driven by the unequal ownership of capital, which can be either privately or public owned. At society level, this inequality is manifested through the unequal distribution of income and opportunity between different groups in a society. As a result, it has become a concern in almost all countries around the world and often people are trapped in poverty with little chance to climb up the social ladder.

In Sub Saharan Africa, a UNDP report (2017) indicates that there is vast heterogeneity in the level of inequality across sub-Saharan Africa. Average and median inequality are higher in the region compared to other developing regions driven in part by the presence of seven countries (South Africa, Namibia, Botswana, Central African Republic, Comoros, Zambia, and Lesotho) with extremely high inequality levels.

As a result of the prevailing inequality, evidence shows that, beyond a certain threshold, inequality in all its forms harms growth and poverty reduction as well as the quality of relations in the public and political spheres of life and the individuals' sense of fulfilment and self-worth (UNDP, 2014).

In Uganda, according to Oxfam International report (2017), Economic inequality cuts across generations with the children of wealthier people having access to greater opportunities and women deeply affected. The report further adds that 10% of Uganda's population own 35.7% of national income while the other 10% of Uganda's population composed of the poorest only own 2.5%.

1.1 Problem Statement

Despite of the alarming economic inequality situation as revealed by authors such as Oxfam International (2017) as well as Mafabi and Oketch (2017) among others, there is little to show progress towards addressing it. As such, this research set out to explore this matter with the aim of bringing to light the obstacles to bridging economic inequality gap in Uganda and also make suggestion for possible opportunities that could be tapped to remedy the situation.

2.0 LITERATURE REVIEW

Global Perspectives on Economic Inequality

Economic inequality is widespread and to some extent inevitable. According to Chancel et al, 2018, inequality within World regions varies greatly. For instance in 2016, the share of total national income by just the nation's top 10% earners (top 10% income share)

was 37% in Europe, 41% in China, 46% in Russia, 47% in US-Canada, and around 55% in sub-Saharan Africa, Brazil, and India. In fact, Kalsen (2016) points out that inequality has become a great concern and is attracting a growing amount of attention in international discussions.

Nel (2008) asserts that high level of economic inequality undermines a country's growth potential, retards the development of social capital and trust, encourages corruption and conflict, and jeopardizes the opportunities for consistent regime development. While some countries have seen efforts to reduce economic disparities, others have been marked by opposition to such efforts by “incumbent elites,” (UNDP 2018).

Generally, responding to the problem of economic disparities remains a challenge in itself to many countries in the developing world. As revealed by Ighobor (2018) in his study on planting, and nurturing seeds of equity in Africa, because of the complex, multidimensional factors influencing inequality, there is no one ‘silver bullet’ to address this challenge. In addition, Ighobor (2018) further argues that policies that help reduce poverty are not necessarily the same as those that help reduce inequality and thus appropriate mechanisms need to be employed so as to effectively address the inequality problem.

State of Economic Inequality in Uganda

In a report by Mafabi and Oketch (2017), the gap between the rich and the poor in Uganda has continued to widen at an alarming rate. In fact, despite of the fact that there is a global consensus that the path to sustainable development for the next 15 years must be built on the foundation of equality, inclusiveness and universal enjoyment of rights (UNFPA, 2017), the inequality situation in Uganda seems not testifying to this line of thinking.

The United Nations Economic Commission for Africa (UNECA) points out that, although poverty levels have been falling, Uganda is now ranked 17th among the countries with the highest level of income inequality in Africa (UNECA, 2017). According to Oxfam International report (2017), economic inequality has much affected women who find themselves at the bottom of the development pyramid. The report further notes that most of the women are employed in the agriculture sector and other low paying sectors such as mining and teaching. To make matters worse, while women constitute over 70 percent of the agricultural workforce, they only own 7 percent of the land. Similarly as revealed in the Oxfam International report, for the wage jobs within the public sector, the average pay for women is said to be 40% less than that of men.

This prevailing economic inequality situation in Uganda is largely attributed to a number

of factors and some of the factors include but not limited to issues relating to non-inclusive growth, unequal employment opportunities, regressive tax regime, uneven public expenditure, corruption, governance and impunity among others (Oxfam, 2016). According to income inequality data from the Uganda Bureau of Statistics (UBOS) from 1992 to 2015 as cited in the Oxfam International report (2017); income inequality in Uganda as measured by the Gini Co-efficient increased from 0.365 in 1992/93 to 0.47 in 2014/15 as presented in Figure 1.

YEAR	GINI CO-EFFICIENT
1992/93	0.365
1997/98	0.347
1999/00	0.395
2002/03	0.428
2005/06	0.408
2009/10	0.426
2014/15	0.47

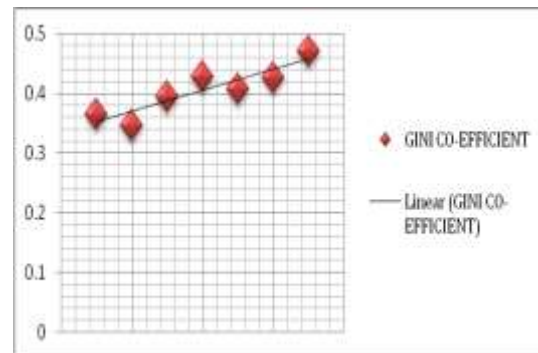


Figure 1: Income Inequality Trend as per Gini Co-efficient levels

Source: Constructed by Author with Data from Uganda Bureau of Statistics (1992- 2015)

Overall, as noted from the Gin Co-efficient data presented in Figure 1, the revelations from the data show that the rich are growing richer while the poor are becoming poorer. In addition, a study by Nuwagaba and Muhumuza (2017) further revealed that 10 percent of Uganda's population enjoy the highest proportion of the national income while the poorest not only have the smallest proportion of the national income but even the portion they have is continuously declining.

In view of the above revelations concerning the state of economic inequality in Uganda, it is evident that economic inequality in Uganda is to a large extent a reality. Unfortunately, solutions to address it don't seem to be forth coming. As a result of this growing economic inequality trend, this paper argues that nothing will be of more relevance to the poorest in Uganda than finding and implementing lasting solutions towards ending this

becoming chronicle problem.

Recent Initiatives towards Addressing Economic Inequality in Uganda

There is no doubt that the Government of Uganda and its development partners have in the past attempted to deal with the problem of inequality in all its forms in the country. In fact, even to date, various efforts are being undertaken as pointed out by authors such as Ntale (2014). Unfortunately as revealed from literature by authors such as Oxfam International 2017 among others, the inequality level in Uganda is at an alarming level. As such there is little to show that the efforts being employed by the Government and its development partners are actually helping to reduce inequality and specifically economic inequality.

According to Ntale (2014), a wide range of Programmes have in the recent past been implemented to help address issues of inequality, especially which arise due to increased vulnerability. Most of these may be described as Programmes that support the attainment of Social Protection objectives, and they range from Governmental and NGO to private sector Programmes. However, the Programmes are implemented with varying levels of success, or even consistency and coordination. In addition, Ntale (2014) points out that at the policy level, the Social Development Sector has accordingly developed policies on equal opportunity, gender, elimination of child labour, orphans and vulnerable children, etc. However most of these policies and Programmes, good conceptions and constructions as they may look, remain on paper and those which are being implemented benefit very few people.

Lastly, there also appear to be contradictions in the way some of the policies have been “operationalized” as revealed by Ntale, (2014). For example, the agricultural policy has for the last two decades focused on a category of the population described as the “economically active poor”. In the process, it is deliberately leaving out a large (and perhaps growing number) of the poor.

Based on the above snap shot on the initiatives that have been adopted towards addressing inequality in all its forms including economic inequality, it is again evident that these attempts have so far not had the expected impact in dealing with this problem in the country. As a result, many questions relating to the relevance and suitability of these initiatives as well as the effectiveness and efficiency of the implementation process of these initiatives are seen to manifest.

3.0 METHODOLOGY

This paper used extended literature review to explore the issue of economic inequality in

Uganda. Specifically, the study focus was on exploring obstacles towards bridging economic inequality in Uganda as well as exploring possible opportunities that could be capitalized on in dealing with the situation.

4.0 DISCUSSIONS ON OBSTACLES AND OPPORTUNITIES TO BRIDGING ECONOMIC INEQUALITY IN UGANDA

As noted from literature review, the problem of economic inequality in Uganda is indeed for real and the initiatives being employed are not delivering. Literature also shows that some of the possible causes are very much known and well documented. Unfortunately, with a growing level of inequality and specifically economic inequality, there is no substantial evidence in literature to testify to the fact that the Government of Uganda and its development partners are doing enough to curb this situation in the country. The key question then becomes *“what exactly is hampering the process of overcoming this problem and what options are out there for Uganda as a country to take advantage of so as to address this chronically growing problem?”*. This part of the paper is dedicated to exploring these two aspects as a way of contributing to a better understanding of the economic inequality problem in Uganda and the possible way forward.

4.1 Obstacles to Bridging Economic Inequality in Uganda

In the context of this paper, an obstacle is viewed as anything impeding or hampering the process and efforts of overcoming the problem of economic inequality in Uganda. Considering the increasing state of economic inequality in Uganda as revealed by literature, a good number of factors could be viewed as obstacles to addressing the problem of economic inequality in Uganda. However this paper pays attention to only five of those factors that it considers to be of major concern.

4.1.1 Lack of strong political will to deal with the problem

According to the Uganda Bureau of Statistics (UBOS) as cited in the Oxfam International report (2017); Income inequality in Uganda has been increasing since 1993 to date and yet there is no sign that it will be reduced. For instance the gini coefficient increased from about 0.365 in 1992 to 0.47 in 2015. As a responsible and committed government to ending this kind of inequality, this should have served as a wakeup call to deal with the matter. Unfortunately, according to the Uganda Bureau of Standards (UBS) report (2018), income distribution as revealed by the 2016/2017 gini-coefficient stands at 0.42 which is still very high. This alone is a clear indication that the Government of Uganda is not investing much political will in dealing with this problem rather it has embraced it.

4.1.2 Growing high levels of greedy among the rich few

This is another obstacle that this paper considers as a hindrance to dealing with the problem of economic inequality in Uganda. As stated in literature through a study by Nuwagaba and Muhumuza (2017), 10 percent of Uganda's population enjoys the highest proportion of the national income while the poorest not only have the smallest proportion of the national income but even the portion they have is continuously declining. This is a clear sign of greedy among the rich few who care less about the majority poor and no policy is in place to restrict their greedy.

4.1.3 High levels of nepotism and tribalism

Uganda is one of those African countries that have been blessed with a diversity of human kind. Small as it may look; Uganda has 56 tribes but unfortunately amidst this diversity is the evil of nepotism and tribalism. This has resulted into people being offered opportunities such as employment based on technical know who and tribes as opposed to merit and possessed skills. According to Odeke (2016), Nepotism and Tribalism have eaten the very fabric of Uganda's society rendering some people to economic discrimination.

4.1.4 Deteriorating moral consciousness

There is no doubt that many people in the Uganda of today see no shame in acting unprofessionally in terms of being corrupt and lacking ethics and integrity. According to a survey by Transparency International (2018), Uganda is ranked 149th out of 180 countries as least corrupt country. If we put this in perspective, Uganda is the 31st most corrupt country out of 180 countries. In such a scenario, the possibilities of achieving economic equality or even having the problem of economic inequality half solved are close to impossible.

4.1.5 Continued practice of outdated cultural and religious norms

Finally, many Ugandans are still enslaved in their outdated cultural and religious norms which end up discriminating against certain sectors of people. As noted from literature, women's economic prosperity continue to be hindered by the practice of these outdated cultural norms. For instance according to the Oxfam International report (2017) while women constitute over 70 percent of the agricultural workforce in Uganda, they only own 7 percent of the land.

Generally the above five explained obstacles, leave a lot to be desired as far as addressing economic inequality problem in Uganda is concerned. Nevertheless, if Uganda capitalizes on the prevailing opportunities, it is very possible that it may make a stride towards dealing with the problem.

4.2 Opportunities to Bridging Economic Inequality in Uganda

It is very unlikely to achieve economic prosperity at national level when the majority of the population is suffering from economic inequality. As such, Uganda's desire of becoming an economically prosperous middle country will only be attained if efforts to eliminate economic inequality are put in place and fully implemented. To this effect, there are several opportunities out there that Uganda could capitalize on and wipe out economic inequality. This paper shares five of those opportunities and they include the following;

4.2.1 Invest in institutional frameworks that seek to enhance equal opportunities for all

As pointed out by Dorte (2019); the term “institutional framework” refers to a set of formal organizational structures, rules and informal norms for service provision. In the context of this paper; institutional frameworks being referred to include both formal organizational structures and rules. It is sad to point out that in the case of Uganda; existing institutional frameworks are very weak and therefore cannot firmly stand to support the notion of equal opportunities for all. For instance, by mere looking at the composition of the committee on equal opportunities of the parliament of Uganda leaves a lot to be desired. Out of the 33 committee members, 25 members (76%) come from the national ruling part NRM (GoU, 2019). This among other avenues is a demonstration of weak and dis-functioning institutional frameworks in Uganda.

4.2.2 Invest in Women

Investing in women as important workers is necessary and urgent today to reduce inequality and increase nations' gross domestic product (GDP). As IMF Chief Christine Lagarde once pointed out, if women's participation in the workforce matched men's, Japan could grow at 9 per cent per annum and India at 27 per cent. Similarly, according to the Uganda Bureau of Statistics report (2017), there are more female than male in Uganda. In addition, the report points out that overall, there are more unemployed women (11 percent) than men (eight percent). And women spend 30 hours a week on unpaid domestic and care work, more than twice the amount of time spent by men (12 hours a week). This clearly shows how women continue to be ignored in Uganda's employment system and thus triggering economic inequality in the country.

4.2.3 Invest in the Youths

In Uganda, the national youth policy defines youth as all young persons, female and male, aged 12 to 30 years. Despite of the fact that the country has a National Youth Council (NYC), which is an autonomous body established by the National Youth Council Act

1993 and seeks to be “the leading organization in empowerment of Youths” and acts as an umbrella organization for young people and youth organizations in Uganda and seeks to “organize, mobilize and engage youth in development activities, the presence of this council has not helped in fighting economic inequality for the youths. In fact, according to participants of the *Youth Map Uganda that was a cross-sector situational analysis on youth in Uganda (2011)* highlighted a, “distrust of the NYC by youth because of its association with government (Uganda Fact sheet, 2014). Uganda has 34.8% of its population falling in the youth age bracket and for that there is every reason for the country to invest in these youths if it is to fight economic inequality.

4.2.4 Reform Policies on Access to Resources such as Land

For decades, there has been an outcry among certain sects of people for not having access to key resources and thus continues to hamper their development efforts. The most affected by this matter are the women. Unfortunately, the country has continued to embrace colonial policies and cultural beliefs that keep women away from accessing such resources. As earlier pointed out in this paper, while women constitute over 70 percent of the agricultural workforce in Uganda, they only own 7 percent of the land. Generally in such a situation, it is very difficult for a country to speak of economic equality. It is therefore on such grounds that this paper suggests that Uganda should see the idea of reforming its policies on access to resources as a great opportunity for fighting economic inequality in the country.

4.2.5 Invest in Agriculture

Uganda is a blessed country with vast cultivable land. Unfortunately, little seems to be done to boost the growth of the agriculture sector so that it contributes favorably to ending economic inequality. A report by FAO (2019) shows that 80% of Uganda’s land is arable land but only 35% is being cultivated. To even make matters worse most of the farmers in Uganda are buried in subsistence agriculture as revealed by the World Bank report (2013). According to the report, subsistence agriculture employs 16 times more workers than the commercialized agricultural sector. Generally, despite of the fact that over 70% of the country’s population is employed in agriculture as estimated by the Uganda Bureau of Standards, it can be noted that the sector has largely been ignored and left to subsistence level of production. Again, it is in the interest of this paper that Uganda seizes this as an opportunity to overcome economic inequality in the country.

5.0 CONCLUSION

In winding up this paper, the author believes that the problem of economic inequality in many countries including Uganda is a man made problem and can be dealt with using

man made solutions. The lack of political will and commitment to deal with the problem is giving room to other obstacles to mushroom and making it even impossible for Uganda to deal with the problem. This paper has found that Uganda's situation of economic inequality is chronically growing and for that matter, the country's political leadership and policy makers need to take serious steps to overcome it.

6.0 RECOMMENDATIONS

Based on the observations made in relation to economic inequality gap in Uganda, a number of recommendations could be put forward. However from the author's point of view, the key and instrumental recommendations towards ending economic inequality in the country lie in three areas.

First, the country's leadership should demonstrate strong political will towards dealing with the problem. As the English saying- *you cannot eat your cake and still have it*. Similarly, Uganda's politicians cannot pretend to be against inequality in all its forms yet in practice, there is little to substantiate their efforts towards ending this evil.

Secondly, the country's policy makers need to fully embrace policies that largely encourage inclusiveness. As pointed out by Oxfam International (2016), non- inclusive growth is one of the drivers of economic inequality in the country. To this regard, it is very necessary that country moves along the path of inclusive growth.

Lastly, Uganda's citizens through their combined voices have a role to play towards ending this chronicle problem. Through well organized civic organizations, citizens may influence political decisions and policy discourse. As once pointed out by Margaret Mead..., '*Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has*'. In relation to this quote, Uganda's citizens through their combined voices can indeed change this economic inequality situation.

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