

Neoliberal Uganda: A Critical Analysis

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Abstract:

This thesis explores the impact of neoliberalism in the context of Uganda. Neoliberalism is a contested concept but is often defined as an ideology or doctrine which elevates free markets and promotes skepticism towards the state, and advocates for policies such as market liberalization, privatization, deregulation, free trade, austerity, and economic globalization. This thesis takes a more fundamental approach and defines neoliberalism as a mindset of individualism, competition, financialization, and commodification that has penetrated most aspects of human life. Neoliberalism has been the dominating global economic and political paradigm since the late 1970's and were heavily influenced by economists such as Friedrich Hayek and Milton Friedman and promoted by the government of Margaret Thatcher in the UK and the Reagan administration in the US. Neoliberalism also emerged as the dominating ideology in the development discourse, and multilateral institutions like the World Bank and IMF started imposing neoliberal policies like free-trade and Structural Adjustment Programs (SAPs) on countries in the Global South as conditions for loans and aid.

Uganda is widely considered to be the African country which have implemented the most comprehensive neoliberal reforms, under the presidency of Yoweri Museveni and his National Resistance Movement (NRM) since they took power in Uganda through a coup d'état in 1986. In the 35 years since, Uganda has seen an unprecedented period of relative political stability and has been praised as a model for development with an impressive GDP growth and advancements in poverty reduction. However, this portrayal is being criticized by many, both inside and outside Uganda, who point to the disruptive social impact of these reforms, the neopatrimonial and authoritarian rule of President Museveni, increasing political repression, increasing inequality, deteriorating public services, recurring food shortages, and increasing violence and crime (Wiegratz, Martiniello & Greco 2018:2).

This thesis analyses the inconsistencies and double standards in how neoliberalism manifests itself in practice in the Global North and in Global South countries like Uganda. Furthermore, it analyses the neoliberal transformation of the Ugandan state, the central actors in facilitating this process and the role they have played, and the impact these neoliberal reforms have had on the Ugandan economy, on issues like poverty and inequality, on essential social sectors like healthcare and education, on the political landscape, and last but not least, how neoliberalism has impacted the living standards and everyday lives of the Ugandan population.

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Sincerely,

Christopher Lillehagen Hansen

Abbreviations:

AFRICOM - The United States Africa Command
AU – African Union
CAR – Central African Republic
CEO – Chief Executive Officer
CIA – Central Intelligence Agency
CIO - Congress of Industrialized Organizations
CPI – Consumer Price Index
DRC – Democratic Republic of Congo
EU – European Union
FDI – Foreign Direct Investment
FDR – Franklin Delano Roosevelt
GATT - General Agreement on Tariffs and Trade
GDP – Gross Domestic Product
GNP – Gross National Product
HDI – Human Development Index
HUMC - Health Unit Management Committees
ICC – International Criminal Court
IFIs – International Financial Institutions
IMF – International Monetary Fund
IPL – International Poverty Line
LRA – Lord’s Resistance Army
MDG – Millennium Development Goals
MIT - Massachusetts Institute of Technology
MP - Member of Parliament
MPI - Multidimensional Poverty Index
NGO – Non-Governmental Organization
NRM – National Resistance Movement
NSD - Norwegian Centre for Research Data
NTNU - Norwegian University of Science and Technology
NUPI – Norwegian Institute of International Affairs

OECD - Organisation for Economic Co-operation and Development
PRSP - Poverty Reduction Strategy Papers
SAP – Structural Adjustment Programme
SDG – Sustainable Development Goals
SSA – Sub- Saharan Africa
UAE – United Arab Emirates
UCB – Uganda Commercial Bank
UiA – University of Agder
UK – United Kingdom
UN – United Nations
UNDP – United Nations Development Programme
UNESCO - The United Nations Educational, Scientific and Cultural Organization
UPHC - Universal Primary Health Care
US – United States
USD – United States Dollars
UShs – Ugandan Shillings
WHO – World Health Organization
WTO – World Trade Organization
WWII – World War II

Table of Contents

1. Introduction	8
1.1 Research Problem	10
1.2 Analytical Framework	12
2. Methodology	13
2.1 Operationalization	13
2.2 Case study	14
2.3 Semi-structured interview	15
3. Theoretical Framework	18
3.1 Neoclassical Economic Theory	18
3.2 Keynesian Economics	19
3.3 Marxian Approaches	20
3.4 Neoliberalism.....	21
3.5 Neo-Colonialism & Imperialism	26
3.6 Neoliberal Globalization	28
3.7 Neopatrimonialism.....	30
4. Background	31
4.1 From Neoclassical to Keynesian Economic Hegemony	31
4.2 Shift from Keynesianism to Neoliberalism.....	34
4.3 Neoliberal Development.....	36
4.4 Development of Neoliberal Uganda	40
5. The Neoliberal State	42
5.1 Contradictions Between Theory and Practice	42
5.2 The neoliberal African state.....	48
5.3 The Neoliberal Ugandan state	51
6. Neoliberalism and Multilateral Institutions	55
6.1 The World Bank.....	56
6.2 The International Monetary Fund	59
6.3 World Trade Organization (WTO).....	62
6.4 Uganda and Multilateral Institutions	63
6.5 Early Structural Adjustment Programs in Uganda.....	64
6.6 Structural Adjustment under the new NRM government	65
6.7 The formation of neoliberal Uganda.....	66
6.8 Uganda and the World Bank	67
6.9 Liberalized trade in Uganda.....	69
7. The Economic Impact of Neoliberal Reforms in Uganda	70

7.1 Uganda: the model for economic growth and development?	70
7.2 The focus on Gross Domestic Product (GDP)	72
7.3 GDP growth in Uganda	73
7.4 The dismantling of co-operatives	76
7.5 Neoliberal orthodoxy in the Global South vs. the Global North	78
7.6 Inequality.....	79
7.7 Poverty	82
7.8 Who benefits from these policies?.....	84
7.9 Opposing views on neoliberalism in Uganda	86
8. Socio-Economic Impact on the General Population in Uganda.....	90
8.1 Privatization and Commodification	92
8.2 Healthcare.....	94
8.3 The results of neoliberal healthcare reforms.....	99
8.4 Covid-19.....	100
8.5 Education.....	101
8.6 Higher education.....	102
8.7 Primary and secondary education.....	105
9. The Political Aspect of Neoliberal Uganda.....	106
9.1 Decentralization.....	106
9.2 The evolution of the NRM regime	107
9.3 Uganda as a US military proxy	109
9.4 The 2021 Elections. Business as Usual or a Gamechanger?	110
10. Summary & Conclusion.....	113
10.1 What is Neoliberalism, and how do we define and recognize it?.....	113
10.2 Who has been the most central actors and institutions in the neoliberal transformation of Uganda?.....	114
10.3 What has been the socioeconomic and political ramifications of neoliberal reforms in Uganda?	115
10.4 How has neoliberalism impacted Uganda?.....	116
11. Bibliography:	117

1. Introduction

Neoliberalism has been the dominating political and economic ideology globally since the late 1970's. The post – World War II era had seen periods of great economic growth in the Global North, largely caused by public spending and state intervention in the economy, and significant investments into infrastructure, industries, and social sectors (Bøås & McNeill 2003:55-56). These policies were heavily influenced by the economic theories of British economist James Maynard Keynes, and most Western countries developed some form of a welfare state in these years. Within the development discourse it was assumed that these economic and social advances were transferable to countries in the Global South as well (ibid.).

The Keynesian economic consensus started to shift in the mid 1970's after a period of rising inflation and economic stagnation. This era saw a paradigm shift from Keynesianism towards the resurgence of neoclassical ideals in the form of neoliberalism. This shift was spearheaded by the 1979 election of conservative Margaret Thatcher as Prime Minister in the UK, followed by republican President Ronald Reagan in the US the following year. The monetary policies of these leaders were heavily influenced by liberal and neoclassical economists, such as Milton Friedman and Friedrich Hayek (Vetlesen 2011:6). Neoliberalism emerged as the leading and dominating economic and political ideology. The new consensus was that the state was suffocating the free market and economic growth, and that the state should not interfere in the economy.

Neoliberalism is a broad concept that, according to Steger & Roy (2010:11) refers to an economic paradigm with three dimensions. An ideology, a mode of governance, and a policy package. Steger & Roy (ibid.) define ideologies as «systems of widely shared ideas and patterned beliefs that are accepted as truth by significant groups in society». The neoliberal ideology spread the vision of a “consumerist, free market world” in the public discourse (ibid.).

Neoliberalism as a mode of governance is based on entrepreneurial values, profit, individual self-interest, self-regulating free market, and scepticism towards the state and central government (Steger & Roy 2010:12). Neoliberalism opposes collectivist solutions to societal issues and promotes the implementation of market logic in state functions, so to “run the state as a business” (Ferguson 2009:172). In neoliberal theory, the citizens of a country are seen as “customers” or “clients”, and an entrepreneurial spirit is encouraged (Steger & Roy 2010:13). Neoliberal ideology is also manifested in public policies such as market liberalization,

privatization, deregulation, free trade, austerity, and economic globalization (Steger & Roy 2010:14).

This ideology would not only come to dominate the industrialized countries in the Global North, but also the development discourse and policies towards the Global South. Some of the earliest neoliberal development policies that was pushed by the International Financial Institutions (IFIs) World Bank and the International Monetary Fund (IMF), was the Structural Adjustment Programs (SAP's) in the early 1980's. These policies were imposed as conditions for loans and aid, and typically centres around austerity, free trade, and privatization (Hickel 2017:155). The neoliberal transformation towards market based societies and economies has often been followed by economic growth, increased Foreign Direct Investment (FDI), and increased trade, but also by inequality, a deteriorating public sector, wealth concentration, unemployment, environmental degradation, increased militarisation, and state repression (Wiegratz, Martiniello & Greco 2018:7).

Political theorist Wendy Brown (2015:50-51) points out that neoliberalism has been criticized because it has intensified North – South inequalities,

something that resecured the South as a source of cheap resources, labour, and production in the aftermath of colonialism, something that was perfectly compatible with coups, support of brutal dictatorships and other political interventions, and something that could also be carried out with the velvet glove of International Monetary Fund, World Bank, and World Trade Organization governance.

This thesis argues that neoliberal policies are implemented in uneven processes and have different effects in different contexts. This thesis will focus on Uganda and explore the socio-economic and political consequences of neoliberalism in the Ugandan context.

Uganda is a landlocked country in East-Africa by Lake Victoria, bordering Kenya, Rwanda Tanzania, South Sudan, and DRC (CIA 2020). Kampala is the capital, and Uganda has a population of about 43 million people (ibid.). Christianity is the dominant religion at about 84 per cent, with Islam being the second largest at about 13.7 per cent (ibid.). The majority of Uganda's population lives rural areas, and only 12% of the population lives in urban areas (Government of Uganda n.d.). Uganda's economy is largely based on agriculture, which accounted for 48.5% of exports in 2012 (Government of Uganda n.d.). About 60% of the Ugandan population is making their livelihood through agriculture, fishing, and forestry (ibid.), Uganda is a former British colony and has for large periods of time been impacted by

internal and external conflict, poverty, shifting rule due to coups d'état, political instability, and dictatorships. But after Milton Obote was ousted from power through a coup d'état for the second time in 1986, the country has seen a relative political stability during the 35-year long presidency of Yoweri Museveni and his National Resistance Movement (NRM).

Uganda is arguably the country in Africa that has implemented the most comprehensive neoliberal reforms after Yoweri Museveni came to power as president in 1986, and therefore makes for an appropriate case study for the impact of neoliberal reforms. Uganda has been hailed as a developmental success story with steady GDP growth and advancements in poverty reduction. This view has been promoted by the World Bank, IMF, international donors, allied governments, and by the Ugandan government and establishment itself (Wiegratz, Martiniello & Greco 2018:1). This narrative has been criticized by scholars, researchers, journalists, and human rights activists. These critical voices tell the story of a Uganda characterized by state repression and censorship, human rights abuses, conflict and violence, corruption, inequality, rising crime, a deteriorating social sector, and an increasingly authoritarian Museveni regime (Wiegratz, Martiniello & Greco 2018:2-3). The US and other allies have been criticized for supporting the authoritarian Museveni government and turning a blind eye to the human rights abuses of the regime (ibid.).

In the past, development has largely been measured by GDP and purely economic indicators, while ignoring or minimizing important aspects like health, education, and environmental issues. A more holistic approach to the concept of development would provide a fuller picture of the socio-economic reality. I would therefore argue that studying neoliberal policies is relevant to look behind the numbers of economic growth and analyse the real impact this has had for most Ugandans. I have chosen Uganda as a case study because it has been upheld as an example of growth, progress and modernization resulting from extensive neoliberal development strategies and reforms under the president Museveni. This thesis will further analyse How the Ugandan state has changed in the years since 1986, and who has been the most central actors in the neoliberal transformation of Uganda.

1.1 Research Problem

My overall goal is to study the phenomenon of neoliberalism in the context of Uganda. There seems to be little dispute that Uganda has undergone major changes and reforms over the last few decades. However, this study requires solid definitions and operationalisation of the key terms, concepts, and theories that are central to the thesis. In order to analyse the neoliberal

transformation of certain sectors and aspects of Ugandan society, we need to define what neoliberalism constitutes, and then analyse the changes that has taken place after these reforms and programs were implemented. There is also the need to address the question of to which degree these changes can be attributed to neoliberal policies.

While some argue that neoliberalism is a vague and over-used term that has lost its meaning and relevance as an analytical tool, there is a large amount of literature and academic work on the impact of neoliberal globalization. And while there is a lot of existing literature on the significance of neoliberal reforms in the Global South, there are only a limited number of analyses that focus on and tracks changes within a single country. This is what I am attempting to provide in this thesis. As Uganda is arguably the country in Africa that has implemented the most comprehensive neoliberal reforms, it provides an interesting case for analysis.

My overarching research problem is “*How has neoliberalism impacted Uganda?*”

This is a broad question that needs to be sharpened and limited. I am therefore formulating three underlying and related research questions to shed light on the main research problem.

1. *What is neoliberalism, and how do we define and recognize it?*
2. *Who has been the most central actors and institutions in the neoliberal transformation of Uganda?*
3. *What has been the socioeconomic and political ramifications of neoliberal reforms in Uganda?*

As mentioned above, neoliberalism is a contested term, and is inconsistently defined in academic literature. It is therefore important to have a working definition of neoliberalism as a basis for the thesis. I go into further detail and provide definitions in the theory chapter, which I will be using as analytical tools in the thesis. I have read extensively on the topic of neoliberalism and will be using a variety of literature from different scholars on the topic, as well as the interviews I have conducted, to provide further insight into what the concept of neoliberalism entails and how it manifests itself in different contexts.

Secondly, I will be analysing the central actors and institutions in the transformation of Uganda since the NRM came to power, and the role they have played in implementing neoliberal reforms. These are the Ugandan state and government itself, the major multilateral institutions like the World Bank, the IMF, and the WTO, international donors, private capital interests, and powerful state actors, particularly the United States. The thesis will analyse the

structures and dynamics behind neoliberal globalization and how this has manifested itself in the case of Uganda.

Thirdly, the thesis will be analysing the economic, social, and political impact these policies and reforms have had on the Ugandan population. When analysing economic aspects of neoliberal Uganda, I am looking at indicators such as GDP growth, trade activity, inequality, and poverty. Uganda has been praised for its economic growth and advances in poverty reduction. The thesis will scrutinize this perception and look behind the numbers to see whether this reflects the reality for the Ugandan population. Does an impressive GDP growth provide a full picture of the economic health of a country? The thesis will also analyse the international development regime and double standards in how neoliberalism is implemented in the Global North versus Global South countries like Uganda.

Furthermore, the thesis will analyse neoliberal reforms in social sectors like healthcare and education, and how this has affected coverage and quality of such basic services. One of the policies most associated with neoliberalism is privatization, and there has been extensive privatization reforms in Ugandan social sectors which will be analysed. I am also analysing the political direction Uganda has taken under the Museveni regime on issues like democracy and human rights, as the Museveni regime have been widely criticized for taking the country in a more authoritarian direction. The thesis discusses the role of the state under neoliberalism and the development of the Ugandan state over the last decades.

1.2 Analytical Framework

This thesis is a critical analysis of neoliberal globalization and how this dynamic has manifested itself in Uganda. This critique is based in the Marxian tradition, which is described in greater detail in the next chapter. Modern Marxists have elaborated on the work of Karl Marx and expanded his theories to central topics like the environment, development, trade, colonialism, imperialism, and the global economic system, and is sharply critical of structures that leads to global inequality and exploitation of the Global South (Wolff & Resnick 2012:29).

With regards to terminology, there are different perceptions on what is the appropriate way to refer to, or categorize, countries with regards to economic development. Terms like the “First World” and “Third World” suggests a hierarchy and are by many analysts regarded to be problematic (McEwan 2019:17). Developed/Developing countries are also commonly used terminology in the development discourse. However, this terminology is also flawed, as it

reduces the countries to categories in economic terms, while there are other aspects to development (McEwan 2019:18). It is also problematic that this terminology creates only two categories when there is a spectrum of development on several indicators (ibid.). This thesis uses the terms Global North and Global South. This is, of course, also imperfect because, as McEwan (ibid.) points out, it creates a geographic binary category that fails to differentiate between countries. This terminology is still preferred in this thesis as I would argue that, out of all of the flawed terms, it is the more culturally sensitive and appropriate way to approach these issues.

2. Methodology

2.1 Operationalization

In order to shed light on the research questions this thesis seeks to answer, we need operational definitions of the theories and concepts that are central in the analysis. An operational definition "indicates which operations must be performed to decide whether an empirical phenomenon falls under the term" (Hellevik 2002: 51). To understand how neoliberalism has impacted Uganda over the last decades, we need to identify what falls under the term neoliberalism. In other words, we need to identify indicators to measure neoliberalism. This is done in more detail in the theory chapter of this thesis.

Operationalization can be defined as the "formulation of a concept in terms of measurable indicators, or of a general theory in terms of testable hypotheses. The issue of operationalization is the issue of measurement – that is, how do I know concept A or theory B when I see it?" (Gerring 2007:215).

Indicators are a necessary tool for measuring any concept or theory (Bryman 2016:152). Indicators are used to measure concepts that are not so easily directly quantifiable (ibid.). Neoliberalism is such a concept, so the thesis will need indicators to analyze the impact neoliberal policies has had on Uganda. A deeper and more comprehensive definition and analysis on the concept of neoliberalism is provided in the theory chapter. Neoliberalism is usually associated with policies such as austerity, privatization, deregulation, free trade, and globalization. These can be used as indicators, and the thesis analyses aspects like public spending, regulations, state involvement in the economy, trade, public/private ownership, import/export. The object then is to analyze what effect such policies has had on Ugandan society, and the role of different actors in facilitating the neoliberal transformation of Uganda.

2.2 Case study

This thesis is a qualitative case study. Qualitative research typically has few observations, and the analysis is based on words rather than numbers (Gerring 2007:216). John Gerring (2007:211-212) describes a case study as “the intensive study of a single case for the purpose of understanding a larger class of similar units (a population of cases)”. Robert K. Yin defines a case study as “an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident.” (Yin 2009:18).

Case studies are useful tools for interpreting historically important phenomena and for developing theories and concepts (Lillehagen Hansen 2013:7). Case studies gives the researcher an opportunity to go deeper into a research topic to gain greater insight, which is the product of a good case study (Gerring 2007: 7). This thesis is a time- and place specific case study, focusing on Uganda since the first structural adjustment programs were introduced in the early 1980’s.

This thesis is an explanatory case study, which is an appropriate methodology to explain why or how a phenomenon came to be (Yin 2009: 8-10) The thesis seeks to explain the impact of neoliberal policies on Uganda, with an emphasis on economic, social, and political aspects. This research design allows me to analyze the issue of neoliberalism in more depth and detail in a specific context. It also allows me to explore causality. The thesis is an attempt to study neoliberal policies in Uganda in order to analyze the impact they have had on specific aspects of Ugandan society.

The thesis is primarily based on secondary literature as well as interviews with scholars with extensive research on these topics. There is a lot of existing academic literature on the topic of neoliberalism and the impact it has had on the Global South. However, there is limited research and analyses that focus on the impact on specific African countries. I am using academic books and articles, official documents and statistics, research reports, as well as news articles and reports. The thesis is using sources that are considered to have high credibility to increase the validity of my thesis. The utilization of different forms of literature and sources is called source triangulation and will also help increase the validity of my thesis (Lillehagen Hansen 2013:9). My thesis research is focused mainly on the in-depth analysis of secondary sources, academic literature, journalistic literature, reports, journals, and statistics related to the impact of neoliberal policy reforms in Uganda. I have also conducted several

key interviews with scholars who have done extensive academic work on topics relevant to my thesis.

Validity and reliability have to do with systematic and random measurement errors (Hellevik 2002:183). Reliability says something about how the measurements are performed, and how accurate the operations performed in this process are (ibid.). When testing reliability, one can make independent measurements of the same phenomenon at different times and examine the degree of compliance (Hellevik 2002: 184). This is a challenge for qualitative case studies like this thesis, because the phenomenon being researched might change over time. For instance, socio-economic conditions in Uganda may have changed if or when another researcher wishes to reproduce this study. It is therefore important to cite all sources and references correctly and accurately, and to state what analytical terms are used so that it becomes easier for other researchers to track the research process (Lillehagen Hansen 2013:9). I am therefore thoroughly documenting my sources and which analytical and operational terms have been used (ibid.).

Validity is a question of what is measured, and whether these are the properties to which the research problem applies (Hellevik 2002:183). I have been conscious and attentive when formulating my operational definitions in the theory chapter to achieve a high degree of validity and explained my rationale in the process of defining a term like neoliberalism. This is an important aspect of making sure that I have studied what I intended to study.

Case studies often score high on internal validity, but lower on external validity (Lillehagen Hansen 2013:10). Internal validity depends on the extent to which the results are valid for the phenomenon that is being researched, while external validity depends on the extent to which the results can be transferred to other contexts, also known as generalizations (ibid.). There is often little room for generalizations based on one case study. However, it may be valuable for researchers to compare the findings of this analysis on Uganda to similar cases and contexts. One of the goals of my thesis is to contribute to the literature on the impact of neoliberal policies in the Global South, and that my analysis on neoliberalism in Uganda will provide a useful tool for researchers that want to study neoliberalism in similar contexts.

2.3 Semi-structured interview

I have conducted several semi-structured interviews for my thesis to obtain greater insight into my research topic. Semi-structured interviews contain elements from both the structured and the unstructured interview styles (O'Reilly 2012:120). This allows the interviewer to stay

on topic and provide additional questions, while also giving the respondents the freedom to expand and give full answers. Bryman (2016:468) writes that in a semi-structured interview, the researcher has a list of prepared questions or a topic to cover, but that the respondents have a great deal of flexibility in how to answer the questions. The questions may not be asked in the exact way and order that was outlined beforehand, and there may be unprepared follow up questions, depending on the answers (ibid).

There are many academics and researchers, in Uganda, Norway, and elsewhere, who have done extensive research on these topics. For my thesis, I have had the privilege of interviewing the following scholars with vast research experience on neoliberalism and/or Uganda:

- **Alfredo Saad-Filho** is a Brazilian economist and Professor of Political Economy and International Development at the Department of International Development at King's College London.
- **Richard D. Wolff** is an American economist and Professor Emeritus of Economics at the University of Massachusetts Amherst.
- **Morten Bøås** is Research Professor at the Norwegian Institute of International Affairs, with extensive research experience on Africa.
- **Anne Mette Kjær** is a Professor at the Department of Political Science at Aarhus University, with years of research experience on Uganda.
- **Godfrey B. Asimwe** is an Associate Professor and Head, Department of Development Studies, Makerere University.
- **Rose Nakayi** is a Senior Lecturer of Law at the School of Law, Makerere University.
- **Joshua B. Rubongoya** is Professor in the Department of Public Affairs at Roanoke College in Salem, Virginia.
- **Kristof Titeca** is an Assistant Professor at the Institute of Development Policy and Management at the University of Antwerp.
- **Milton Allimadi** is a journalist and Adjunct Professor in African History at John Jay College of Criminal Justice in New York.

For my thesis, I chose to interview scholars who have done extensive research on neoliberalism and/or Uganda, as the global Covid-19 pandemic prohibited me from going to Uganda to conduct physical fieldwork and interviews with, for instance, farmers and workers about the impact neoliberal reforms have had on their livelihoods and/or living standards. So, I opted to do digital fieldwork from Norway and interview experts with years of experience

on these topics, to increase my own knowledge. I have, however, lived in Uganda myself while working for a local NGO in Kampala, and I am aware of the context in which the reforms have been implemented, and the economic and social struggles which characterizes the everyday lives of large sections of the Ugandan population. My experience living in Uganda also provided me with the prerequisites to understand local cultural and linguistic references. However, by doing the digital interviews with scholars rather than physical fieldwork in Uganda, I missed the opportunity to collect data from those directly affected by these policies “on the ground”. However, under these circumstances, I think that the way I conducted this research was a good option that resulted in a strong analysis.

The Covid-19 pandemic posed the biggest threat to physical harm towards both me and participants. By doing digital fieldwork from Norway over Zoom, I significantly minimized the risk of me or the participants being infected with the virus.

When conducting fieldwork and research that involves interviews, it is essential to acquire the proper permission and consent from the participants and respect their wishes if, for example, they wish to remain anonymous or retract their interview. All my informants for this thesis consented that I use their names and that I present their scholarly work. It is also important to inform the participants beforehand on the topic of the research, and how and what the data from the interviews will be used for. I contacted the interview participants by email and provided them with the full context and information about the research thesis, so they could make a fully informed decision on whether to participate. I also notified the Norwegian Centre for Research Data (NSD) about my project with regards to the collection of personal data from participants. Obtaining written consent and the proper permissions to collect data and research is one of the most important aspects of any study, and a decisive aspect of conducting ethical research.

I am recording the interviews with a dictaphone that is not connected to the internet. The University of Agder (UiA) writes that the general requirement is that personal data shall not be stored for a longer time than what is necessary for carrying out the objective of the process in question (UiA). It is my responsibility to ensure that personal data is stored and saved in accordance with the management system for information security at UiA (ibid). It is also my responsibility to secure that personal data are only stored on UiA’s own password-protected servers. I am to the best of my ability following the code of practice for processing personal data in research and students’ dissertations at UiA as accurate as possible.

3. Theoretical Framework

Since the industrial revolution there have been several paradigm shifts with regards to leading economic ideologies. This chapter presents some of the most central economic theories and what characterizes them, from neoclassical to neoliberalism, which has been the dominating economic consensus for the past 40-50 years. Neoliberalism has become the hegemonic political and economic ideology, also heavily impacting international development and North/South relations. The chapter will also examine the key political terms, concepts, and ideologies that make up the theoretical framework for the analysis.

3.1 Neoclassical Economic Theory

According to Wolff & Resnick (2012:14) the classical school of economics shifted significantly around 1870, from mainly focusing on macroeconomic issues to also considering microeconomic issues to a larger degree. This shift gave rise to the theories of neoclassical economics. The fundamental assumption among neoclassical economists was that economic events was a “result of decisions made by self -interested individuals and firms” (Wolff & Resnick 2012:15). This assumption draws on the theories of Adam Smith. Smith argues in his major work *Wealth of Nations* that under conditions of perfect liberty, markets will lead to perfect equality. One of the most contested assumptions of neoclassical economic theory is that if the economy is left free from regulations and interventions, the economic interactions in the market from self-interested individuals will lead to the best economic outcome for everyone, depending on their contributions to production and needs for consumption (ibid.). This assumption derives from the concept of laissez-faire economics.

Neoclassical economics focuses on supply/demand interactions (Pike et al. 2017:61). For example, Pike et al. (ibid.) writes that according to neoclassical theory, high unemployment is the result of surplus supply of labour relative to the demand for labour in the labour market, a dynamic which also causes declining wages.

Neoclassical economics assume that individuals and enterprises always act with economic rationality, but critics points out that this assumption fails to account for the differing priorities that influence human behaviour (Pike et al. 2017:69). Other neoclassical assumptions are that of perfect information of actors in the market, and perfect competition. Pike et al. (2017:70) argues that “competition is imperfect with many markets for goods and services not reflecting the neoclassical ideal of many buyers and sellers each without significant market power” (ibid.). As many analysts points out, and as we will see in this

thesis regarding Uganda, actors enter the market with differing bargaining power and information.

Neoclassical economic theory arose after capitalism was challenged in the mid-late 19th century by socialism and the theories of Karl Marx, along with increasing strikes and strengthening of labour movements (Wolff & Resnick 2012:53-54). Neoclassical economics was again challenged and criticised after the stock market crash in 1929 and the Great Depression of the 1930's. This would lead to another paradigm shift in dominating economic ideologies with the theories of British economist John Maynard Keynes (ibid.).

3.2 Keynesian Economics

The shift from neoclassical to Keynesian economics marked a radical shift in some of the fundamental assumptions of previously dominating economic philosophies, especially the role of the state. It also marked a shift from the emphasis on individualism to an emphasis on structures (Wolff & Resnick 2012:18). Keynesian economics assumes that macroeconomic structures is what governs individuals' behaviour in the market (ibid.). This is the direct opposite from the fundamental basis of the neoclassical economic philosophy, that the economy is a reflection of the rational decisions and behaviour of individuals (Wolff & Resnick 2012:19).

Keynesianism also provided new theories and explanations of the stock market crash and the following Great Depression (ibid.). A significant factor in ending the Great Depression was massive state intervention in the economy, partly by the creation of the New Deal (ibid.). According to Wolff and Resnick (ibid.), Keynesian opposition to neoclassical theories are persistently relevant since the inherent instability of capitalism keeps generating economic crises, like the financial collapse in 2008.

A fundamental tenet of Keynesian economics is that the inherent instability of neoclassical capitalism will lead to reoccurring economic crises, and that the state is the institution that has the proper authority, power, position, and responsibility to negate these economic upsets (Wolff & Resnick 2012:21). Another distinction between Keynesian and neoclassical economics is that Keynesians centres on demand-led growth rather than on supply-led growth (Pike et al. 2017:71).

During the depression, capitalist economies experienced an era of declining prices and wages, as well as high levels of unemployment (Wolff & Resnick 2012:107). With so much pain and destitution for masses of people, many were questioning the capitalist system as a whole

(ibid.). The contending ideology of Marxism was sharply critical of capitalism and provided an alternative system that were gaining influence and popularity (ibid.). The theories of John Maynard Keynes are therefore seen by many as an effort to save capitalism in the face of this devastating economic crisis (ibid.).

The post - World War II period was characterized by a higher degree of state intervention in the economy, after this had been an important factor in ending the depression. There was a new consensus that the state should focus on employment, economic growth, and the general welfare of the population, even by intervening in the market if necessary (Harvey 2005:9-10).

Most western countries established some form of a welfare state in the 1950s – 60s with focus on areas such as health care and education. This era saw high levels of economic growth, increasing productivity, and the expansion of civil rights and access to social services (Chomsky 1999:150). Even the United States saw a wave of regulatory reforms in areas such as environmental protection, safety and protection of workers, and civil rights (Harvey 2005:13). During the early 1970's, even Republican president Richard Nixon stated that “we are all Keynesians now” (ibid.).

The development discourse in the post-WWII decades was also deeply influenced by Keynesian economics and impact and economic growth associated with it in the West, and the state became the central actor in achieving social and economic development (Bøås and McNeill 2003:55-56). Keynesian theory has been viewed as the most crushing and significant critique of neoclassical economics by many analysts, often neglecting or minimizing the contributions of Marxian and other radical political and economic theories (Wolff & Resnick 2017:105).

3.3 Marxian Approaches

The main work of Karl Marx is a criticism of the capitalist economic system, which he had studied intensively (Wolff & Resnick 2012:25). Marx recognized the improvements of the capitalist system from feudalism, but pointed out what he saw as severe shortcomings and flaws which needed to be addressed. Marx was concerned with the massive human costs under capitalism, the suffering and powerlessness of workers, and the unjust distribution of capital (Wolff & Resnick 2012:26).

Central to the writings and philosophy of Marx is the concept of class, which according to Marx developed in all societies where the workers perform surplus labour, that is additional labour to what is needed to produce the goods and services that the workers themselves

consume (Wolff & Resnick 2012:27). In capitalism, the product of the workers surplus labour becomes the property of the capitalist, which is a dynamic Marx describes as exploitation (ibid). Marx distinguishes between two main classes: the bourgeoisie (ruling class) who owns the means of production, and the proletariat (working class) who sell their labour to the capitalist (Eagleton-Pierce 2016:11) Marx argued that the inherent nature of capitalism would lead to economic crisis's and eventually the collapse of the capitalist system (ibid.).

Modern Marxists have elaborated on his work and expanded his theories to areas that Marx himself wrote little about himself, and issues that are more relevant and/or pressing concerns in our contemporary world. These includes central topics like the environment, development, trade, colonialism, imperialism, and the global economic system (Wolff & Resnick 2012:29). This is the form of Marxian theory that is particularly relevant for this thesis, as the analysis builds on a Marxian critique of structures of neoliberal globalization that leads to global inequality and exploitation of the Global South. Professor Alfredo Saad-Filho (2008:342) argues for a Marxian analysis and critique of neoliberalism as the appropriate analytical tool to fully understand the phenomenon as an ideology that penetrates all levels of social life:

A mode of social and economic reproduction and a mode of exploitation and social domination based on the systematic use of state power to impose, under the ideological veil of non-intervention, a hegemonic project of re-composition of the rule of capital in all areas of social life (ibid.).

Increasing economic, political, and social inequalities in and between the Global North and Global South, combined with devastating environmental degradation, has led to criticisms of the prevailing liberal and capitalist approaches towards development and a resurgence of Marxian theories (Pike et al. 2017:83). Modern Marxian theory also focuses on structures of neo-colonialism and imperialism. Marxian approaches reject the neoliberal “one size fits all” policies towards development that have traditionally been promoted by western states and the IFIs towards the Global South and that establishes structures of dependency (Pike et al. 2017:84). Marxian analysts argue that these structures create class divisions and unequal exchange that serves the interest of dominant countries in the Global North and actively prevents independence and development in the Global South (ibid.).

3.4 Neoliberalism

The post-World War II dominance of Keynesian economics ended in the mid-late 1970's, which saw a resurgence of reformed neoclassical theories and ideals, in the form of

neoliberalism. After a period of economic decline there were new calls to reduce and redefine the role of the state in the economy, arguing that its current form was counterproductive to economic growth. Chomsky (1999:19-20) describes neoliberalism, or what he calls the “Washington consensus”, as:

An array of market-oriented principles designed by the government of the United States and the international financial institutions that it largely dominates, and implemented by them in various ways – for the more vulnerable societies, often as stringent structural adjustment programs. The basic rules, in brief, are: liberalize trade and finance, let markets set price (“get prices right”), and inflation (“macroeconomic stability”), privatize. The government should “get out of the way” – hence the population too, insofar as the government is democratic (ibid.).

Wolff & Resnick (2012:21) writes that the partially successful Keynesian policies of state intervention in the economy and market to negate the recurring economic crisis that capitalism would inevitably create, paradoxically contributed to the rise of neoliberalism. They argue that the generation after the Great Depression and World War II experienced a much more economically stable life during the “golden age” without having to fight for or understand the role of the state in bringing about these advances (ibid). Conservative heads of governments, influential economists, and the business class, argued that state involvement in the economy was ineffective and a hindrance to economic growth and development (ibid).

Harvey (2005:12) writes that unemployment and inflation started rising globally during the 1970s, and as a result tax revenues significantly declined and social expenditures increased. This led to the conclusion among many economists that Keynesianism was no longer working, paving way for the emergence of neoliberalism. Neoliberalism arose with the conservative government of Margaret Thatcher in the UK and the presidency of Republican Ronald Reagan in the US and was heavily inspired and influenced by economists such as Friedrich Hayek and Milton Friedman. However, just as Keynesianism in the decades before, neoliberalism would become such a dominating and hegemonic force across the political spectrum in the West that, in the 1990’s, both Democratic President Bill Clinton and Prime Minister from the Labour party in the UK, Tony Blair, could have just as well reversed the quote of Richard Nixon about Keynes and said: “we are all neoliberals now”, writes Harvey (2005:13).

The combination of high inflation and stagnant economic growth led leaders in the larger capitalist economies to conclude that the Keynesian policies of state intervention in the economy was the problem, and that too much regulation, bureaucracy, and taxes was impeding capitalism and the free market from blossoming (Wolff & Resnick 2012:22). The business class that had been frustrated with taxes and regulation not allowing them to maximize their profits under Keynesianism, were funding politicians, political parties, media, and institutions that advocated neoliberal reforms (ibid.). The policies that were promoted and implemented to enhance private enterprise and reduce the role of the state included tax cuts, privatization, deregulation, and austerity (ibid). According to Wolff & Resnick (2012:22), the fall of the Soviet Union was seen as proof of the superiority of capitalism and neoclassical ideas over socialism, which advocated a large degree of state/government intervention and central planned economies. The focus had shifted again from collectivist solutions to economic upsets, back to focusing on individualism.

Chomsky (1999:20) writes that the main architects of the neoliberal shift are large corporations that controls much of the global economy, and that has the power and resources to form and dictate policy and influence public opinion. Chomsky (ibid.) argues that the US has an important role and is instrumental in facilitating and enforcing this dynamic. Other central actors in enforcing and facilitating the structures of neoliberal globalization is the IFIs such as the World Bank, the IMF, and the World Trade Organization (WTO). The role of these institutions is further analysed in chapter 6 of the thesis.

The transition from Keynesian to neoliberal economic and political consensus marks not only a shift in structures and policies, but a philosophical and ideological shift back towards neoclassical ideals. John Clarke (2008:136) presents an example from the UK, where the government renamed an unemployed person requesting unemployed benefits as a “job seeker”. The example substantiates the perspective that, more than just a set of policies, neoliberalism is a mindset that financializes all aspects of human life. Clarke argues that this renaming may provide:

- (a) evidence of the subordination of social policy to the power of capital and the liberation of the market; (b) evidence of trying to create a new “economized” or “market centric” rhetoric in displacing social democratic, welfarist, or citizen-centred institutions; or (c) an instance of a governmental technology for producing subjects who understand themselves as “entrepreneurial” or “willing selves (Clarke 2008:136).

The question of what neoliberalism really is and what defines it, has been subject of much debate in academic circles. It is true that the term is often used rather loosely, and that progressives often casually slap the sticker of “neoliberalism” on anything they do not like. So how useful and relevant is the term “neoliberalism” as an analytic tool?

James Ferguson (2009:166) argues that most of the academic literature about neoliberalism ends with the same conclusion; that “neoliberalism is bad for poor and working people, therefore we must oppose it”. Ferguson agrees with this view but questions the utility of churning out this massive body of academic work and analysis only to reach this same conclusion, even though he asserts that the conclusion is correct (ibid).

Ferguson (2009:171-172) writes that there are huge variations in how “neoliberalism” as a term and concept is being used in academic literature. When it is used too casually, there is the danger of confusion around what neoliberalism actually constitutes and the term might lose its meaning and utility as an analytical tool. Ferguson (2009:170) writes that neoliberalism in contemporary academic literature usually refers to a macroeconomic doctrine where central aspects are the optimisation of private enterprise and scepticism towards the state and government. Ferguson also presents another definition, neoliberalism as a class project: “A set of highly interested public policies that have vastly enriched the holders of capital, while leading to increasing inequality, insecurity, loss of public services, and a general deterioration of quality of life for the poor and working classes” (Ferguson 2009:170).

Thomas Hylland Eriksen shares some of the same concerns as Ferguson and writes that neoliberalism has become “something of a “rascal concept” – promiscuously pervasive, yet inconsistently defined, empirically imprecise and frequently contested” (Eriksen 2015:914). Eriksen agrees that the term refers to a broad and diverse phenomenon but argues that this phenomenon (neoliberalism) affects life all over the planet and should not be dismissed or ignored just because it may be overused (ibid.). Eriksen (2015:915) refers to neoliberalism as a market ideology with classical liberal ideals, “fuelled by the increasing globalization of the world”. Eriksen (ibid) argues that the spread of neoliberalism in areas such as global deregulation and structural adjustment, leads to increased global response in opposition to it. As an example, he points to indigenous organizations in Brazil, labour unions in Spain, and environmental organizations in Japan, all different in many ways but their activism are all directed against impacts of neoliberal globalization (Eriksen 2015:915). Eriksen (2015:916-917) defends the use of neoliberalism as an analytical tool, even though one should be careful not to misuse or overuse it. It is a tool that enables researchers to comparatively analyse

global events and phenomena in different contexts, which would otherwise be difficult to meaningfully analyse.

Brenner, Peck & Theodore (2010:331-332) makes the point that neoliberalization is unevenly developed and manifests itself in hybrid variations. Neoliberalism is often associated with policies like deregulation, privatization, free trade, and austerity. However, Brenner, Peck & Theodore (2010:331) makes the point that “the process of neoliberalization has been articulated unevenly across places, territories, and scales”. This means that neoliberalism does not manifest itself in the exact same way and follow the exact same policies in every context. Furthermore, this entails that neoliberalism is never materialised in its pure ideological form, according to Brenner, Peck & Theodore (2010:332). This means that neoliberalism can co-exist with forms of government like social democracy (ibid.).

Mathieu Hilgers (2012:80) distinguishes between neoliberalism in theory and neoliberalism in practice, even though he acknowledges that theory and practice often intertwine. As an example, Hilgers (ibid.) writes that it is hard to meaningfully discuss socialism without the theories and work of Karl Marx. On the other hand, it is equally difficult to understand socialism in the Soviet Union, China, and Cuba by only referencing Marx, and without analysing the history and context of these countries (ibid.).

What differentiates neoliberalism from the liberalism from which it is based on? According to Wacquant (2012), the role of the state is one of the main distinctions. Central to neoliberalism is “the remaking and redeployment of the state as the core agency that actively fabricates the subjectivities, social relations and collective representations suited to making the fiction of markets real and consequential” (Wacquant 2012:68).

Ferguson (2009:172) makes the same argument about the role of the state: Classical Liberalism was about finding the right balance between the state and the market, the public and the private, while neoliberalism puts market logic and private sector structures and implements them in state institutions, so to run the state as a business (ibid.).

As we have seen, neoliberalism is a contested term which seems to be defined differently by many analysts. I will argue that neoliberalism is an idea, or an ideology, that has penetrated most aspects of social life over the last decades. You can look at the policies that are typically associated with neoliberalism, liberalized trade, austerity, privatization etc., but I would argue that these are more like features of a broader ideology that manifests itself differently in different contexts. It is also a very conscious reaction from powerful private forces to the

advances that were made from the 1930s in terms of workers organizing, social justice, and the development of the welfare state. In my interview with Professor Saad-Filho, he provided what I view as an appropriate definition of neoliberalism, where he refers to it as a phase that is distinct from previous phases of capitalism, and that incapsulates the three dimensions described by Steger & Roy (2010) in chapter 1. Saad-Filho also argued in our interview that very few, if anyone, calls themselves neoliberals, and the term is mostly used by those who oppose it:

Some people see it as a set of government policies, privatization, roll back of the welfare state. Some people see it as an ideology around issues of competition, in particular about structuring social life, the entrepreneurialism of the South. Some people see it as a class struggle and an attack of capital against the working class. I see it as a phase, a configuration of capitalism. I don't deny any of the other aspects of neoliberalism, but I think they are aspects of it, not *distinguishing* features. I think it is easier to make sense of all those features by looking at neoliberalism as a phase, in contrast with gains of social democracy, in contrast with pre-WW1 classical liberalism. Neoliberalism as a phase defined as financialization. The financialization of production and the financialization of social reproduction (...) And that I think, structures of production, the way production is organized, the way it has been globalized, the way the ideology of competition that is always framed by reference to the operation of the financial markets, how that have become prominent, the way class struggle has moved and then the power of capital against labor (...) and it explains the way which financialization has penetrated into households and into individual behaviors.

3.5 Neo-Colonialism & Imperialism

Neo-colonialism is a term that is often used to describe a situation where one country exercises its influence over another country through soft power (like indirect political and economic control) rather than hard power (like direct military control and occupation). One of the ways this is commonly done is by installing and supporting “friendly minded” and obedient leaders in the Global South and forcing out leaders if they get out of line. One example includes France's role in the coup d'état and assassination of Marxist leader, anti-colonial symbol, and president of Burkina Faso, Thomas Sankara, in 1987 (Harsch 2014). The term is often used in the Marxian critiques of the global economic structures and neoliberal globalization that this thesis is built upon. Lee Wengraf (2018:43-44) writes that

Shrouded in the “soft” language of “aid”, “modernization”, and “development”, the terms of the IFIs showed the intentions of extending the subordinate role of African economies into the new era. Africa must accept, declared World Bank president Robert McNamara in 1969, “tax measures” and “choice of projects that might be politically unpopular”, while demonstrating a “willingness to accept and implement advice from outside experts (ibid.).

Former president of Ghana, Kwame Nkrumah, wrote a very on-point definition of neo-colonialism that I have chosen to include here:

Neo-colonialist control is exercised through economic or monetary means (...) Control over government policy in the neo-colonial State may be secured by payments towards the cost of running the state (...) and by monetary control over foreign exchange through the imposition of a banking system controlled by the imperial power (...) The result of neo-colonialism is that foreign capital is used for the exploitation rather than for the development of the less developed parts of the world. Investment under neo-colonialism increases rather than decreases the gap between the rich and the poor countries of the world. The struggle against neo-colonialism is not aimed at excluding the capital of the developed world from operating in less developed countries. It is aimed at preventing the financial power of the developed countries being used in such a way as to impoverish the less developed. (Nkrumah 1965:ix-x).

Decolonialization movements grew during the 1950’s, both in Africa and in the diaspora, with calls for human rights and independence for African countries (Abbas & Ndeda 2009:78). After independence, the colonial institutions and borders in Africa that had been developed remained, and negotiations between former colonies and colonial states established structures for bilateral economic relations that maintained a level dependence and patronage that persists today (ibid.). The decades that followed decolonialization saw a high level of political and economic turmoil for African countries, as they were being used as pawns in proxy wars on behalf of the United States and the Soviet Union during the Cold War (ibid.). This period saw the breakout of several civil wars on the continent. Various rebel groups and governments were financially and militarily supported by either side and aligned themselves along the cold war ideological lines (ibid).

The United States saw the decolonization of Africa as an opportunity to establish political, military, and economic ties with the newly established states on the African continent and

deter and minimize the influence of the Soviet Union during the cold war, and the same against China today (Wengraf 2018:43). The military presence of the United States in Africa is still significant today, especially since the launch of the United States Africa Command (AFRICOM) (Wengraf 2018:213-215). Uganda under the NRM regime has had particularly close relations with the US, and critics argue that Museveni's Uganda basically functions as a US proxy and instrument of US interests in the region (Wengraf 2018:217). This is arguably a neo-colonial dynamic where the authoritarian Museveni regime benefits from the support from the US, while Uganda serves as the base for US activity in the region.

Imperialism is a term that is closely linked and shares several traits with neo-colonialism with regards to foreign control. A situation where one country rules over other peoples and/or countries beyond its borders, often through hard power like military occupation, is commonly referred to as imperialism. Lee Wengraf (2018) presents a Marxian view of imperialism and argues that the expansion of global capitalism sets the stage for imperialism. In East-Africa, Uganda under President Museveni plays a central role in defending US interests, a dynamic which I discussed in the interviews with Milton Allimadi and Professor Rubongoya in the thesis.

3.6 Neoliberal Globalization

Robert H. Wade (2007:250) writes that globalization is traditionally described as “a high- or fast-rising level of economic interdependence across distances, and the informational connectivity that goes with it”. However, Wade (ibid.) writes that this is merely the manifestation of the economic and political process he refers to as “the deepening institutionalization of a neoliberal mode of capitalism”. In other words, economic globalization is a result of the neoliberal world order.

Joseph E. Stiglitz (2003:510) writes that the main elements of globalization are knowledge, trade, labour, FDI, and capital market liberalization. These are elements that have also impacted social, economic, and political aspects of Uganda, and will be further analysed in the coming chapters.

Increasing communication and integration of societies has led to a globalization of knowledge and the free flow of ideas, information, and technology (Stiglitz 2003:510). Stiglitz (ibid.) writes that this aspect of globalization not only entails technological knowledge, but also of ideas about democracy, markets, and institutions. Stiglitz (ibid) writes about the negative consequences of imposing institutions, policies, and legal frameworks on countries without

consideration to local and regional contexts and variations. As described in further detail in chapter 6 of this thesis, the IFIs has had a history of imposing austerity programs on the Global South.

Increased trade is another element of globalization. Trade liberalization has been a central neoliberal policy over the last decades. According to Stiglitz (2003:510-511), the elimination of trade barriers has been strongly imposed on Global South countries by advanced economies and financial institutions but have typically been resisted by powerful nations such as the US. Stiglitz (ibid) writes that “liberalization directed at lowering global impediments to goods which are the developed countries’ comparative advantage — has resulted in SSA, the poorest region in the world, actually being worse off”. Imbalanced trade is a major common criticism of the dominating neoliberal order. In Uganda, trade liberalization has opened the domestic market to giant multinational corporations, while Ugandan exports has had significant difficulties reaching international markets (Asiimwe 2018:148). Asiimwe (ibid.) writes that trade structures that massively favours rich countries and multinational corporations over Global South countries has led to low export earnings versus import expenditure for Uganda, leading the country into a greater dependency on foreign aid.

The movement of labour is a globalization process that has vast significance for economies in both the Global North and the Global South. This movement of labour is typically from areas with low productivity to areas of high productivity (Stiglitz 2003:511). The remittance from migrant laborers is an important source of income for Global South countries and is much higher than the amount these countries receive in official development aid (ibid). There are also examples where migrant laborers who have built themselves up abroad return to their home countries, bringing their skills and contributing to the economy (ibid.). On the other hand, this dynamic has sometimes led to an outflow of skilled laborers and entrepreneurs abroad, a dynamic often referred to as “brain drain” (ibid.).

FDI is a significant element in the globalized economy and movement of capital (Stiglitz 2003:512). FDI is investments made by individuals and corporations into other countries (ibid.). Stiglitz (ibid.) writes that FDI is celebrated for bringing capital, access to foreign markets, technology, and human capital to recipient countries. Uganda has been upheld as a developmental model, partly because of GDP growth and increased FDI (Wiegratz, Martiniello & Greco 2018:1).

The last of the five elements that Stiglitz (2003:512) mentions, is capital market liberalization. Stiglitz (ibid.) writes that this facilitates “the freer flow of short-term capital around the world”. Capital market liberalization is another form of neoliberal policies that have been actively pushed and advocated for by IMF and the World Bank as conditions for aid and loans (ibid.). These policies have been criticised for causing economic instability, inequality, and severely negative outcomes for poor people, especially in Global South countries with insufficient institutions and social safety nets (ibid.).

3.7 Neopatrimonialism

Neopatrimonialism is a term that refers to a patron-client system, often where a leader or people in power (patron) uses state resources to secure and maintain the loyalty of key individuals (clients) in the general population. It is also commonly defined by the absence of a real clear distinction between the public and private sphere.

The neopatrimonial state differs in several ways from the definition of the state from Max Weber, commonly used in Western literature and academia, as a political structure in a territory with a central government with a monopoly on the legitimate use of violence (Dusza 1989). Daniel C. Bach writes that “Max Weber’s classical definition of the state cannot apply in numerous parts of the continent: in Liberia, Sierra Leone, Congo/Zaire, Angola or Somalia, the state is no longer the sole agency which, within society, possesses the monopoly of legitimate violence” (Bach 1999:5). Bach writes that the structures of regional interaction in Africa undermines states territorial control and regional integration efforts (ibid.).

Medard (1996:80) writes that the defining characteristic of patrimonialism is the lack of distinction between the public and the private sphere. Even if there is a formal structural difference between the private and the public, the practice of this differentiation is unclear (Medard 1996: 80). When analyzing many African states, like Uganda, we can see that it has elements of both bureaucracy and patrimonialism. The concepts of modern bureaucracy and the territorial state was introduced in Africa during the colonization era and became further developed and institutionalized over time (Medard 1996: 84). Patrimonialism in the African state increased with the development of the state bureaucracy and led to what Medard (ibid.) refers to as a "neopatrimonial state", a state with both elements of patrimonialism and bureaucracy. The neopatrimonial state is defined not only by the lack of a clear distinction between the private and public spheres as in patrimonialism, but also by the lack of adherence for this distinction where it does exist (Medard 1996: 85).

An illustration of the lack of adherence to the formal distinction between the public and the private is that in the neopatrimonial state, employment in the public sector and state bureaucracy will be more dependent on private and subjective criteria, like personal connections, rather than objective and formal criteria (Bøås & Dokken 2002: 50). If you are employed in public administration, you get the opportunity for additional income on top of the salary for your work (ibid.). Professor Asiimwe (chapter 8) points out that this system leads to “necessary corruption”. You need this extra money in addition to your salary to meet the high cost of living, and you see this across the public sector.

In Uganda, the Museveni regime has relied on patronage to sustain its power (Titeca 2018:114). The patron-client dynamic in Ugandan institutions and government is described by Tumushabe et al. (2013:28, cited in Titeca 2018:121):

Local governments consider central government transfers as a form of donation that is dependent, not on the tax contributions by their electorate, but rather on the magnanimity of central government politicians. It is this clientelist relationship between voters and local elected leaders on the one hand, and local governments and national elected leaders on the other that undermines the accountability relationships needed to improve service delivery and governance.

Structures of neopatrimonialism in Uganda and patron-client relations between the US and the Museveni regime will be further analysed in later chapters on the political aspects and in my interviews with Professor Titeca and Milton Allimadi.

4. Background

Neoliberalism as an ideology and/or a set of policies, emerged in the mid-1970s as a response to the political and economic developments that followed WWII. Neoliberalism has been the dominating global ideological force for decades and has had an enormous impact on the global political economy and on relations between the Global North and Global South. This chapter describes how neoliberalism became the dominating hegemonic force that it continues to be today.

4.1 From Neoclassical to Keynesian Economic Hegemony

In the decades following the Great Depression there was a prevailing consensus within economic theory that favoured a Keynesian approach to development and growth, providing a different perspective than the neoclassical economic theory which had been dominating the

preceding decades. In my interview with Professor Wolff, he explained how he saw the rise of Keynesian economics, the New Deal who was heavily influenced by Keynes, and the backlash that would follow from the business class:

The 1930s are the crucial moment (...) It was not only capitalisms worst collapse, but it was a collapse for which no preparation had existed. No policy, no planning, and no theoretical explanation for why and how this might happen. And once it happened there was no idea what to do (...) From October 29th 1929 to the bottom in 1933 you have four years of disaster. And that produced an absolutely unusual political reaction from below. First you had the labor movement. For the first time in American history, millions of people who had never been in a union, joined a union. It was the greatest unionization drive in American history (...) And allied to that union movement, or working closely with them, were two socialist parties and the communist party, who were stronger then than at any other time in American history. And the coalition of the CIO (Congress of Industrialized Organizations), that was the labor movement, the socialists, and the communists, created the New Deal. They basically went to the president and forced it on him (...) This was Franklin D. Roosevelt (FDR) and his wife, Eleonore, who was several steps to his left politically. And they did two things that really shaped the rest of the century. Number one, a massive program of help to the average American worker, the Social Security program, the first minimum wage, unemployment compensation, and a federal jobs program that hired 15 million unemployed people. And all of this was paid for by taxes on corporations and the rich, and we had never had that before either. It was too much, it was too much for the business class, they hated being taxed, they hated their corporations being taxed, and they hated the money going to workers.

This is an interesting perspective on the rise of neoliberalism, as a reaction from the business class against the advances made in the Keynesian decades in terms of workers' rights and the development of the welfare state, largely paid for by taxes on corporations and the rich. Other analysts, like Chomsky, make similar arguments.

The Bretton Woods Conference in 1944 marked the establishment of a new global economic system with influential multilateral institutions like the World Bank and IMF, which promoted "freedom of trade but regulation of capital", according to Chomsky (1999:150). This period in the 1950's and 1960's is often referred to as the "great growth period" or the "golden age" (ibid.). This was especially the case for western industrialized countries in

Europe and North America, which experienced economic growth and advances in issues related to social justice (Bøås & McNeill 2003:55-56). It was assumed that these advances and policies would lead to similar outcomes and stimulate development in the Global South (ibid.).

The rhetoric of “Development” was already being used by British and French colonial leaders to justify and legitimate their imperial presence and policies in Africa (Eagleton-Pierce 2016:41). The perception of the time was that development policies was done to and for Africa, rather than with Africa, according to Eagleton-Pierce (ibid.). In 1949 US President Harry Truman diagnosed that the non-Western world suffered from “underdevelopment” (Eagleton-Pierce 2016:42). This marked the start of development as its own academic discipline, an important aspects of countries foreign policies, and the integration of the Bretton Woods institutions and the UN into a system of international development (ibid.).

Bøås & McNeill (2003:55) writes that development policies in the post-WWII decades consisted to a large extent of investments in infrastructure, agriculture, industry, and social sectors in the Global South. Development discourse of the time was shaped by Keynesian theory and the economic impact of the New Deal in the US, and the development of the welfare state in Europe (Bøås & McNeill 2003:56). FDR’s government had pulled the economy out of the Depression and diminished the destitution and pain for so many by significantly increasing state intervention in the economy through the New Deal and Keynesian theory (Wolff & Resnick 2012:18).

The Keynesian economic approach made the state the foremost central actor in development, and modernisation was the goal, which would be achieved by adopting the policies that had proven to be successful in parts of the Global North (Bøås & McNeill 2003:56). American economist Thomas Palley writes that “capitalist economies are subject to periodic weaknesses in the aggregate demand generation process, resulting in unemployment” and can also produce economic upsets like economic recessions (Palley 2005:20). Keynesians would argue that such periodic weaknesses can be mitigated, and the demand-generation process can be stabilised by monetary and fiscal policies, according to Palley (ibid.). Palley (2005:21) writes that post WWII period saw the forming of monetary policies such as control of interest rates, and fiscal policies such as control of government spending and taxes, in other words by state intervention in the economy. It also saw a historic rise in workers organizing in unions, the expansion of regulations, and the development of the welfare state (ibid.).

4.2 Shift from Keynesianism to Neoliberalism

Professor Richard Wolff argues in our interview that the rise of neoliberalism was a result of the backlash following the New Deal, WWII, and increased taxes and public spending:

In 1945 the war is over, the alliance with the Soviet Union is over, Roosevelt is dead (...) And the number one priority of the private capitalists was to undo the New Deal, get rid of it. But this was not easy to do. Politically it was difficult because the New Deal was the most popular economics program ever in American history. We know why, because once Roosevelt committed to it, basically in 1933-1934, he was elected in 1932, he implements a program that gets him re-elected three times. No president has ever had this kind of electoral success (...) Ok, so here is the situation; undo the New Deal, but you have to go slowly. You cannot attack it, it's too popular (...) So, roughly, from 1945 to 1975, they did it slowly, they used legislation (...) By the mid-1970s they (capitalist class) were now ready to take the next step. That is to stop doing it slowly, and to stop doing it quietly, and to stop doing it indirectly. They were now strong enough, and the democrats were now weak enough (...) And so they switched into high gear, they began a frontal assault, and that's what Neoliberalism is.

This thesis argues that the view Professor Wolff articulates is one of the central aspects of the rise of neoliberalism. The Keynesian economic consensus started to shift in the 1970's also due to rising unemployment and inflation in economies in the Global North and the oil crisis of 1973 (Bøås and McNeill 2003:57). The new era from the late 1970's saw a shift in the international approach to development, as well as the overall hegemonic and dominating world view, from Keynesian national planning and state-led industrialisation towards neoliberalism which favours economic liberalization, privatization, austerity, deregulation, free trade, and economic globalization (Bøås & McNeill 2003:60). Neoliberalism became the dominant political and economic force globally, and a system often viewed by critics as concentrating an enormous amount of wealth and power in the hands of a relatively small group of private business interests (Chomsky 1999:7).

David Harvey argues that history will view the years between 1978 – 1980 as a crucial and radical turning point in the social and economic world order (Vetlesen 2011:5). According to Harvey (2005:2), the fundamental presumption of neoliberalism is that “Human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade”, and that the role of the state is to protect this institutional framework. This entails

establishing military, police, and judicial systems to protect private property rights and secure the freedom of markets, according to Harvey (ibid.). The state is required to use its monopoly of legitimate use of violence and coercive power to protect these freedoms (Harvey 2005:64).

In 1979, the American Federal Reserve shifted its monetary policy towards mainly fighting inflation, no matter what the impact this would have on unemployment and other social aspects (Vetlesen 2011:5). 1979 also saw the election of conservative prime minister Margaret Thatcher in the UK and the year after, republican Ronald Reagan was elected president in the United States (Harvey 2005:1). Reagan quickly initiated his mission to fully support these new policies from the Federal Reserve, gut social programs, privatize public services, minimize the power of labour and unions, deregulate industries and agriculture, remove protective regulations for the environment, as well as spreading the neoliberal free-market ideology globally (ibid.).

This time period marks the beginning of the era where capitalism emerged as the only alternative and hegemonic economic ideology, with the liberalization of the economy in China under the leadership of Deng Xiaoping and later the fall of the Soviet Union (ibid.). Harvey argues that almost every state in the world has to some degree embraced neoliberalism, either voluntarily or under pressure (Harvey 2005:3).

As discussed in chapter 3, neoliberalism arose from the economic teachings of free market economists like Austrian Friedrich von Hayek and American Milton Friedman (Harvey 2005:20). Friedman also influenced Chilean dictator Augusto Pinochet, who came to power after the violent coup and assassination of socialist president Salvador Allende in Chile in 1973 (Klein 2007:15). Pinochet implemented widespread neoliberal policies in Chile, and is arguably the most extensive capitalistic transformation ever attempted, according to Klein (ibid). Pinochet's 17-year long rule, heavily supported by the US and UK, was characterized by an oppressive, authoritarian regime, and the murder, torture, and abduction of hundreds of thousands of people (ibid).

In my interview with him, Professor Wolff points out Chile as the prime example of the neoliberal experiment in the Global South:

The best place you could see it, was always for me in Chile. Because they got rid of Allende, they brought in Pinochet, the crazy General. He didn't know what to do so he simply gave it to the United States, because that way he got all the support he needed to run the country as a dictator, which he did. And you can see it, what they did are on

display in Chile right now. They are writing a new constitution, they have rejected, you know, they've suffered terribly in the years through this.

The Marxist government of Allende in Chile is an example that was seen as a threat to the Washington Consensus, and there was a fear in Washington of the spread of socialist and nationalistic regimes in Latin-America that were responsive to popular demands to improve the living standards of the impoverished populations and to nationalize natural resources (Chomsky 1999:21). Former Secretary of State in the US, Henry Kissinger, described Chile under Allende as a “virus” that he feared could spread dangerous ideas about the potential for social change to other countries (Chomsky 1999:22).

There was a view from neoliberal economic thinkers, like Hayek and Freedman, that there was a need to suppress “collectivists threats”, which they viewed as threats to their conception of economic and political freedom, which is built on individualism and self-interest (Eagleton-Pierce 2016:xiv). The concept of neoliberalism had been conceived in the Western states, particularly the US and the UK, but were now ready to be exported and spread to the Global South in the name of development (ibid.).

4.3 Neoliberal Development

The rise of neoliberalism as the dominating and hegemonic economic philosophy in the Global North had significant consequences for the Global South, and western-dominated multilateral institutions started pushing and imposing neoliberal policies like free-trade and Structural Adjustment Programs (SAPs) on countries in the Global South as conditions for loans and aid (McNeill 2006:277). Around 1980, the debt levels in the Global South increased significantly, after a period where Global South countries had received massive loans from Wall Street banks (Hickel 2017:150). These loans had been considered a sound investment from the banks under the perception that “Countries don't go bust”, as Citibank CEO Walter Wriston is quoted as saying in Hickel (ibid.). The level of debt increase was especially high in Latin-American countries, which had been recipients of much of the loans (Hickel 2017:151). The situation ended up with Mexico defaulting on parts of its vast debt in 1982, followed by other Latin-American countries like Brazil and Argentina (Hickel 2017:152). The US intervened to bail out the banks and pressure countries in the Global South to repay their loans, through the IMF (Hickel 2017:153). The IMF was restructured to coerce countries in the Global South to cut public spending as a condition for helping them finance their debt (ibid.).

The SAPs can be said to mark the beginning of austerity programs being implemented in the Global South. The view was that state involvement in the economy was a hindrance to economic growth and the free market. The World Bank argued that “underlying the litany of Africa’s development problems is a crisis of governance” (Brautigam 2004:255). Chomsky (1999:30) writes that, when looking at how different countries have developed, the countries that have had the most successful development are the countries that have enjoyed freedom from the sort of economic and political “experiments” that were imposed on poor countries, while also benefiting from these ideas being implemented in poor countries. Chomsky also points out the hypocrisy that many of the western states, particularly countries like the US and the UK, succeeded in developing partly by violating the free trade doctrine they vigorously promote for others (ibid.).

The international development system has been criticised for having a neo-colonial and imperialist mindset, where the dynamic is that of wealthy countries forcing their preferred ideology and economic structures upon poorer nations. Through different programs and trade agreements that are massively unfavourable to African states, this dynamic has over the years been of significant benefit for many countries in the Global North as well as private corporations.

The failures of these programs have left African countries and populations in a dire situation with regards to many indicators measuring development and quality of life (life expectancy, literacy, poverty, falling wages, labour rights) (Caffentzis 2002). It has also been argued that the implementation of neoliberal policies in African countries has been a design to serve western economies (Otitu 2017). As an example of this, Chomsky (1999:111) points to Bill Clinton’s trade-not-aid for Africa doctrine, which entails provisions that massively favours US investors and private interests. Chomsky (1999:111-112) also highlights the policies of the Reagan administration towards Africa, as stated by Chester Crocker, former US Assistant Secretary of State for African Affairs: “We support open market opportunities, access to key resources, and expanding African and American economies (...) and want to bring African countries into the mainstream of the free market economy” (ibid.).

James Ferguson (2006:7) writes that the perception of “Africa” in the West are heavily influencing development on the continent. Ferguson (ibid.) cites a study of private capital flows to Africa which shows that “negative perceptions of Africa are a major cause of under-investment”. Ferguson (ibid.) writes that the study also found that even the most successful African countries were impacted by negative information and stereotypes about the continent,

which led to potential investors being unable to distinguish between African countries and viewed the whole continent as unattractive for investments (ibid.). Ferguson argues that such misperceptions of Africa contribute to shaping social realities on the continent, becoming like a self-fulfilling prophecy (ibid.). According to the study, this leads to a “vicious circle of poor information, low expectations, and low investment” (ibid.). Negative perceptions of Africa are also illustrated by Western myths and stereotypes of African warlords, failed states, famine, hunger, droughts, poverty, and violence (Ferguson 2006:8).

With the emergence of neoliberalism as the dominating approach towards development, the advocates of these policies presumed that the liberalization of markets and privatization reforms would lead to solid economic growth and new private capital investments into African countries (Ferguson 2006:11). However, the era since the implementation of the SAPs in Africa was characterized by increasing inequality, marginalization of vulnerable populations, collapse of social services, and low rates of economic growth, rather than the economic boom that was expected (ibid.). The SAPs have had a vastly different effect than what was intended. Rather than the state taking a secondary role to secure the “freedom” of markets and civil society, these programs have strengthened neopatrimonial aspects of African states (ibid.). As we will see in the coming chapters, this is also the case with Uganda.

Samir Amin argues that these types of development policies essentially constitute a form of re-colonialization (Amin 2009:59). Amin argues that development historically has been viewed in overly simplistic terms, focusing mainly and disproportionately on GDP growth and increased trade, and minimizing the significance of other indicators of development, such as health and education (ibid.).

Professor Saad-Filho argues in my interview with him that this new way of thinking about development in the Global South from around 1980 has completely restructured the global economy and North/South relations and has had a devastating impact on populations in the Global South. This is a critical view that is in line with the main argument of this thesis regarding Uganda and economic power structures between the Global North and Global South.

They have restructured the global economy almost completely. The trigger was the international debt crisis in 1982, and at that point, starting in Latin-America, the structural adjustment programs were imposed because of those balances of things, then they moved on to SSA, to Eastern Europe, and then East and Southeast Asia, and

usually through the pretext of balance-of-payments and exchange rate crisis, neoliberalism through the Washington institutions spread around the world (...) Most of the developing nations stalled in the 1980s and 90s. They stopped growing, they lost the manufacturing edge that they had. Across Sub-Saharan Africa (...) there's been a process of premature de-industrialization which been very negative (...) This was done in the context of repositioning those countries as commodity providers in the global division of labor. So all of those efforts in the 1960s and 70s to have a real international division of labor, to industrialize, find economic independence, together with political independence for countries in Africa and Asia (...) all that is gone. And many of those countries have become economically stagnant except when there is a global commodity boom, and they have economic structures that are not sustainable, that are based on highly informalized labor markets, that are based on trading and not production, and that are not capable of creating decent jobs for the population. So I think neoliberalism in the developing countries have been an absolute disaster, and it has removed from those countries, from many not all of them, the possibility of even thinking about economic development, of global convergence, or anything like that, so the damage has been enormous, it's been more than a generation now, almost two generations, of time wasted and then all the losses that come with it for those populations, it's a really negative balance sheet in my opinion.

Africa is the continent that has arguably been the heaviest impacted by neoliberal policies. These policies are an important factor in the inequality in accumulation of capital and the developmental crisis in SSA (Bond 2005:230). They have led to an uneven power structure where national elites acquire most of the wealth and influence, while the general populations remain impoverished (ibid). Patrick Bond (ibid.) argues for a “deglobalisation” and “decommodification” for Africa to break free from these structures that reinforces and maintains the underdevelopment of Africa. He points to popular movements and African political thinkers, intellectuals and revolutionaries that have taken steps toward these goals and challenged these systems (ibid.). A few examples are Thomas Sankara, Amilcar Cabral, Patrice Lumumba, Samora Machel, Steve Biko, Julius Nyerere, Walter Rodney, Kwame Nkrumah, and Agostino Neto.

Bond uses Africa's debt crisis to illustrate the devastating impact neoliberal globalization has had on African economies (ibid.) Bond writes that from 1980 – 2000, the total foreign debt of SSA increased from 60 billion USD to 206 billion USD, and the debt to GDP ratio increased

from 23 per cent to 66 per cent in the same time period (ibid.). According to the World Bank, the total external debt stocks for SSA per 2020 was almost 702 billion USD (World Bank 2021). Bond writes that debt repayment outflows have significantly exceeded aid and loan inflows, resulting in a substantial net financial flow deficit for SSA countries (Bond 2005:230). Former director of the African Network on Debt and Development, Opa Kapijimpaga, argued in 2001 that donor creditor countries should stop providing aid and instead delete all the debt of poor African countries (Bond 2005:231). He argued that aid and debt are reinforcing the global structures that keeps African countries impoverished, and therefore both should be eliminated (ibid.).

Free trade and lowering of trade barriers are central aspects of neoliberalism, and unfair trade agreements have vastly contributed to the underdevelopment of SSA. Bond points to the fact that Africa's share of global trade has declined, even though volume of exports have increased (ibid). Bond writes that the terms of trade between SSA and the rest of the world have become increasingly unequal, and that if the terms of trade had been constant, then Africa would have had double the share of global trade in the year 2000, and GDP on average would have been 50 per cent higher (ibid.).

4.4 Development of Neoliberal Uganda

During the 35-year long presidency of Museveni and his NRM, Uganda has seen a relative political stability and have largely been praised for its development and economic growth, while undertaking extensive neoliberal policy reforms (Wiegratz, Martiniello & Greco 2018:4). Uganda is widely regarded as the African country that has adopted and implemented the most comprehensive neoliberal reforms over the last decades (Wiegratz 2016). Uganda has been upheld as a “developmental success story” by institutions such as the World Bank and IMF and has been praised for its neoliberal policy reforms with following GDP growth, increasing FDI, and poverty reduction (Wiegratz, Martiniello & Greco 2018:1). However, this narrative is being critiqued by many, both inside and outside Uganda, who point to the disruptive social impact of these reforms, the neopatrimonial rule of president Yoweri Museveni, increasing political repression, increasing inequality, deteriorating public services, recurring food shortages, and increasing violence and crime (Wiegratz, Martiniello & Greco 2018:2).

When Museveni and his NRM party came to power, the new regime promised to facilitate drastic and “fundamental change” and improvements for the Ugandan society (Wiegratz,

Martiniello & Greco 2018:11). These promises included the formation of a moral and accountable government working for the best interests of the people, and a shift from a rural agricultural economy towards a modern industrialized economy (ibid.). Wiegratz, Martiniello & Greco (ibid.) writes that the fulfilment of these promises proved to be difficult for a government with a weak political power base and disputed legitimacy, that rose to power after a longer period of civil war and severe political instability. The left-wing political and economic discourse and agenda shifted towards a neoliberal agenda characterized by SAPs, privatization, and deregulation by the early 1990s (Wiegratz, Martiniello & Greco 2018:12).

The political promises of democratization, accountability, and transparency have been completely abandoned during Museveni's rule in Uganda. Instead, Museveni has developed an increasingly neopatrimonial and autocratic government (Meredith 2011:405). Candidates that support President Museveni and the NRM has received significant political and economic support from the government in elections, while candidates in political opposition to the regime has faced harassment, intimidation, and even arrests (ibid). A recent example of this is the treatment of oppositional candidate Robert Kyagulanyi Ssentamu, also known as Bobi Wine, in the 2021 presidential elections in Uganda.

The Museveni government has become a darling of the IFIs and western states, particularly the United States. Wengraf (2018:217) argues that Uganda under Museveni serves as a proxy and client state for the US. Uganda essentially serves as a base of operations for the US in the region (ibid.). Wengraf (ibid.) also points out the deployment of Ugandan troops in Somalia to reinforce and back-up the US supported government in Mogadishu. US military presence in Uganda started with the insurgency in Northern Uganda by the Lord's Resistance Army (LRA) and the hunt for their leader, Joseph Kony, after the International Criminal Court (ICC) issued an arrest warrant for crimes against humanity (Wengraf 2018:218). The US sendt troops to Uganda to help train the army and assist in the hunt for Kony. However, Museveni himself has an appalling human rights record, yet he has received little criticism from western states and media, and his regime has been a recipient of massive military support from the US (ibid).

Wiegratz, Martiniello & Greco (2018) argues that the economic growth that has earned Uganda its status as a shining example of development, has to a large degree been driven by international aid that has been awarded to Uganda because of the willingness of the Museveni government to open their economy for the benefit of Western states and private foreign

interests. Professor Asimwe argues that the neoliberal reforms that has been implemented has benefited the few and marginalized most of the population (Asimwe 2018:159).

5. The Neoliberal State

5.1 Contradictions Between Theory and Practice

The role of the state is one of the main aspects that separates neoliberalism from Keynesian and Marxian economic theories. As described in the theory chapter, the idea of what a state is and what should be the role and functions of the state, has been a contested and shifting concept. In the modern era, the Weberian definition of the state is commonly used. However, the role of the state, particularly in the economy, varies between the neoclassical, Keynesian, Marxian, and neoliberal approaches, as described in previous chapters. This chapter analyses the neoliberal state in theory and practice, the contradictions and inconsistencies in how this is applied, and how this has manifested itself in Uganda.

Central to the neoliberal ideology is that the government is an obstacle for economic growth, and that decision making and power should be transferred towards the free market and private interests. This doctrine is often criticized because governments, insofar as they are democratic, are held to account by the population, while the private actors and large corporations that dominate the global economy are unaccountable and therefore not responsive to the public in the same way (Chomsky 1999:20).

Political scientist Wendy Brown (2015:17) writes that neoliberalism is “a peculiar form of reason that configures all aspects of existence in economic terms” and argues that neoliberalism has remade the state and its main functions and objectives. This is a central argument of this thesis, that the neoliberal state has not reduced in size as it should in accordance with neoliberal doctrine, but merely transformed its role and functions to protect private interests.

As explained in the theory chapter, another core aspect of the neoliberal ideology is the belief that individuals are responsible for their own well-being, and they should not depend on the state beyond the protection of property rights, the rule of law, and securing the free functioning of markets (Harvey 2005:65). According to Harvey (*ibid.*), this also applies to areas such as healthcare, education, and welfare, which should be privatized according to neoliberal theory. These are areas which has been considered public rights in the welfare state, not services provided to make a profit. In Uganda, there has been a wave of

privatization reforms under the NRM government, which are analysed in greater detail in the coming chapters.

The neoliberal ideology is not unreservedly anti-state, neither in theory nor practice, even though this is often expressed in some of the rhetoric of its more known front figures (Eagleton-Pierce 2016:176). This thesis argues that the state has not receded under neoliberal ideology, it has merely shifted its role and functions. The state should not be concerned with redistributing wealth and providing welfare but should in neoliberal theory be mainly focused on securing fair competition in a free market. To illustrate this point, Chomsky (1999:68) points to the fact that public spending in Britain under Thatcher was at the same level when she stepped down as when she took over. Although public spending stayed the same under 17 years of Thatcherism, Britain saw a rise in poverty, unemployment, child diseases, and inequality (ibid.). Chomsky argues that this illustrates how the state did not roll-back under Thatcher, but merely shifted its resources towards protecting the interests of wealthy individuals and private corporations (ibid.). The same cognitive dissonance becomes apparent when you look at the presidency of Ronald Reagan, who even “presided over the greatest swing towards protectionism since the 1930s”, a direct contradiction from the neoliberal gospel he preached about “free trade” (Chomsky 1999:66).

I discussed the discrepancy between neoliberal theory and practice with Professor Saad-Filho. He reiterated one of the arguments this thesis proposes, that the rhetoric of neoliberalism’s most ardent supporters does not match the politics of the Global North regarding the state and government intervention, it is a question of what the government does rather than how much government intrusion there should be. Saad-Filho explained this in our interview:

The neoliberals, Hayek and Friedman and others, they were very clear about this. There are two levels of discourse in their analysis, there’s the internal discourse of people who belong to the inner circle, and there’s the discourse for the masses outside. The political discourse for the masses outside is what you said, roll back of the state, the state is bad, the state is inefficient, the government taxes too much, they misuse the money, corruption. But the internal discourse is not about the size of the state, its about what the state does. And the state is there in the neoliberal worldview to restructure the way people function, restructure the way in which they behave in society so that they become independent self-sufficient agents with no social links except commercial links (...) the discourse that you put for the masses outside is just different, dismantling of social organization, labor law, trade unions (...) So in one

case, the role of the state would be essentially negative, and if you take some of the quotes of Milton Friedman, they are purely negative about the state, about the government, they are terrible people, and the public (sector) is inefficient. But when it comes to maneuvering, to seize state power, and then to use the power of the state once they get it, it's a completely different story. It's not surprising, when Thatcher stepped down, you are right, assessments of her administration that would say "oh she has failed" because state spending was 41 per cent of GDP when she took over, it was 42 per cent when she stepped down, so now neoliberalism has meant nothing. But it meant a lot, it meant a complete restructuring of the functioning of the society, of industry, of social provision, of the welfare state (...) So, the neoliberal state must be a strong state, in terms of security, in terms of war, in terms of depressions, in terms of a whole number of things. But it is not a state that will do what the Keynesian state did like to provide a safety net, that the neoliberal state will not do.

The last part of the argument from Professor Saad-Filho is not fully in accordance with other scholars featured in this thesis. If the argument from Harvey (2005) is right, as this thesis also suggests, that most states has adopted neoliberal policies in varying degrees, then it is clear that neoliberal policies and ideology can also exist in welfare states and social democracies. However, if I understand his argument correctly, then Saad-Filho refers to the decline in social services in countries like the US and UK since the neoliberal paradigm shift. As this thesis shows, neoliberal reforms in the Global South have seen deteriorating public institutions and social sectors but can also lead to long lasting and strong political regimes, as is the case in Uganda with Museveni. Therefore, this thesis argues that it is more appropriate to view neoliberalism as a mind-set that effects human life, and that these policies associated with neoliberalism are more like manifestations of this ideology.

The restructuring of the state in neoliberal doctrine is a point that is echoed by Mathieu Hilgers (2012). Hilgers (2012:81) writes that the early neoliberal economists agreed that the belief in the independence of the economy was a misjudgement in classical liberalism that leads to economic upsets, and that neoliberalism is dependent upon a strong state as a necessity to create free competition. This is because a market free of any form of intervention and regulation tends to create monopolies, price instability, and other economic challenges (ibid.). However, as argued in this thesis, neoliberalism in practice is not necessarily synonymous with free and fair competition. This is illustrated with the case study of Uganda,

where foreign actors and well-connected national actors enter the market with significant advantages (see chapters 7 and 8).

According to Hilgers (2012:82), neoliberalism is a philosophy that expands beyond the economic world and is equally a political project that must change people's perspectives on life. This view is consistent with the argument of neoliberalism as a comprehensive ideology that penetrates economic, political, and social life. Wacquant (2012:71) argues that markets are political creations; "price-based systems of exchange that follow rules that must be set up and refereed by robust political authorities and supported by extensive legal and administrative machineries, which in the modern era equates with state institutions".

Wacquant (2012:72) writes that neoliberalism arose in opposition to collectivist ideas like Keynesian and Marxian economics, but also challenged the minimalistic idea of what a state should be according to classical liberal theory.

Ferguson and Gupta (2002:989) writes about the neoliberal state that operations and areas of responsibilities that have traditionally been the role of the government in the welfare state has been transferred to non-state actors. The neoliberal state has adopted market-based ideas in its central institutions, so that even the most basic governmental responsibilities are either privatized or based on market principles after an "enterprise model" (ibid.). This thesis argues that the transfer of responsibility for public services to non-state actors has been central to the neoliberal transformation of Uganda, as further substantiated in chapters 7 and 8.

One of the main challenges when analysing neoliberalism in practice is that neoliberalization has manifested itself differently both geographically, temporally, and across various fields, as argued by Brenner, Peck & Theodore (2010:331) in the theory chapter. This may also be an explanation for differing opinions on whether certain countries are neoliberal or not. If one looks at neoliberalism simply in terms of the policies most associated with it, it is easy to dismiss the application of neoliberalism if a country has some degree of state interventions in some markets or sectors. However, this thesis argues that the application of neoliberal theory is not consistent and 100 per cent in every country, and that it is more appropriate to view neoliberalism as broad and comprehensive ideology that financializes human behaviour and social life. If this perspective is applied, it becomes more analytically clear how neoliberalism has become a dominating force globally over the last 40-50 years and is plainly on display in Uganda.

According to Weiss (2012:27), the state remains at the core of economic governance. Weiss shares the argument of this thesis that neoliberalism in practice has expanded state intervention into several areas of public life (ibid.):

Neoliberals wanted to limit government, but the upshot of their policies has been a huge expansion of the power of the state (...) An increase in state power has always been the inner logic of neoliberalism, because, in order to inject markets into every corner of social life, a government needs to be highly invasive (...) Health, education and the arts are now more controlled by the state than they were in the era of Labour collectivism. Once-autonomous institutions are entangled in an apparatus of government targets and incentives. The consequence of reshaping society on a market model has been to make the state omnipresent (Gray 2010, as cited in Weiss 2012:28).

Weiss (2012:29) illustrates the point that state spending has continued to grow under the neoliberal project by showing that social expenditure as a percentage of GDP in the OECD countries rose from 16 to 20.6 per cent between 1965 and 2006. Weiss (ibid.) argues that increased government intervention in the economic sphere is necessary for the market to function:

Rather than removing the state from the market, the neoliberal drive has required national authorities to set new rules of the economic game – devising competition policy for telecommunications and other recently privatized utilities, setting prudential norms for deregulated financial institutions, and so forth. Freer markets require more rules (if markets are not to implode). No surprises here, others would say, for this market-state entwinement is the bedrock contradiction (or paradox) at the core of the neoliberal project (Weiss 2012:29).

Harvey (2005) illustrates how the neoliberal state in both the US and Europe does intervene in the market also with regards to trade, exercising protectionism and contradicting neoliberal theory. Harvey (2005:71) writes that George W. Bush, an ardent supporter of free markets and free trade in his political rhetoric, imposed higher steel tariffs to improve his chances for re-election in Ohio, where the steel industry is an important factor. According to Harvey (ibid.), European states protect their agriculture industries while advocating free trade in other sectors to promote their own national interests. Harvey (ibid.) argues that because states will act in their own self-interest and protect their own national industries, not even the most ardent neoliberal state will adhere to neoliberal doctrine constantly. In my interview with Professor

Wolff, he makes the same argument as this thesis, that the neoliberal rhetoric of rolling back the state is not the neoliberalism that is practiced in the Global North, as the state is increasingly important for preserving private interests. However, as we will see, the neoliberal doctrine as it is preached has been implemented in the Global South at great social and economic cost for those populations. About this double standard, Professor Wolff said that:

This was a reversal of the Keynesians, the Keynesians came in and said “private capitalism left to itself produces the Great Depression, the government will save us”. The government is the solution, private capitalism is the problem. The reverse equals government is the problem and private capitalism is the solution. It is mind-bendingly simple minded. There is nothing there, so for example, the numbers (government spending under Thatcher and Reagan) don’t square with that because that’s not the point. They didn’t want the government to go, they didn’t want the government to do two things: they didn’t want government to tax corporations and the rich the way it had. And they didn’t want government to spend money on the mass of people because it would lead to taxing the rich. That’s what it was then, that’s what it is now. Mitch McConnell who controls the republicans in the senate right now, he opposes all spending because it will lead to taxes on the rich who fund his party (...) The government is crucial to capitalism, more and more every year. It’s never a question of yes to government or no, that’s childish, it’s a question of what the government does. Let me give you an example, Donald Trump imposed massive taxes on American corporations in the form of tariffs (...) This was a massive intrusion of the government. Mr. Biden is now handing out hundreds of billions of dollars to this industry, to that industry, but they can’t raise the minimum wage, they can’t provide a government jobs program, they can’t keep social security rising with the cost of living. There’s no question the state is important, but it’s their state, they want the state to do for them.

Noam Chomsky (1999:34) writes that there are two neoliberal market doctrines that are practiced: The official free market doctrine that is imposed on the Global South, and another for wealthy countries, who, as described above, does not adhere reliably to this orthodoxy themselves (ibid.). “Market discipline is good for you, but not for me, except for temporary advantage” (Chomsky 1999:34). This double-standard is a central argument of this thesis and can be seen in the case of Uganda and manifests itself for instance in imbalanced trade and the enforcement of WTO rules, as described in chapter 6 and 7.

5.2 The neoliberal African state

Over the last decades there has been a wave of neoliberal reforms and policies intended to transform political and economic aspects of the African state, according to Sahle (2008:71). Instead of being the central actor of development that it was in the Keynesian era, the state was now seen as inflated, bureaucratic, corrupt, and the main barrier to the effective development of the Global South (Ferguson 2006:95). Sahle (2008:71) writes that most African states have implemented reforms to reduce the size and role of the state, while promoting privatization, deregulation, and good governance policies such as decentralization and multi-party-political systems. Uganda has been a prime example of the implementation of such policies. These policies are central in the larger effort and neoliberal project to reshape African states into market-based capitalist countries (ibid.). In Africa, the first round of reforms began in the 1980's and focused on the economic sphere with the SAPs, while the second wave of reforms in the 1990's focused on the political sphere with good governance policies (Hilgers 2012:83).

James Ferguson (2006:99-100) argues that it is a flawed assumption from advocates of neoliberal development that state power is the source of domination and suppression, and that reducing the role of the state will necessarily lead to democratization and good governance, because Africa has been dominated by non-state actors for a long time. Ferguson (2006:100) argues that most African states are, to a significant degree, ruled by multilateral institutions that are themselves dominated by powerful western states and private interests. These processes of domination can be characterized as "internationalized imperialism" or "neo-colonialism" (ibid.).

The most overt manifestation of this dynamic is the imposition of SAPs. This dynamic was made possible by the fiscal weakness of African states and the rising debt crisis in the Global South from the 1980s, according to Ferguson (ibid.). Critical analysts view this as a serious violation of the sovereignty of African states, and the de-facto transfer of real decision-making power to the IFIs (ibid.). Ferguson (2006:100-101) points out that because the African governments remain officially in charge of their economies, they are the ones who are blamed for the consequences of the SAPs, which have been detrimental to large parts of African populations. However, because a new government will also have to adhere to the same system of domination from foreign entities, these policies are unlikely to change through elections and change in governments (ibid.).

Another theoretical perspective used by some scholars to analyse the African state, is that of neopatrimonialism, as defined in chapter 3. According to this view, the contemporary African state is a combination of the Weberian state and traditional African political and economic systems (Sahle 2008:72): “Leaders (patrons) extended social and economic benefits to their local people (clients) and in return gained – in addition to extensive power – obedience, admiration, and loyalty” (ibid.). A common example of neopatrimonial rule is the Mobutu regime, which ruled Zaire (now DRC) between 1965 – 1997. Mobutu’s thoroughly corrupt and kleptomaniac regime depended on a network of patron–client relationships for its survival (Bøås & Dokken 2002:61). Another key aspect of the longevity of the Mobutu regime was its role as a cold-war client of Western powers, a dynamic which resembles the relationship between the US and the Museveni regime.

The rise of the market-based neoliberal hegemony has its root in the global economic crisis of the late 1970’s (Sahle 2008:77). The debt crisis in the Global South deepened and African countries adopted a series of neoliberal policies encouraged by the IFIs, some of which were agricultural reforms (Sahle 2008:77-78). This is a natural and obvious target area for neoliberal reforms as agrarian production is the largest sector in most SSA economies, including Uganda, and advocates for neoliberal reforms argued that declines in agricultural exports were a core aspect of the economic crisis in Africa (Sahle 2008:78-79).

Sahle (ibid.) writes that the dynamic in these agricultural-based African economies, was that large-scale farmers had earnings that correspond to international prices, while small-scale farmers were paid much less for their agrarian produce from state-owned agricultural companies. Sahle (2008:79) writes that with the agricultural reforms, small-scale farmers are no longer required to sell their agricultural surplus to the state-owned agricultural companies but can sell directly to private traders instead, who, according to neoliberal logic, will pay higher prices. Sahle (ibid.) writes that these policies that favors small-scale farmers are a positive development, but that the supporters of neoliberal reforms fail to consider the different cultural, political, and economic contexts in which they are implemented. The one-size-fits-all approach towards development is often criticized by analysts and scholars based in the Marxian tradition. Small-scale farmers make up a significant portion of the poor rural population in Uganda, and their economic hardships are further analyzed in chapter 7.

African states have seen a series of reforms to privatize government owned public enterprises, as part of the neoliberal development agenda (Sahle 2008:81). The first decades after decolonialization saw the emergence of state-led capitalism in Africa, modelled after the

Keynesian development of the western welfare states in the wake of the Great Depression (ibid.). Public enterprises in Africa included the major economic sectors, from finance to agriculture, and the era saw a steady economic growth (ibid.). However, as postcolonial African states sunk into a deepening economic crisis in the 1980's, this state-led capitalism centred around large public enterprises were being attacked by neoliberal theorists and the IFIs, who had started to promote the new neoliberal development doctrine (Sahle 2008:82). As a result, a series of SAPs, deregulation, austerity, and privatization of public enterprises ensued (Hilgers 2012:82). When these reforms failed to meet the desired and expected outcomes, the blame was put on the ineffective political leadership of African states, and a second wave of reforms aimed at political transformation and good governance emerged (Hilgers 2012:83-84).

Hilgers (2012:84-85) argues that, considering the neopatrimonial tendencies described earlier in the thesis about the lack of distinction between the public and private sphere, privatization efforts strengthened the powerful elites grip on the economy: "The decline in state abilities has favoured patrimonialism, weakened accountability measures and promoted corruption, including the acquisition of illegal sources of income and advantage in the civil service" (Hilgers 2012:84). Hilgers (2012:85) writes that these reforms have also handed over "the use of legitimate force, taxation, security and border control to private companies", and that this dynamic has benefited the political elites and helped bolster their grip on power and wealth.

Austerity is central to the SAPs imposed on African states. In order to receive loans, African states had to significantly reduce public spending on health and education, which historically was already at a low level (Sahle 2008:83). Sahle (ibid.) uses the introduction of user fees as an example of neoliberal reforms in the health sector and points to negative outcomes of this policy in different countries, especially for women and children: "In Nigeria, the introduction of user fees correlates with a 56 percent increase in maternal death and a 46 percent drop in hospital deliveries" (ibid). In Zaire (now DRC), the introduction of user fees significantly increased the price of health care, which "decreased the demand for curative services, prenatal visits and clinics and clinics for children under 5 years of age" (ibid.). Sahle (ibid.) writes that this suggests that the claim that neoliberal reforms have reduced hospital costs in African states is deceptive, and that in reality they have shifted healthcare costs from the hospital to the home, something that disproportionately affects women.

Hilgers (2012:85) writes that neoliberalism has paradoxically made the African state both all-present and absent at the same time. The state is powerful in informal terms and able to secure

obedience through force, intimidation, and authority, yet the state is simultaneously weak and unable to provide sufficient welfare, healthcare, education, and infrastructure to its citizens (ibid.). This results in a state which is simultaneously weak in formal areas, yet often shows an ability to sustain long lasting political regimes, like the Museveni regime in Uganda which has stayed in power for 35 years.

5.3 The Neoliberal Ugandan state

Uganda has undergone a wave of reforms in recent decades and are commonly viewed as the African country that has implemented the most comprehensive neoliberal policies. This view is further substantiated by the close relationship between the Museveni regime, the US, and IFIs who actively encourage such policies. There is little doubt that the Ugandan state has transformed significantly in the 35 years under the NRM government: “The Movement’s embrace of neoliberal economics led to a dramatic programme of privatisation and inward investment, and a parallel dismantling of the swollen public sector” (Reid 2017:81).

Uganda has been praised by its Western allies and international financial institutions for its growth in GDP and relative political stability. However, the Museveni regime is also heavily criticized internationally for its authoritarian rule, lack of freedom of speech, human rights abuses, involvement in the conflict in DRC, and a deteriorating social sector. However, political, social, and economic instability in Uganda predates the NRM government.

Lateef (1991:20) points out that when the NRM came to power, Uganda was a torn country after years of civil war. The country had previously had an impressive social and economic infrastructure, which was now in crumbles after ethnic and religious conflict and economic mismanagement (ibid.). Uganda was lagging other comparable Global South countries after being ahead of the curve in SSA between 1965-1973 (Lateef 1991:21).

In the period from 1965 to 1973, growth in per capita GNP in Uganda was at the same rate as other low-income SSA countries but started to decline from 1973 and by 1987 it was declining at an annual rate of – 2.4 percent (ibid.). According to Lateef (ibid.), Uganda became increasingly dependent on agriculture over this time, an opposite trend from other Global South countries, which saw an increasing share of industry in their GDP (ibid.). In 1965, the agriculture sector accounted for 52 percent of Uganda’s GDP, which increased to 70 percent by 1987 as well as 96 percent of exports (ibid.). Meanwhile, the share of industry decreased from 13 percent of GDP in 1965 to 8 percent in 1987 (ibid.).

Lateef (1991:21-25) provides several indicators to illustrate the depth of the economic crisis in Uganda by the mid-1980's and the deteriorating state when the NRM took power. In the period of 1980-1987, inflation in Uganda had risen to 95 per cent annually, indicating "severe macro-economic imbalances, and in particular rapid monetary expansion" (Lateef 1991:21). "By 1987 Uganda's export earnings totalled a mere \$320 million or \$20 per capita", substantially lower than comparable SSA countries (Lateef 1991:25).

Lateef (1991:25) also illustrates the deteriorating social sector in Uganda by the mid 1980's:

The collapse of social infrastructure in Uganda can be measured by the relative decline in primary school enrolment between 1965 and 1980 (as against sharply rising trends in the rest of SSA (South-Saharan Africa), the near doubling by 1984 in the ratio of population per physician from the 1965 level when Uganda was well ahead of other low-income countries (...) in 1965, the infant mortality rate was substantially lower in Uganda than in other developing countries, but it fell much faster in other countries (Lateef 1991:25).

Throughout the 1980's, Uganda introduced several neoliberal structural adjustment reforms that marked significant changes in the Ugandan state system (Asiimwe 2018:146). When the NRM and Museveni took power of Uganda, they pledged to fundamentally change and improve the Ugandan state and establish a moral, transparent, and accountable government, but over the years it has become synonymous with neoliberal reforms (Wiegratz 2016:68). The new leadership adopted the neoliberal orthodoxy of privatization, deregulation, and austerity as a recipe for economic growth, and the assumption that this will "trickle-down", benefit the general population, and reduce poverty (ibid.). These reforms introduced market-logic into the functions of government, thus transforming the Ugandan state along the lines of neoliberal doctrine.

Wiegratz (2016:69) describes several economic reforms that was implemented in Uganda in the early years of the NRM government in line with the increasingly influential neoliberal development agenda:

A currency reform, the liberalisation of the foreign exchange markets (towards a market-determined rate) and the export crops sectors (...) the abolition of the respective marketing boards, the dismantling of cooperatives (...) via reduced state support and new regulatory demands (...) the deregulation of consumer and producer

prices and of domestic/foreign trade and the lifting of protective buffers for weaker actors such as peasants and workers (ibid).

The scope of these comprehensive reforms illustrates the depth of the transformation of the Ugandan state. The reforms also illustrate the shift towards neoliberal economic gospel of free competition and unregulated markets (ibid). This includes sharp cuts in the public sector and the privatization of governmental enterprises. To illustrate this, the number of public servants in Uganda was reduced from 320 000 to 150 000 between 1993 and 2000 (Kiiza 2008:190).

Kiiza (ibid.) writes that the Nile Hotel Complex is a prominent example of the state-owned enterprises that was privatized under the Museveni regime. Kiiza (2008:191) writes that the divestitures of state-owned enterprises have earned less than their asset value because (a) they were significantly undervalued and because (b) the government was investing more money into the state-owned enterprises than it earned from the sales (ibid.).

Kiiza (ibid.) provides data to substantiate his criticism of these reforms; “the net accumulated sales proceeds from privatization amounted to Shs \$90 billion, leaving a net deficit of Shs 5.6 billion”. Furthermore, only 28 of the 55 state-owned enterprises that was privatized had been fully paid for by the year 2000, according to Kiiza (ibid). Kiiza argues that the empirical evidence does not substantiate the neoliberal claim that these privatization policies would lead to more efficiency, at least not in the context of Uganda (ibid).

Wiegratz (2016:70) writes that there was a liberalization of the financial and banking sector by the late 1990's, resulting in some indigenous commercial banks closing and most of the banking sector was taken over by foreign banks (ibid.). According to Wiegratz (ibid.), the architects of the neoliberal agenda quickly targeted co-ops and state-run marketing boards as areas for reform, arguing that they were economically ineffective in comparison to for-profit businesses in a free-market system. Therefore, the Co-operatives Societies Act in Uganda was abolished in 1990, the state support and protection for co-ops diminished, the Ministry of Cooperatives was dissolved, and the Cooperative bank closed (ibid.). These dynamic forced co-ops to compete with private sector enterprises and transnational corporations under terms significantly to their disfavour, leading to most of them going under (ibid.).

As has been discussed earlier in this chapter, there is often a discrepancy between neoliberalism in theory and practice, and there are many examples where the state has merely transformed, changed its role and functions, and even expanded its power and intervention in the economy under neoliberalism. Wiegratz (2016:71) writes that the Ugandan private sector

is largely dependent on the state as its main purchaser, while Uganda also became one of the most aid-dependant countries in Africa.

Wiegratz (2016:71) writes that the reforms were not limited to the economic and financial sectors of the Ugandan state, but were also implemented in the health, education, and judiciary sectors. The education sector saw a rise in private schools and universities, a sharp rise in university fees, increase in dropout rates, and significant cuts in public spending towards the education sector (ibid). Uganda also introduced the user fees in the healthcare sector which will be further discussed in chapter 8. However, this reform was reversed in Uganda in 2001 after massive public opposition (Wiegratz 2016:72).

Even though the wave of neoliberal reforms in Uganda has had significant impact on a range of indicators for social, political, and economical life in Uganda, it did lead to a degree of economic recovery and GDP growth (Asiimwe 2018:145). It is this economic growth that has led to Uganda being upheld as a model for economic development by the IFIs, donors, and its own government (ibid.). Uganda was removed from the IMF's list of the poorest of the poor countries in 2005 and was still being hailed for their economic performance in an IMF report as late as 2015 (ibid.).

Asiimwe (ibid.) argues that aid has been the major factor and driver of Uganda's economic growth, while other important economic sectors, like agriculture and industry, has declined. Asiimwe (ibid) writes that aid is not a sustainable economic strategy, and that this dynamic has benefited private interests, expanded Uganda's foreign debt, and further facilitated neopatrimonial traits in the state. The result is a state with economic growth, but also a state where large parts of the population cannot afford and access public services like healthcare and education (Asiimwe 2018:146).

Decentralisation policies is part of the good governance reforms. The government structures when the NRM came to power was highly centralised (Titeca 2018:111), and the government proceeded to implement comprehensive decentralisation programs which are further discussed in the interview with Professor Titeca. Titeca argues that the decentralisation reforms have not led to increased participation from rural populations, but rather a strengthened network of patronage to the benefit of the ruling Museveni government (Titeca 2018:123):

Traditionally, the Museveni regime had used patronage to sustain its power. Structural adjustment and good governance programmes had made it increasingly difficult to use government resources to do so, as these led to the privatisation of large parastatals, a

reduction in the size of the civil service and army, and the elimination of the state marketing board monopolies over key primary commodities (...) in this context, decentralisation opened new avenues for political patronage (...) neoliberalism, patronage, and decentralization are closely tied together (Titeca 2018:113-114).

With the democratization and good governance reforms described earlier in the chapter, Uganda returned to a multi-party-political system with increasing political challenges for the NRM regime (Titeca 2018:123). This dynamic can be seen in light of the increasingly oppressive tactics and limitations on freedom of speech and freedom of the press by the Museveni regime. This became especially evident before, during, and in the aftermath of the presidential election in Uganda in 2021, and the treatment of the presidential campaign of Robert Ssentamu (also known of Bobi Wine) (Kiruga 2021).

6. Neoliberalism and Multilateral Institutions

In the first few chapters of this thesis there has been several references to multilateral institutions, some of which are also referred to as the International Financial Institutions (IFIs). The most central of these are the World Bank, the IMF, and the WTO. These organizations have had a crucial impact on the development of Global South countries like Uganda. This chapter will critically review these multilateral institutions, their role in enforcing neoliberal globalization, and how these institutions and the policies they promote has affected Uganda.

The World Bank and IMF was established at the Bretton Woods conference in the United States in 1944 and has in the decades since become amongst the most dominant actors in the global political economy (Bøås & McNeill 2003:1). In 1948 the General Agreement on Tariffs and Trade (GATT) was established and was replaced by WTO in 1995 as the main framework for international trade (ibid.).

The IFIs are controversial and their role as a force for good in global development is disputed (ibid.). There has been numerous large protests and demonstrations against the IFIs around the world for decades (ibid.). While some see them as important actors in alleviating global poverty, common criticisms, particularly coming from Marxian perspectives, view them as Western-led instruments of imperialism that perpetuates global inequality and structures of domination. They are also commonly criticized for putting too large of an emphasis on measurements like GDP growth, while paying little attention to issues like the environment, global health, and other indicators of human well-being (Fioramonti 2013:2). The previously

described SAPs has been a focal point of harsh criticisms, especially in Africa and Latin-America where they have fallen well short of facilitating their stated objectives, and they mark the beginning of austerity programs pushed by the World Bank and IMF in the Global South as conditions for loans and debt relief from the early 1980s.

6.1 The World Bank

The World Bank is the largest provider of developmental assistance in the world and is formally owned by its 180 member states (Bøås & McNeill 2003:17). In 2019 (before Covid), the World Bank loans amounted to \$59.5 billion (www.worldbank.org). The United States is the most influential state in the World Bank and has the largest share of votes of the permanent board members (Bøås & McNeill 2003:18). The stated main objective for the establishment of the World Bank was to reconstruct and develop Europe following the devastations from World War II and to promote peace and political stability in the region (Brooks 2017:112). Bøås & McNeill (2003:23) writes that the World Bank was first and foremost an American creation, that the US supplied most resources for making loans, and are also the predominant market for bank securities.

The ownership and capital sources of the World Bank was designed to be governments and not private actors (Bøås & McNeill 2003:19). The percentage of the votes of member states in the World Bank reflect their respective contributions to paid-in and callable capital (Bøås & McNeill 2003:20). Because the rich countries with vastly superior economic resources contribute much more than Global South countries, this naturally leads to a dynamic where the rich countries dominate the institution while Global South countries has little influence (ibid).

Since the 1980s, the World Bank has embraced the neoliberal gospel of the self-adjusting free market, that the state should take a much lesser role in facilitating development, and that their primary role should be to “provide the framework for private sector activity in a financial system based on private capital” (Bøås & McNeill 2003:26). However, this view has been seriously challenged both by member countries like Japan and prominent economists like Joseph Stiglitz. “The East Asian Miracle” is a 1993 World Bank report on the developmental and economic success of the East-Asian countries of South-Korea, Singapore, Taiwan, and Hong Kong, an economic growth the report attributed to neoliberal policies (Bøås & McNeill 2003:27).

The report was conducted after Japan challenged the neoliberal transformation of the World Bank (Bøås & McNeill 2003:26). According to Bøås & McNeill (ibid), Japan questioned these policies being applied to Asian countries that benefited from the Keynesian model with state intervention in the economy, and which did not have a strong private sector. Bøås & McNeill (2003:27) writes that Japan's objections were based on their own development under a state-controlled, bank based financial system. The conclusions the World Bank drew from the report was that there were no findings in the study of East-Asia that that implied that the bank should re-evaluate its neoliberal approach towards development, rather it validated their position that the state is a hindrance to development (ibid.).

The view of the World Bank through the neoliberal era has been that the slow economic growth in Global South countries has been due to a lack of enabling conditions for growth in the private sector (ibid.). This was a central part of the rationale behind the structural adjustment programs. Bøås & McNeill (2003:28) argues that it is hardly surprising that the World Bank would draw this conclusion from the East-Asia report because any other conclusion would undermine the message and the reforms they had advocated and imposed on its client countries for the past decade.

Economist Joseph Stiglitz drew a different conclusion from the same report and argued that “government took major responsibility for the promotion of economic growth”, and enhanced relative equality, education, health, and industrial planning and coordination (Chomsky 1999:32). Stiglitz repeated his viewpoint after the Asian economies fell into a financial crisis in 1997: “The basic facts remain: no other region in the world has ever had income rise so dramatically and seen so many people move out of poverty in such a short time” (ibid.) Stiglitz argued that this unprecedented success in per capita growth and development came with a high degree of government involvement in the economy (ibid). Chomsky argues that this view deviates sharply from the Washington consensus, but that it is in line with the pathway of the economic development of the United States and Europe (ibid.). Furthermore, Stiglitz argued that the financial crisis in Asia may have been partially caused by countries departing from their successful model of “well-regulated financial markets” in favor of the neoliberal reforms pushed by the IFIs and Western partners (Chomsky 1999:32-33).

This is not the only time the economic rationale of the World Bank has been heavily criticized. In 1991, the influential American economist and then chief economist of the World Bank, Lawrence Summers (who later served as the director of the National Economic Council under President Obama), advocated the export of pollution and toxic waste from

industrialized countries to the Global South as a reasonable economic policy that should be encouraged (Ferguson 2006:70). His famous remark was that “the under-populated countries of Africa are vastly under-polluted” (Summers 1991, cited in Ferguson 2006:70).

Summers were also criticized for arguing that carcinogens would be less of a concern in countries with a lower life expectancy, where people are less likely to live long enough to develop certain types of cancer (Ferguson 2006:70). Summers dismissed the criticism he received because they were made on moral reasonings that could be argued against all the liberalization policies of the World Bank (Ferguson 2006:70-71). Ferguson (2006:71) argues that Summers is completely right in the last part of his rejection of the criticism: the SAP’s and other reforms that has been pushed by the IFIs upon Global South countries are based on cold economic reasoning that suspends moral and social values, something that is evident in the damaging and brutal human and social costs that has followed the reforms (ibid.).

The IFIs and the UN often showcase the reduction in global poverty that has taken place in the neoliberal era, in accordance with the UN Millennium Development Goals (MDGs). However, this portrayal and the numbers have been questioned and criticized when put under scrutiny. There were several changes made to the initial MDGs with regards to poverty reduction, according to Jason Hickel (2017). Hickel (2017:38) writes that the goal was changed from reducing the number of people living in poverty in the world by half to reducing the number of people living in poverty only in Global South countries in half. Second, the start of the analysis was backdated from year 2000 to 1990, allowing the analysis to include the advancements of extreme poverty reduction that took place in China in the 1990s (ibid.). And China, as opposed to neoliberal market liberalization doctrine, has massive state ownership, high degree of government intervention, and supports its own industries in ways that most other Global South countries are not allowed to do under the loan conditions from the IFIs.

Another problem lies in the measurement of poverty. This is because what constitutes extreme poverty varies between different countries and contexts, and even within countries (life in the big cities are usually more expensive than life in rural areas) (Hickel 2017:39).

The World Bank was the first IFI to institute a universal global measurement for poverty in 1990, which was set at \$1.02 per day (Hickel 2017:40). This is what is referred to as International Poverty Line. However, this poverty line became problematic for the World Bank as the number of people living in extreme poverty kept increasing (ibid.). Hickel (ibid.)

writes that a World Bank report published in 2000 found that the number of people living in poverty had increased from 1.2 billion in 1987 to 1.5 billion in 2000 (the year of the report). Furthermore, the report estimated that poverty would continue to increase to 1.9 billion people by 2015 (ibid.). Another problem with the report is that these numbers heavily implies that the neoliberal SAPs that the IFIs had forced on Global South countries had been a failure and even contributed to the increase in poverty (ibid.). Hickel (ibid.) writes that this had severe implications as it would increase pressure on the IFIs to change their imposed privatization and market liberalization reforms, which would be detrimental to the multinational corporations and the Global South elites who profited greatly from these policies.

The year after the release of the devastating World Bank annual report, World Bank President James Wolfensohn proclaimed in a speech that the neoliberal policies of the bank had been a great success and reduced global poverty from 29 per cent in 1990 to 23 per cent in 1998 (Hickel 2017:40-41). Hickel (2017:40) notes that in his speech, Wolfensohn had admitted that per capita income had grown faster up until the mid-1970s, suggesting that the SAPs had negatively impacted this growth in the 1980s – 1990s.

Hickel (ibid.) argues that the reason for this change in the presentation of the poverty statistics from the World Bank, is because they adjusted the international poverty line. This is because the poverty line needs to be periodically raised in accordance with new purchasing power parity calculations of the USD (Hickel 2017:41). However, the new \$1.08 poverty line was actually lower in real terms than the old \$1.02 poverty line because it was not raised enough to account for the reduction in purchasing power of the dollar (ibid.). This a good example of how statistics can be deceptive. This simple change in measurement transformed the whole portrayal and discourse about poverty reduction, making it seem like more people had been lifted out of poverty than was actually the case (ibid.). The press still ran with this narrative and widely praised the IFIs for the achievements their reforms had generated (Hickel 2017:41).

6.2 The International Monetary Fund

Since the early 1970s, the main purpose of the IMF has been to provide short-term loans to its 190 member states for balance-of -payment deficits (Bøås & McNeill 2003:29). Any country with its own foreign policy that is willing to follow the IMF's declaration of rights and obligations can join the organization (ibid.). According to Bøås & McNeill (2003:29), every country has to contribute a certain amount of money to the organization upon membership,

which contributes to the pool of funds for the IMF to provide loans for its members. The financial input of the member states determines how much they can borrow from the IMF during difficult economic times, and they determine the number of votes the member states have within the organization (ibid.). The amount of money each country needs to contribute is based upon analyzing each country's wealth and ability for financial contribution (ibid.).

The five countries with the largest numbers of votes in the IMF is the same five countries that are permanent members of the World Bank (Bøås & McNeill 2003:30). The US has the overwhelmingly largest percentage of votes (ibid.). South Africa is the SSA country with the largest percentage of votes in the IMF, at 0.87 percent (ibid.). The countries with the largest financial contributions to the IMF are also the countries with the biggest influence within the organization (ibid.).

The logic behind the SAPs was that Global South countries were spending more than they were earning, so reforms were needed to address this deficit (Bøås & McNeill 2003:32). Because the IMF only agrees to give loans on conditions that the borrowing countries put them to effective use, the borrowing countries are not free to decide for themselves which reforms to implement (ibid.). Furthermore, since the IMF adheres to the neoliberal doctrine, these reforms usually include privatization of public enterprises, significant cuts in public spending, austerity, and good governance policies (Bøås & McNeill 2003:33).

The IFIs reforms towards the Global South was enthusiastically supported by Western governments and large multinational corporations, who would benefit greatly (Eagleton-Pierce 2016:43). The SAPs were designed and implemented as a one-size-fits-all agenda that were assumed to be applicable for any and every Global South country, something that would prove to have a negative effect, especially for countries in Latin-America and Africa (ibid.). Joseph Stiglitz argues that the SAPs led to hunger, poverty, and destitution for the populations of Global South countries, and that the growth and wealth that have been created has mostly benefited national elites (Stiglitz 2002, cited in Eagleton-Pierce 2016:44).

The SAPs has been widely considered a failure and there is a recognition in the development discourse that "excessive market fundamentalism has gone too far and that, at least on paper, any development plan must pay attention to factors such as poverty reduction and domestic institutions" (Eagleton-Pierce 2016:40). Morten Bøås talked about the impact of the SAPs and how they were implemented in my interview with him:

Its main impact in the Global South came through dollar and donor politics, the structural adjustment and the programs that have followed thereafter. Where basically, in order to secure either short term loans from the IMF, or long-term loans from the loans and grants from the World Bank, countries had to agree to certain economic reforms, and this started with the so-called SAPs, and if you look at the organization of the African state, if you can talk about something like that, in the 70s, it is at least to me, obvious that these were economies in dire need of reform, because most of them had completely overblown state sectors that were immensely inefficient, so my critique, at least from me personally, has not been structural adjustment, but just how it was worked out, that they basically went too far (...) particularly in the early phases of the structural adjustment programs, it was basically the (leaders of) countries themselves who chose where to make the cuts in the state sector, and almost exclusively they shielded the military and the police from these types of reforms and took it out on health sectors and other businesses.

Bøås makes the point that the African state needed reforms and were not functioning during the time of deep economic crisis in the late 70s, but his main criticism is that the SAPs went too far. As we will see, this was also the case with the Ugandan state, which was in ruins after decades of war and mismanagement when NRM took power. The point Bøås makes is substantiated by Hansen & Twaddle (1991). As this thesis argues, the SAPs have had a destructive impact on most of the population of Uganda.

Jason Hickel (2017) argues that these neoliberal development policies constitute a form of neo-colonialism that Western actors had wished to implement for a long time. Hickel (2017:155) writes that the promise from the IMF was to relieve the debt crisis in the Global South and prevent further crises, however they did not address the real causes of the crisis, which Hickel argues were more external. Hickel (ibid.) writes that the actual causes of the debt crisis were unreasonably high interest rates and declining terms of trade for the Global South countries, but that the IMF attributed the crisis to internal factors so they could impose domestic economic reforms in the Global South.

Furthermore, the debt crisis provided Western powers the opportunity to exercise their authority and influence by means of leveraging debt rather than through violence (Hickel 2017:156). It also provided a veil of legitimacy because the reforms had the perception of being voluntary, while in reality the countries in need of IMF loans had no choice but to adopt the SAPs (ibid.). Hickel writes that Western creditors essentially overtook the economic

decision-making power in the Global South, which constitutes a serious violation of their national sovereignty (ibid.)

6.3 World Trade Organization (WTO)

The WTO was established to replace GATT in 1995 after the Uruguay Round negotiations and constitutes the third of the three major multilateral institutions that are analyzed in this thesis (Bøås & McNeill 2003:41). The main purpose of the WTO is to organize international trade negotiations, to reduce tariffs and other trade barriers, to enhance trade liberalization, and to facilitate trade in goods and services (Bøås & McNeill 2003:41). The creation of an international regime to enforce trade liberalization had several intents and purposes; to reduce trade conflicts between its member states, limit the ability of governments to comply with pressures from social movements and national interest groups, and to deter calls for more protectionist policies (Bøås & McNeill 2003:42). The WTO has 164 member states representing 98 per cent of global trade (www.wto.org). Bøås & McNeill (2003:41-42) writes that the WTO was born into the neoliberal paradigm, and that this reflects the organizations approach towards trade. The WTO has a tradition of secrecy and lack of transparency and is the multilateral institution that is the least open to public control, scrutiny, and participation (ibid.).

Economists that argue in favor of free trade generally makes the case that trade liberalization has a positive correlation to economic growth (Eagleton-Pierce 2016:181). Global trade provides countries with access to global resources and markets and rewards countries with comparative advantages like natural resources, labor, capital, land, and entrepreneurship, leading to economic growth (ibid). According to Eagleton-Pierce (ibid.), the rationale is that increased economic growth from global trade will help countries tackle poverty issues.

Bøås & McNeill (2003:42) writes that the view of the WTO is that free trade and the removal of tariffs and trade barriers will lead to economic growth in both the Global North and Global South, as well as mitigating serious challenges from poverty to the environment in the Global South (ibid.). This is a viewpoint that fits like a glove in the neoliberal ideology.

Other prominent critics of free trade cited in this thesis, like Chomsky, Harvey, and Hickel, argues that it is an organization dominated by powerful Western states on behalf of multilateral corporations to work for their benefit. Chomsky (1999) has long argued that “so-called free trade agreements” has little to do with free trade, and more to with protecting

intellectual property rights and monopoly pricing rights and should therefore more accurately be called “investor rights agreements”.

Chomsky (1999:65) writes that the WTO has taken the role as the main instrument for “exporting American values” globally, quoting New York Times political analyst David Sanger. These values would be deregulation, free market, “free competition, fair rules, and effective enforcement” (ibid). However, the US itself have historically been characterized by a high level of protectionism. Chomsky (1999:66) writes that the practice is laissez faire and market discipline for thee, but not for me “unless the “playing field” happens to be tilted in my favor, typically as a result of large-scale state intervention”.

Hickel (2017:188) writes that the actual purpose of the WTO is to open up markets and economies to capital flows from the US, UK, Western Europe and Japan. Hickel (ibid.) writes that, even though membership is formally voluntary, Global South countries had little real choice but to join the WTO as their economies had shifted towards export as a result of the SAPs, and they were now in need to access Western markets under the conditions that they accepted neoliberal trade policies.

Hickel (2017:193) also criticizes the claim that one of the main purposes of the WTO is to secure a “level playing field”, and argues that there is a double standard in how market liberalization works in practice: rich countries can trade from a position of power and prosperity exactly because their economies developed under protectionism, while developing economies never benefited from such protection and are therefore unable to compete with the advanced economies (ibid.).

6.4 Uganda and Multilateral Institutions

When the Museveni regime took power from the Obote II government, it inherited a country devastated after years of civil war and economic mismanagement (Wiegratz 2016:68).

Ochieng (1991:43) writes that Uganda’s economy had been healthy and well-functioning before 1971, but that economic, social, and political policies and mismanagement in the 1970s led the country into the deepest financial crisis in the country’s history: “There were acute shortages of good and services, rampant unemployment, galloping inflation, acute balance of payment difficulties, huge external debts, widespread smuggling and black-marketeering, and ever increasing government deficits” (Ochieng 1991:43).

NRM started out with a populist left-wing platform, but from the late 1980s and throughout the 1990s, Uganda embraced the neoliberal doctrine of privatization, trade liberalization, and

public spending cuts, transforming the state, economy, and society in line with market principles, with the aid and assistance of the IFIs and Western donors, with whom the Museveni regime maintains a close relationship (Wiegratz 2016:68).

6.5 Early Structural Adjustment Programs in Uganda

Relations between Uganda and the IFIs goes back years before the Museveni regime. In January 1981, Uganda negotiated with the World Bank and IMF to receive financing for its economic programs (Nabudere 1990:7). These negotiations resulted in devaluation of the Ugandan shilling from Ushs.8 to the US dollar to Ushs.87 to the US dollar (ibid.), trade liberalization and price deregulation except over coffee export (ibid). According to Ochieng (1991:43), several SAP reforms were undertaken by the Obote II government (1981-84), and then a wave of new reforms in the early years of the Museveni government.

As mentioned, the Ugandan economy was in terrible shape after the gross mismanagement in the 1970s under the violent dictatorship of Idi Amin. The Obote government instituted several economic reforms and policies in collaboration with IMF, to prevent the economic crisis from becoming even worse (Ochieng 1991:44):

- Realignment of the external value of the Uganda shilling, which resulted in the depreciation of its external value by 41 times in only three years.
- The dismantling of price controls.
- Improving the budgetary performance of government borrowing and curtailing subsidies to inefficient public enterprises.
- Introduction of policies to encourage foreign investment and return to private ownership and control companies that were nationalized during the military regime.
- Progressively increasing interest rates with a view to mobilizing more savings and achieving greater efficiency in resource allocation. (Cited from Ochieng 1991:44).

Ochieng (1991:44-48) writes that the Ugandan economy initially saw a short-term recovery from these SAP reforms with GDP growth, increased production and growth in the agricultural and industrial sector, and increased inflation control. However, the revival of the Ugandan economy was short-lived, and from 1984 there was a renewed economic decline in the country (Ochieng 1991:48). Ochieng (1991:47-48) writes that there were several factors that can explain this, from the lack of inflow of foreign capital, misplaced and ineffective implementation of the reforms, and of course the brutal civil war that was ravaging the

country and caused great harm to rural production, which was the foundation of the Ugandan economy.

6.6 Structural Adjustment under the new NRM government

The NRM started out with a discourse that was anti-IMF and anti-economic liberalism, but the quickly deepening crisis in the country increased pressure for economic reforms and assistance from the IMF (Ochieng 1991:50). However, the NRM government and the IMF had completely different views of what had caused the crisis in Uganda, something that would be reflected in the SAP that agreed upon after negotiations (Ochieng 1991:50). The Ugandan government maintained that the economic crisis was the result of the history of colonialism, decades of political and economic negligence under Idi Amin and Milton Obote, and the civil war that had been ravaging the country for years (ibid). Meanwhile, the IMF saw the economic crisis as a result of the same problems they had diagnosed other African countries with; that is excessive state interference in the market, a bloated administrative sector, monetary and fiscal negligence, and insufficient incentives to producers (ibid). This diagnosis reflects the one-size-fits-all approach the IMF has been criticized for taking with regards to economic reforms in Global South countries. The IMF often fail to recognize the significance of the serious challenges many African nations faces, other than economic growth and financial balances (Mugenyi 1991:75).

The SAP that was agreed upon and implemented by the NRM government in the late 1980s reflects the priorities and worldview of the IMF (Ochieng 1991:50). Ochieng (1991:52) writes that the program included providing more incentives for producers by increasing prices, monetary discipline and management of government deficits, abolishing price controls of most commodities, a more flexible exchange rate system, devaluation, and privatization of public enterprises, something that is further analyzed in chapter 7.

In their evaluation of the success of the program, Ochieng (1991:59) writes that the positive effects from the programs were only temporary. Secondly, the programs fell short of facilitating sufficient levels of exports. This gap was filled with funding from the World Bank and IMF, and without this funding the program would crumble (ibid.). Thirdly, the programs were vulnerable because they depended on external funding in order to function (ibid.). Also, the Ugandan economy was “incapable of adjusting quickly to unforeseen external shocks” (ibid.).

Ugandan scholar Mahmood Mamdani (1990) was also critical of this IMF program. Mamdani (1990:428) writes that the IMF programs entail “the government turning its back on local markets in favor of renewed integration in external markets and turning its back on industry with a renewed focus on export agriculture”. Mamdani (1990:428-429) writes that (1) the real sources of the crisis in the Ugandan state and economy in the late 1980s was contradictory to the assumptions of the IMF that informed the establishment of the SAPs. (2) The IMF made little concessions to the Ugandan government when designing the program, and the real impact of the program lies in the IMF policy conditions. (3) The reduced rate of inflation resulting from the program would be temporary (*ibid.*). Mamdani predicted that the IMF program would cause damage to Ugandan society. His critique is one that is shared by many scholars in this thesis when analyzing the impact of neoliberal reforms in Uganda. Mamdani writes that the reforms were “part of a larger attempt to switch resource use from government to private sources, from popular classes to the (...) property owners (...) economically, it will tend to undermine any attempt to build an “independent, self-sustained and integrated economy” (Mamdani 1990:429).

6.7 The formation of neoliberal Uganda

The reforms that have been implemented in Uganda (and other African countries) have focused on two major areas. The first rounds of SAPs focused on markets and state deregulation, while later reforms brought with them the issue of “good governance” (Sande Lie 2018:43). When the relationship between Uganda and the IFIs developed in the 2000s, the World Bank found it difficult to follow up on their stated policy to give greater autonomy and independence to the Ugandan government while also assuring that the NRM regime implemented the good governance conditions they committed to (*ibid.*). What the Bank did was introduce “new, tacit and indirect governance mechanisms through which the Bank aimed to make its own policies those of the recipient” (*ibid.*). This was done to ensure the Banks influence over government policies.

Up until the mid-2000s, Uganda was widely recognized to be a successful model for Western-led development and showcased as a prime example of economic development (*ibid.*). Sande Lie (2018:44-45) writes that there are several reasons for this; firstly, the Museveni regime had progress in economic growth, there had been a long lasting relative political stability, and a multi-party system were introduced (*ibid.*). Secondly, Museveni was celebrated by western donors for his openness and willingness to adopt the sort of neoliberal reforms that was close to their hearts, including austerity, privatization of public enterprises, cuts in social spending,

and liberalization of trade and markets (ibid.). Lastly, the international development regime and donors was eager to demonstrate positive results and showcase developmental success stories to justify aid and maintain domestic support for their activities (ibid.).

Uganda saw a growth in GDP per capita of almost 40% between 1986 and 1996 (Kingston 2011:120). Between 1992 and 1997, real per capita GDP growth averaged 4.2 % (ibid.). The IMF credited the SAPs for this GDP growth (ibid.). Critics of this narrative argued that the rapid growth were more correctly explained by considering the low starting point and deteriorating economy before the SAPs were implemented (ibid.). The two major IMF reforms that were implemented in Uganda was liberalization of trade and significant reduction in taxes on exports (ibid.). Kingston (ibid.) writes that critics point out that the liberalization of cash crops had limited beneficiaries in Uganda, and little impact on rural per capita incomes which only increased 4% between 1988 and 1995 (ibid.).

Wiegratz (2016:115) writes that the IFIs and donors often highlighted a statistic from the World Bank that suggests that the SAPs led to an increase in farmer's share of the export price in coffee from 20% to 70%. Wiegratz (ibid.) writes that this statistic was used to substantiate the success of the SAPs up until the late 2000s, even though in this time there had been several changes in the market, like "the coffee sector being controlled by foreign firms and deterioration in farmer' bargaining power". This single stat was celebrated and showcased for many years to underscore the effectiveness of structural adjustment for farmers and agriculture (ibid). However, Wiegratz (ibid) argues that solely focusing on this number overlooks contradictory aspects, like a disproportionate focus on large-scale farmers, and the fact that this stat was cherry-picked from a specific moment in the reform period that was particularly beneficial to feed this narrative.

6.8 Uganda and the World Bank

One of the more common criticisms against the dynamic between Western donors, the IFIs, and Global South, is that it is a mechanism of indirect governance and external control of the developing economies. This dynamic has been referred to as internationalized imperialism in this thesis. Jon Harald Sande Lie (2015) writes about indirect governance in the relationship between Uganda and the World Bank by analyzing the World Bank's Poverty Reduction and Strategy Paper (PRSP).

The relationship between donor and recipient in international aid is asymmetrical in nature but have nonetheless changed over the last decades from a technocratic top-bottom structure

towards a larger focus on participation and inclusion (Sande Lie 2015:723). According to Sande Lie (ibid.), the main objective of this shift is that the donor institutions aim to make their policies the policies of the recipient in the face of increased international popular pressure for participation and the empowerment of communities in recipient countries.

This shift in priorities and mentality in the development discourse has given rise to the concept of developmentality. Developmentality is a theory and analytical tool to study this power dynamic within the international aid regime (Sande Lie 2015:724-725). The concept can be described as a method to deliberately implement and institutionalize a specific perception or logic within aid recipients to ensure that their ideas and policies runs in accordance with the donor state or institution, providing them with an opportunity to “govern at a distance” (ibid.).

Sande Lie (2015:726) writes that the PRSP has become the preferred policy instrument of the World Bank, overtaking the heavily criticized SAPs who had a more overt paternalistic top-bottom structure. This change in strategy also changed the role of the World Bank with regards to development policies, focusing on partnerships and serving primarily as the funder of indigenous development projects (Sande Lie 2015:727). The PRSP model depends on the manufacturing of consent and the participation of the recipient country for the World Bank to implement its own policies, but still there are backup mechanisms in place to ensure the Bank’s policies are implemented: “where there is not adequate capacity in the government to do this, we must support and help them to establish, own, and implement the strategy” (ibid.). Client states like Uganda must have their PRSPs approved by the World Bank board to receive loans and funding, and the Bank can also choose themselves which of the PRSP policies they wish to finance (ibid.).

Uganda was selected as one of the five pilot countries for the PRSP when the World Bank initiated the model in 1999 (Sande Lie 2018:45). One of the central claims that this thesis aims to analyze, is the claim that the policies of the Ugandan government are heavily influenced by external actors, particularly the US, the IFIs, and private interests. Sande Lie (ibid.) provides an example to substantiate this perception: That 48 – 53 per cent of Uganda’s national budget was provided for by external development assistance between the years 2000 – 2005. This implies that donors hold significant power over Uganda’s government. The next chapter will further analyze the claim that Uganda’s economic growth that has been showcased by the IFIs over the years, has been mainly driven by foreign aid.

According to the PRSP model, the good governance policies are meant to be indigenous, planned and implemented by the Ugandan government, something that has caused some friction in the Uganda – World Bank relationship, when President Museveni announced the abolishment of term limits in Uganda, allowing him to remain in power (Sande Lie 2018:47). Sande Lie (ibid.) writes that the challenge facing the Bank is the effort to ensure the Ugandan government implement their preferred policies while also maintaining the close relationship they have had for decades (ibid.).

Sande Lie (2018:56) writes that after the introduction of the PRSP model, the Museveni government has officially been given more independence and autonomy with regards to externally funded development projects, however these freedoms have been followed by several mechanisms by the World Bank for indirect governance to make sure that the Ugandan governments policies are in line with the Banks priorities (ibid.).

The relationship between the Ugandan government and the World Bank was further illustrated in the documentary “Our friends at the bank?” (Atkinson 2018:66). In one of the scenes in the movie, IMF and World Bank representatives can be seen pressuring Museveni and other Ugandan government officials into selling the state-owned Uganda Commercial Bank (UCB) (ibid.). After being presented with documentation of corruption and UCB debt, Museveni can be seen saying “lets privatize it (...) no problem” (ibid.). The documentary also shows Museveni getting financial support from the Bank for some of his preferred policies, like a road construction program which he prioritized over education spending (Atkinson 2018:67). Museveni has over the decades proven himself to be very skilled and adept at playing the game between donor – recipient and maintaining his relationship with the US and the IFIs. The financial and political support for the Museveni regime from the US has increased as Uganda have become a more central actor and partner in the US’ “War on Terror” (Atkinson 2018:72). Uganda has established itself as the US base of operations in the region, and Museveni has discovered that by aligning himself closely with the US militarily, the government will receive significant financial and political support (ibid.).

6.9 Liberalized trade in Uganda

According to Wiegratz, Martiniello & Greco (2018:14), the economic reforms that were implemented in Uganda in the 1990s were “spearheaded” by their WTO membership in 1995, including liberalizing trade and markets. However, trade remained imbalanced after the neoliberal reforms, according to Asiimwe (2018:148). Asiimwe (ibid.) writes that liberalized

trade reforms opened the domestic Ugandan markets to imports from multinational corporations, however it was much more difficult for Ugandan exports to access the international markets, resulting in a substantial trade deficit. Asiimwe (ibid.) writes that Uganda's total external debt has more than doubled since the year 2000. Asiimwe (2018:150) writes that the trade imbalance is reflected when analyzing Uganda's leading trade partners: While over 45 per cent of Uganda's exports are to other East-African and Central-African countries, most of the imports are from India, China, Kenya UAE, and Japan, countries where Uganda's exports have difficulties accessing markets (ibid.).

The IFIs and actors who pushed the neoliberal trade reforms would view the increase in actors and activities in the market as evidence for the efficiency of free market mechanisms and competition (Wiegratz 2016:117). However, Wiegratz (ibid.) argues that the new liberalized trade practices have made them harder to predict, especially for those with low bargaining power, and that the neoliberal reforms have made the trade practices much more difficult to regulate by state and non-state agencies.

7. The Economic Impact of Neoliberal Reforms in Uganda

7.1 Uganda: the model for economic growth and development?

The reason why Uganda was chosen as the case study for this thesis, is that the country has been upheld as one of the foremost examples of economic growth and development over the last couple decades and is also widely considered as the country in SSA that implemented the most comprehensive neoliberal reforms. As such, it constitutes an appropriate subject for analyzing the socioeconomic impact of neoliberal reforms. The previous chapter analyzed the perception of significant poverty reduction in the Global South with a focus on the deceptive use of statistics and the global poverty line to support this rosy portrayal. This chapter will critically analyze the concept of "economic growth", the indicators that are commonly used to measure this growth, like Gross Domestic Product (GDP), and to which degree these indicators reflect actual development and improvements in the lives of Ugandans.

Economic growth and development in SSA in the neoliberal era have been hailed by many world leaders and international diplomats. In 1998, President Clinton commended the success of new democratic African regimes that had embraced free market capitalism and stated that their accomplishments "grew more impressive each month" (Ferguson 2006:114). The IMF attributed this growth to the implementation of "good economic policies" (ibid.). The United

Nations then Secretary-General, Kofi Annan, pronounced in 1997 that Africa was entering a “new era” of “democracy, human rights and economic development” (ibid.). This sentiment was echoed by Ugandan President Yoweri Museveni, who declared that the era saw an emergence of responsible, democratic, and pragmatic African governments who embraced liberal and market friendly policies (ibid.).

How do the dominating actors in international development think about economic growth in SSA? These quotes from the World Bank illustrate how these institutions have generally approached this issue: “Economic growth implies using a country’s scarce resources – labor, capital, natural resources, administrative and managerial capacity – more efficiently” (World Bank 1981:24, cited in Ferguson 2006:79). Improving efficiency means that a country should use its comparative advantages to produce as much as possible while using the least amount of resources (ibid.). “Poor growth in most Sub-Saharan African countries suggests that inadequate attention has been given to policies to increase the efficiency of resource use and that action to correct this situation is urgently called for” (ibid.).

The neoliberal reforms in Uganda can be analyzed through the lens of neoliberal globalization, which is a cornerstone in the economic world order that has dominated the last decades. Many critics of neoliberal globalization that are based in the Marxian tradition, argue that these structures constitute a system of internationalized imperialism and domination that widen the gap between the developed and developing world. Several analysts in international development have argued that Sub-Saharan Africa’s position in the global economy is one of marginalization and exclusion, writes Ferguson (2006:194).

Lee Wengraf (2018) uses classical Marxist theory to analyze Africa’s position in the global political economy and argues that it is “profoundly shaped by its colonial roots as well as the contemporary forces of neoliberalism and imperialism” (Wengraf 2018:11). Furthermore, Wengraf (ibid.) writes that African poverty and inequality are inseparable from the globalizing dynamic of capitalism described in the writings of Marx. Guyanese historian Walter Rodney describes it this way: “African economies are integrated into the very structure of the developed capitalist economies; and they are integrated in a manner that is unfavorable to Africa and insures that Africa is dependent on the big capitalist countries” (Walter Rodney, cited in Wengraf 2018:40).

Ferguson (2006:183) writes that in the era of neoliberal globalization, the economic gap between the poorest and the richest countries – as measured by GDP per capita - have risen

sharply, and most African countries are economically further away from Global North countries than they were thirty or forty years ago. However, one often hears about economic growth and poverty reduction in SSA. The most common measurement for economic growth, especially from the IFIs and Western donors, is GDP. As is the case with Uganda. Those who promote the narrative of Uganda as a model for economic growth and development often point to an impressive GDP growth to substantiate their claims. The problem with the excessive focus on GDP as the only indicator for economic growth can be problematic.

7.2 The focus on Gross Domestic Product (GDP)

How does one measure the economic health of a country? And what does this tell us about the economic well-being of the country's inhabitants? Many analysts have argued that the metrics that have been used to measure development, have been overly focused on economic factors, while neglecting other important social indicators like health and education (Amin 2009:59). Other factors that have historically been neglected until recent years are the environmental aspect and the devastating threat of climate change, which has been significantly contributed to by the sole focus on GDP growth and profits that have dominated the global economy since the industrial age. The concept of sustainable development was introduced decades ago but has gained influence and importance in recent years in the development discourse, particularly with the introduction of the UN Sustainable Development Goals (SDGs) in 2015.

The issue of measurement is important because the data and statistics inform and influence economic, social, and environmental policymaking. GDP has been the leading indicator for measuring the economic health of a country and been at the centre of the public debate on the issue. However, the focus on GDP that has traditionally dominated the international development discourse is being questioned from several actors, even within the liberal establishment. As an example, *The Economist* stated in 2010 that “GDP is a poor measure of improving living standards” (Fioramonti 2013:1-2). Even the Organization for Economic Co-operation and Development (OECD) has recognized that GDP growth is not synonymous to improved living conditions, and that despite economic growth in many countries, people in those countries are less happy and content with their living conditions (Fioramonti 2013:2).

In short, GDP has been the preferred method of measuring the wealth of nations in modern times (Fioramonti 2013:6). GDP is a measurement of the value of goods and services produced over a specified time period (ibid.). The formula for GDP is as follows: $GDP = \text{consumption} + \text{investment} + \text{government spending} + \text{exports} - \text{imports}$ (Fioramonti 2013:6).

GDP was introduced in 1991 as a measurement for national income, which had previously been referred to as Gross National Product (Fiorimonti 2013:41). Fiorimonti (ibid.) writes about the main difference between the two measurements. GNP measures the value of goods and services produced by the residents of a country, whether or not that value was created within said country's borders (ibid.). To illustrate, this means that the earnings of a multinational corporation was calculated as part of the GNP of the country where the corporation was owned, and the profits returned (ibid.). On the other hand, GDP is a measurement of the income generated in a country regardless of where the company that is making the earnings is legally based (ibid.). This means that with GDP, the earnings of a multinational corporation are attributed to the country where the corporation operates and/or manufacture their products, even if the profits do not stay and benefit said country's economy (ibid.).

As is the case with how the IFIs adjusted the poverty line and the UN backdated the MDGs so that the statistics would include the significant poverty reduction in China in the 1990s, the introduction of GDP as the main indicator for economic growth changed the development discourse and the economic performances of Global South countries (ibid.). This is important and highly relevant because GDP growth in Uganda is one of the main indicators the IFIs and Western partners and donors have used to substantiate the view of Uganda as a prominent example of developmental progress and the effectiveness of the neoliberal reforms Uganda has implemented. However, as demonstrated, the focus on GDP does not necessarily give the full picture or reflect the lived experiences and improvements in living standards for the general population. Fiorimonti (ibid.) argues that the deliberate use of these statistics in the development discourse hides a fundamental truth in the global economy, namely that “the nations of the North are walking off with the South's resources and calling it a gain for the South” (ibid.). This is a criticism that is common in Marxian analyses of the global economy and structures of neo-colonialism.

7.3 GDP growth in Uganda

Neoliberal reforms have by many actors been credited with the impressive GDP growth in Uganda, even though it needs to be considered that Uganda under Museveni started out at a low point after the devastation of the civil war (Asiimwe 2018:146). Professor Asiimwe writes that the GDP growth in Uganda under Museveni rose as high as 11 per cent in the mid-1990s and then averaged 6.5 per cent up until 2015 (ibid.). In our interview, Professor

Asimwe argues that the sole focus on growth is reductionist, and that the growth in large part has been driven by aid:

We've got the apologists of neoliberalism. They highlight the advantages of neoliberalism, of a free market economy, paramount of those is growth, and they focus narrowly, they are reductionists based on the principle of growth, whatever that means, but growth in goods and services, and indeed, after the imposition of neoliberal structure adjustment policies, we have witnessed spectacular growth, but this growth has also been aid-driven, as a reward to the Museveni regime, there was a pouring in of aid.

Professor Asimwe's view is further substantiated by the data provided by Sande Lie (2018:45) in chapter 6, that 48–53 per cent of Uganda's national budget was provided for by foreign aid between 2000-2005. This is also in a period where Uganda's growth was showcased as a model for effective development. This suggests that it is not the neoliberal reforms themselves that was necessary the reason for this growth, as has been portrayed by the IFIs and other Western donors. This also implies that there are other political considerations for Uganda being upheld as a developmental success. As we analyze in this thesis, there are other factors, as well as foreign and national beneficiaries with an interest in keeping this dynamic going. Professor Asimwe argues that this aid driven growth does not show the full picture of the socio-economic reality in Uganda:

Growth has not only been driven by direct inflows, but also there are those who look at the dynamics of corruption, which have spurred growth. So, if you look at Kampala, you can't believe, the boda-bodas (motorcycle taxis), there are buildings (...) they have sprouted. That showcases growth. It's certainly an acceleration of capitalism and of course it accelerates beyond national to global, with globalization it's ranging very high. The neoliberal package does give it that conducive framework to freely operate without any hindrance and as I said, the payoff is the growth (...) but what is behind that growth? And how is it growing? That is the question, and if you particularize what you are interrogating, a socioeconomic impact, you find that there is a very serious downside of those dynamics that lead to socio-political problems. Social of course the Gini index. The gap between the poor and rich, the dynamics of neoliberalism, has few winners and many losers.

What Professor Asiimwe asserts here, is that the neoliberal framework has facilitated corruption and the rise of a significant informal economy. Boda-bodas are an informal and unregulated industry that is dominating transportation in Kampala. Indeed, the picture that Asiimwe describes fits well with the development of the neopatrimonial state, as described in the theory chapter in this thesis, where there is a blurred distinction between the public and private sphere, between the formal and the informal. Asiimwe also points to the rising score on the Gini index, which is a measurement for inequality. This substantiates the claim that the reforms have benefited the few on the expense of the many, which is a common thread in this analysis.

Professor Rubongoya makes a similar case about GDP growth in Uganda and what it hides, echoing the points of Fiorimonti (2013) that was analysed earlier in this chapter:

The underlying principle (of neoliberalism) is economic growth, well how do they measure it? (...) GDP, GNP, and what the World Bank and the IMF often do is to come in and say, "is there fiscal management? What is the bank of Uganda doing and is it balancing its budget?" So, if there's economic growth we say, Uganda's GDP has grown. At some point they were saying that Uganda's GDP or Uganda's economy was one of the fastest growing economies on the African continent. That it was growing at about 6.5-7% per annum in terms of GDP. What does GDP hide?

Professor Rubongoya describes challenges facing agricultural producers in Uganda in the neoliberal era, and the consequences this, along with privatization in historically public sectors, has had for the Ugandan economy and the general population:

And how does it (GDP) grow? Well, it will grow if you increase your exports, you do that by devaluing your currency, so that your exports are more affordable on the global market, and if you export more than you import, then you are going to be growing your economy, but what does that mean in terms of the peasant-trade. How much is paid to the peasant-trade if we are exporting raw materials, coffee, cotton, tobacco, flowers. So, what neoliberalism has been able to do, is say, "Uganda devalued its currency. It has a micro-economic policy that is stable, and it has a micro-economic policy that is conducive to growth". But at the end of the day, we have also privatized medicine, privatized education, privatized infrastructure construction. That is devastating at the micro-level of society, because the grower of coffee, of cotton, of corn, of dairy, is being paid at minimum. The infrastructure may not be meeting the

needs of the local populations, so you find that the peasants and Uganda's rural population, Uganda is 70% rural, so most people live in the countryside, most people are agricultural in their day to day activities and what they earn and their livelihood is based on how much they make from agricultural output, but the cost of input has risen because of neoliberalism, so if the cost of inputs has risen, and yet the currency has been devalued, then how much the peasants benefit is going to be very limited (...) it's not clear whether economic growth will necessarily lead to development, because we know that there can be economic growth without development”

These statements from professor Rubongoya substantiates some of the central arguments of this thesis, that large segments of the Ugandan population have not benefited significantly from this economic growth. Can we then claim that Uganda has seen significant development? In chapter 5, Sahle (2008) writes about destitution of small-scale farmers, which accounts for a large portion of the Ugandan economy. The quotes from Professor Rubongoya tells us that with neoliberal privatization reforms, expenditures for goods and services have risen, leading to an increasingly dire situation for Uganda's poor rural population.

Anne Mette Kjær & Mesarch Katusiimeh (2012) makes the point that under the NRM government, the Ugandan economy has been growing but not transforming. The initial years of the NRM regime focused on improving infrastructure and increasing production and productivity and as previously described, Uganda did see a sustained economic growth of about 7% per annum between 1990 and 2006 (Kjær & Katusiimeh 2012:7). Kjær & Katusiimeh (ibid.) attributes this in significant part to the period of relative peace and political stability during these years. There are strong arguments made in this thesis that suggests that the political stability and longevity of the Museveni regime, further analyzed in coming chapters, together with foreign aid, are more important factors in the economic growth that did take place in Uganda than the neoliberal reforms. However, the thesis argues that the neoliberal agenda have significantly impacted who benefited from this growth.

7.4 The dismantling of co-operatives

Wiegratz (2016:98) argues that the systematic weakening and subsequent dissolving of co-operatives by the Museveni government was part of the conditions for further loans from the IFIs, to which the Ugandan government wilfully complied. The co-operatives and state-run marketing boards were seen as socialistic and less efficient than for-profit companies in a free

market setting, and quickly became a target for reforms (Wiegratz 2016:70). This provided an opportunity for politically connected private business actors to come in and take over the assets from previous prosperous co-ops or see their own businesses benefit in sectors that had been dominated by the co-operatives (Wiegratz 2016:98).

Wiegratz (2016:99) writes that these actions were not well received and rather met with “anger, protest, and frustration” by many, and particularly by farmers. The government closing the cooperatives bank significantly impacted the private economy of many people who had their savings and shares in the bank (ibid.). Wedig & Wiegratz (2017:363) writes that there has been internationally promoted efforts to revive co-operatives in Africa, but that there have been major difficulties in achieving this in Uganda in the neoliberal political and economic environment with liberalized agricultural markets.

Professor Asiimwe (2018:150-151) writes about the impact on Ugandan agriculture. Asiimwe writes that during the first years of the reforms, the agricultural sector contributed 85 per cent of Uganda’s export earnings and employed over 66 per cent of the working population (Asiimwe 2018:150). However, the agricultural contributions started declining and by 2007 contributed 47 per cent of Uganda’s export earnings (ibid). Asiimwe provides data to illustrate this decline:

From 2004 to 2008, agricultural growth slowed to an average of 1.1 per cent and in 2006 recorded a growth of -1.8 per cent. Cash crops declined by 16 per cent during the 2010/11 financial year, while the food crop contribution to GDP declined from 14.3 per cent in 2009/10 to 13 per cent during the 2010/11 year (Asiimwe 2018:151).

The decline in agriculture were blamed on factors like the climate and other natural explanations in the official discourse, but Asiimwe (ibid.) argues that the neoliberal structure is more to blame. This includes the “rolling back” of the state, the removal of subsidies, and the dismantling of co-operatives (ibid.). Asiimwe (ibid.) writes that co-operatives used to offer collective power for Uganda’s small-scale farmers against “shocks, market failures, and price fluctuations”. After the neoliberal reforms and dismantling of the co-operatives, the small-holder agricultural producers entered the market in a much weaker position (ibid.).

Professor Asiimwe argued the same view in his interview with me:

If you look at the social structure of Uganda, where the majority are peasants (...) This is a weak class. Especially the poor, middle peasants. They are weak petty commodity producers, so their income is low (...) such actors, such classes in a volatile market,

where they enter as individuals, they are extremely vulnerable (...) these people organized in co-operatives (before reforms), they were given state subsidies (...) farm subsidies, pesticide imports, plus very elaborate extension service, for their production. So now they are left to fend for themselves in the market. They are left to the profit sector. These people, it's assumed that they know, that they make rational choices. That they are knowledgeable, but suddenly there are knowledge asymmetries. Some enter the market from a strong position, best informed, and they prey on the weak. Now those weak classes as a result, cannot afford the market driven, the profit driven services.

Professor Asiimwe points out that small-scale farmers has been significantly hurt by neoliberal reforms that have been described in this analysis like cuts in subsidies and support from the state. One of the points this thesis argues is that these are policies that have been forced upon Global South countries from IFIs, with the result that they cannot compete with highly subsidized foreign industries, for example in textile and agriculture. This is the same argument from Hickel (2017) described in chapter 6. The criticism is that powerful economies in the Global North are denying the Global South the same means and protection that enabled their own industries to develop. Another way to describe this dynamic is to “kick away the ladder”. The next section describes this double-standard further.

7.5 Neoliberal orthodoxy in the Global South vs. the Global North

Asiimwe (2018:151) points out this disparity in neoliberal practices between Uganda and Western powers like the US and the EU, especially with regards to state subsidies and protectionism. Asiimwe (ibid.) writes that the major developed economies protect and provides subsidies to their own agricultural producers and industries. Asiimwe (ibid.) illustrates this point by writing that US farmers that produce six-tenths of global cotton receive 4 billion USD yearly in subsidies, allowing them to control 25 per cent of the export market worldwide. Because of this, “US cotton is exported at an average price of 57 per cent below the cost of production” (ibid.). Dairy product exports in the EU are subsidized with 1.7 billion Euros yearly, according to Asiimwe (ibid.). There is a clear double standard with regards to the implementation of free market policies in practice internationally. This section argues that, in reality, it is protectionism for the rich countries and market discipline for poor countries, subsidies for rich countries, free market for poor countries (Hickel 2017:194).

In our interview, Professor Asimwe makes the same point that when it comes to neoliberal orthodoxy, Uganda stands out and follows the neoliberal model to a larger extent than the US in practice:

Uganda has been a special case, and that's one reason also why it's a darling of the west, and we've had a wholesale adoption of neoliberalism, and like other countries that have had a break, or for us its full scale (...) we have a market which is freer than the US market. US has regulation, even Britain (...) but for us, we are more catholic than the pope (...) as a far as having a capitalist economy, we are the best in the world.

Jason Hickel (2017:192-194) makes the point about which countries developed, and that they did not do it with liberal economic policies. Global South countries will never be able to catch up if they are placed in competition with international industries too early, as they need to develop adequate institutional and organizational structures (Hickel 2017:192). Industries in Global South countries need to be protected in their infancy, just as they were in the early stages in the countries that developed into major economies (ibid.).

Hickel (2017:193) criticizes the notion of free and fair competition and “level playing field” among international trading partners. Even if there is a level playing field in theory with the requirements of WTO of equally low and reduced tariffs and subsidies, Hickel (2017:193) argues that the rich countries are playing with stacked deck. Because poor countries are required to significantly cut subsidies, they often have no choice but to give up aspirations of industrialization and have to fall back on agriculture and exporting raw materials (ibid.). Hickel writes that the US and EU subsidize their own agricultural produce with 374 billion USD every year, supplying international markets with their agricultural products for less than it cost to produce them (ibid.). Of course, this heavily impacts producers in the poor countries, “driving down their market share” (ibid.). Simply put, Global South countries cannot compete on the global markets with the heavily subsidized producers of the global north.

7.6 Inequality

One of the most undisputed effects of neoliberalism in the Global South and really all over the world, is rising inequality. This is also one of the economic side-effects of the neoliberal reforms that have been implemented in Uganda, this is a perception which is shared by the scholars and researchers I have interviewed on this subject.

According to Wiegratz (2016:72-73), there was an increase of welfare inequality in urban areas, illustrated by an increase of 9.0% in the consumption expenditure for the richest 20% of

the population in Uganda, while 80% of the population experienced a decrease. Even the World Bank reported in 2010 that there was a “substantial” increase in inequality between regions and between urban and rural areas which had left the populations in rural areas, especially in North-Eastern Uganda, lagging more urban areas (Wiegratz 2016:73).

Professor Asiimwe (2018:155) writes that the Gini coefficient, measuring inequality, increased from 33.0 in 1989/90 to 44.6 in 2012, a substantial rise in the neoliberal era (ibid.). Furthermore, Asiimwe (ibid.) writes that “household income or consumption share was only 2.4 per cent for the lowest 10 per cent of the population, while it increased for the highest 10 per cent of the population from 29.93 per cent in 1996 to 36.10 per cent in 2009” (ibid.). Professor Asiimwe asserts that in the neoliberal mindset of leaders in Uganda, there is little attention paid to poverty and the gap between rich and poor:

In the neoliberal thought, they didn't want to consider very much that gap, they assume that it's trickle-down, and in any case, some even think that poverty is good because it forces people to work, to compete, and as they work, they generate goods and services and gross domestic product increases, so from that angle, you let the market forces, the dynamics, people will work very hard, and through that hard work, then they are certainly contributing to the national growth.

Morten Bøås argues in our interview that living standards have increased for most Ugandans under the rule of Museveni, but that inequality has indeed increased. Bøås makes the point that this is a trend that can be seen not only in Uganda, but is in fact a global phenomenon:

For almost all Ugandans it is better to live there today than it was 30 years ago, it also means that inequality is growing. But this is not only a Ugandan phenomenon. If you look at inequality on a global scale you will see something interesting, and that is that inter-regional inequality is diminishing. Meaning that if you compare Africa to Asia, Latin-America, Europe, North America, these regions are starting to look more similar. They are of course obviously not similar, but the level of inter-regional inequality has in fact gone down, whereas what has increased, is intra-regional inequality, and also in-country inequality, and to some extent, you could say, that the exact same process that has happened in Norway, has happened in Uganda (...) So, this is basically where I see this state today: population more secure. To a certain extent everybody has seen some improvement, well not everybody, but a lot of people have seen some improvements in their livelihood, but there is increasing inequality

and the shortages of available land, combined with younger people's interest in just living the lives of their mothers and fathers, pushes people into the cities, and an uncertain life.

These statements from Bøås gives a mixed picture of where Uganda stands today. It is an interesting observation that increasing inequality within countries is a global trend and is not specific to Uganda. Indeed, inequality has been rising globally in the neoliberal era, placing large amounts of wealth into relative few hands. This is substantiated by the Credit Suisse Global Wealth report for 2021, which shows that global inequality keeps rising within most countries (Credit Suisse 2021). However, a larger study could further investigate too which degree this global trend is a consequence of neoliberal economics. This thesis focuses on Uganda and makes the argument that such policies have had a significant impact. I think it is a valid point Bøås makes about many people feeling more secure the last 30 years, and this may largely be a consequence of the relative political stability and peace under Museveni, except for the periodic LRA insurgency in the north of the country. However, the regime is becoming more brutal and authoritarian, something that this thesis will analyse further.

Rose Nakayi is a Senior Lecturer of Law at the School of Law at Makerere University. In my interview with her, she talks about how neoliberalism has impacted issues of inequality and poverty in Uganda:

At the beginning, I can say that Uganda was a laboratory for neoliberalism. If one looks at all the efforts that were put in it can look like a success story, especially seeing how widespread the reforms were, but over time, you really see that there have been unintended consequences (...) the inequality is so entrenched (...) if you see the inequality that is portrayed, for example when you go around, you'll see that those restrictions have mainly affected the poor, who do not own a car, who survive on everyday earnings, a certain section of the society can just get out, get into their car and go where they want to be, the privatization of the market, it has greatly affected the poor, who cannot really operate in a competitive environment that is not properly regulated.

The issue of growing inequality leads to a further analysis of poverty in Uganda and whether there has indeed been a reduction of poverty in the era of neoliberalism and economic growth.

7.7 Poverty

One of the arguments that have been commonly used in the development discourse to substantiate the image of Uganda as a developmental success story, along with economic growth, is that the country has experienced poverty reduction under the neoliberal regime that has dominated the last decades. However, several analysts dispute this claim. This is also a consequence of the very conscious use of the international poverty line described in chapter 6.

Wiegratz (2016:72) writes that about two thirds of the Ugandan population was classified as “poor” according to Ugandan government data in 2012/13. 19.7% of the population was living for up to 1 USD per day, and 43.3% (officially classified as non-poor insecure) were living on 1-2 USD per day (Government of Uganda 2014) (ibid.). 88.3% of Ugandans could be living for less than 3 USD per day (ibid). The IPL is at 1.90 USD a day (World Bank).

Wiegratz (2016:72-73) provides further data about poverty in Uganda in the neoliberal area: The national head count poverty level for Uganda was around 30 – 31% throughout the 2000s (ibid.). There are also large disparities in poverty between the populations in urban and rural areas in Uganda, with poverty levels being much higher in rural areas, especially among small-scale farmers (ibid.). Wiegratz (ibid.) writes that headcount poverty for the population in rural areas did decrease from 60% to 42% between 1992 and 2003, while headcount poverty decreased from 28% to 12% for populations in urban areas. These official data from the Ugandan government suggests that there was indeed a decrease in poverty. To illustrate the disparity between in poverty levels between urban and rural areas, Wiegratz (ibid.) writes that poverty in rural areas make up about 96% of the national poverty in Uganda. However, this data is from government sources and their poverty measures, which Kjær suggests in our interview paints a different picture than World Bank numbers. It is also important to remember that even if one uses World Bank poverty data, Hickel (2017) illustrated in chapter 6 how these numbers can obfuscate reality.

Professor Asiimwe (2018:155) writes that the persistent poverty issues in Uganda have been blamed on high population growth, traditional practices, and laziness, by the dominating actors in the development discourse. But as we know, analysing poverty is also a question of measurement and methodology. Asiimwe (ibid.) writes that the United Nations Development Programme (UNDP) in 2000, while poverty reduction in Uganda was being celebrated, noted that income poverty still affected 46 per cent of the Ugandan population.

The latest available survey data for the UNDP Multidimensional Poverty Index (MPI) in Uganda is 2016, where it was estimated that 55.1 % of the population was living in multidimensional poverty and 24.9% was vulnerable to multidimensional poverty (UNDP 2020). Between the years 2005 – 2009, for every three people who were lifted out of poverty, two people fell back into poverty, according to the World Bank (Asiimwe 2018:155). Uganda has remained low on the UN Human Development Index (HDI) throughout the neoliberal era, ranking 159th out of 189 countries in 2020 (UNDP 2020).

Professor Anne Mette Kjær has done extensive research in Uganda, and I interviewed her about her impression of Uganda under the NRM regime, and the socioeconomic impact of the reforms that have been implemented. However, Kjær does not particularly agree with Wiegratz, Asiimwe, Rubongoya and some of other scholars featured in this thesis that there is much overtly neoliberal about Uganda under Museveni. This might also be a reflection of differing definitions of neoliberalism, as analyzed in the theory chapter and at the end of this chapter. She does, however, agree that some of the economic statistics and poverty reduction numbers have been exaggerated, even though she maintains that there has also been positive developments and stability under Museveni:

We don't know what would have happened had the NRM not been there. I think there has been an extent of development. I think that the degree of poverty reduction is probably exaggerated, and I also see that with the national poverty line there's more poverty reduction than when you use the World Bank, and I think also that there are lots of challenges in public health, still. I think there has been a degree of growth, especially in some areas, and I think a lot of it has been due to the stability (...) and I think that in itself has helped growth. So, I will say that compared to 1986, there has been a positive development with regard to economic growth, but it has also been very exaggerated with the ones who portray Uganda as a success story.

Sam Hickey (2005:995) writes that the poverty reduction Uganda did experience in the 1990s were attributed to “getting the politics right”, meaning good governance reforms. However, Hickey (ibid.) writes that the poorest and most marginalized people in Uganda are “under- and misrepresented” in the form of politics that shape the governments poverty reduction policies and broader development project”. Hickey (2005:996) writes that “good governance” reforms and policies has been the focus for the international development community to achieve poverty reduction in the Global South. The political stability in Uganda since the Bush war has been partially responsible for economic growth and poverty reduction.

However, corruption is prevalent, and neopatrimonial traits is clear in the Ugandan state, which undermines development (Hickey 2012:203). Hickey (2005:997) writes that the poverty reduction that has followed economic growth in Uganda in the 1990s were significantly uneven when it comes to distribution. With privatization, crumbling infrastructure, and increasing prices for essential goods and services, this thesis argues that neoliberal reforms has contributed to further marginalizing the rural population and driven them further into poverty.

Hickey (ibid.) makes the same point as Wiegratz (2016) about uneven poverty reduction between rural and urban populations. Between the years 1997 – 2000, the economic growth generated in Uganda was heavily skewed towards urban populations and benefited the richest 10% more than double that of the poorest section of the population, according to Hickey (ibid.). The early 2000s saw a reversal of the economic trends in Uganda in the 1990s, and the percentage of the population living under the poverty line increased from 34% in 1999 to 38% in 2003 (ibid.). Hickey (ibid.) writes that 91.9% of the chronically poor in Uganda is living in rural areas, especially in the northern parts of the country which have seen insurgencies and increasing oppression from the government.

7.8 Who benefits from these policies?

Most analysts agree that Uganda has undergone substantial changes since Museveni became president, and the GDP growth means that there has been wealth created. However, with rapidly increasing inequality and persistent high levels of poverty, the question naturally arises as to who has benefited from this economic growth?

Liberalized trade is a cornerstone in neoliberal ideology and one of the reforms that has greatly impacted the Ugandan economy. Professor Asiimwe (2018:151-152) writes about the impact this has had on Ugandan industries and for local producers. Asiimwe (ibid.) writes that one of the consequences of liberalised trade is that, even though there was an increase in the volume of Ugandan goods, local producers were outcompeted by the larger multinational corporations who now dominated the domestic market. These larger foreign companies had the advantages of being heavily supported and subsidized by their countries, something Global South countries cannot do under the WTO regime. Asiimwe (2018:151) uses the textile industry as an example and writes that the massive imports of clothes and other textiles undermined Uganda's own textile industry, which in turn negatively impacted the cotton and apparel sectors in Uganda (ibid).

In our interview, Professor Asimwe makes this point about the effects of liberalized trade on Ugandan industries, and that those who benefit are multinational corporations and national elites who are well connected:

Yeah, of course those multinational corporations have got agents, they've got commission agents, they've got partnerships, and those are the beneficiaries (...) then of course the inner circle who are able to evade taxes or to go around and manipulate the system, find a way to manoeuvre, those are okay, if you are opposition and you are an entrepreneur, businessperson, then they can use the financial instruments, the banks to really un-trust you. You get asymmetries of a few winners who are benefitting from the system and neoliberal systems help their self-interests (...) and the others got to struggle to fend for yourself. Now the other aspect of liberalization, liberalization of course, kills local industry.

If you open up wholesale, and they bring all sorts from China, they dump here. Second-hand products including underwear (...) the local production, the traditional, those incipient sectors, producers, the locals, are really having it rough with massive imports, from especially China, that are supported by their countries with credit (...) so there is de-industrialization, and you are fully dependent on imports, including some foods (...) if you can no longer produce in the local industries, so you have high unemployment, so you have all the youth going into the (informal) service sector, the hawking, the boda-boda industry (...) (because) the national production has gone down, it's not there.

This again point to a dynamic where the neoliberal international trade regime hurts local economies in the Global South. As described in the theory chapter of this thesis, liberalized trade is one the most significant manifestations of the neoliberal ideology. However, as this thesis explains with the contributions from Chomsky (1999), Harvey (2005), and HICKEL (2017), the notion of “free and fair trade” is not reflected in practice with the major economies having been developed through protectionism and tariffs and entering the markets of the Global South from a significantly more powerful position. As we have seen, in a country like Uganda, this has significantly hurt local producers, leading to high unemployment and people turning to the informal industries, like boda-bodas, to make a living for themselves.

Multinational corporations are not the only actors that have benefited from the transformation of Uganda. One of the most important conditions of the SAPs was the privatization of state

companies and assets, a process which led to high-level corruption, according to Wiegratz (2016:73). For example, under the reform and restructuring of the banking sector in Uganda, there was political interference, corruption, and enrichment of well-connected elites with close ties to senior government officials, all the way up to Museveni himself (ibid.). These systems have allowed the ruling elites to enrich themselves. Wiegratz (ibid.) writes that Museveni's half-brother Salim Saleh was involved in corruption and enrichment in several cases, like the collapsed Green Land Bank (ibid.).

Corruption and fraud at all levels of government, but especially at top level, has soared since the 1990s, driven on by privatization and other neoliberal reforms (ibid.). Wiegratz (2016:74) writes that the corruption infected and impacted all essential sectors of Ugandan society: health, education, judiciary, infrastructure, police, military, land related institutions, and public administration. According to Transparency International's Corruption Perceptions Index (CPI) for 2020, Uganda is ranked as number 142 out of 180 countries (Transparency International 2021). The World Bank estimated in 2010 that 300 million USD were lost annually in Uganda due to corruption and that this was severely harming Uganda's image as the prime example of effective economic reform (Wiegratz 2016:74).

Wiegratz (ibid.) writes that many high level NRM officials and family members (Like Museveni's half-brother Salim Saleh, brother-in-law Sam Kutesa, and former Minister of Health Jim Muhwezi) have been accused of high-level corruption without being prosecuted or sanctioned (ibid.). Corruption and patronage in Uganda have been used as an important tool, not only for personal enrichment, but also direct resources and funds to consolidate power and bolster the ruling elite (ibid.). This is in accordance with the definitions of neopatrimonialism provided in the theory chapter.

Despite the persistent high levels of corruption and Uganda's consistently poor performances on Transparency International's CPI, aid and financial support by donors and the IFIs towards Uganda has not suffered or been significantly reduced, even though there has been threats to do so, and Uganda continues to be a donor darling (Asiimwe 2018:147).

7.9 Opposing views on neoliberalism in Uganda

Neoliberalism is a contested term with several central aspects and dimensions. As described in chapter 3, Neoliberalism can be understood both in political and economic terms and practices, and as a specific mindset and ideology. There is not full consensus and agreement among scholars that Uganda is a distinctly neoliberal country, and this section is dedicated to

highlighting some of these opposing views and nuanced perceptions on the Ugandan state and how it has transformed under the NRM rule. Professor Kjær argues that there is not more neoliberalism in Uganda than in other comparable countries, and that there are sectors that has benefited from market reforms, like the dairy industry which she has done research on:

I certainly wouldn't define neoliberalism as what's going on in Uganda (...) So I disagree with Jorg (Wiegratz), who you refer to, because obviously there have been some neoliberal reforms, but I just don't think that when you study implementation like I do, it doesn't really seem to me as if there are that many real neoliberal reforms, and I don't think you can talk about widespread capitalism or neoliberalism in Uganda (...) obviously some of the overall reforms in the early 1990s, were neoliberal in the sense that there was a process where public expenditure was adjusted, and we had managed public expenditure better so that inflation came down, and I think that those kinds of reform were necessary. It's important to have a stable economy, so you have to try to increase revenues, and to an extent also, decrease expenditure so that you could actually manage public revenues better, with the cashflow system and cash budgeting that they introduced in that area, and since then it has actually been possible for Uganda to control inflation, which I think is really important. Look at Zimbabwe. Then you can question the privatization that went on, a lot of them were also corrupt, so in a sense they weren't really liberal.

They have had 75% tariff on milk, and other sensitive items, so I studied the milk sector in Uganda, and it has been hugely successful by having that tariff, combined with targeting the industry from the governments subsidized support of milk coolers and generators and infrastructure, that has nothing to do with neo-liberalism. That's government intervention in line with what happened in Korea and Taiwan. The state intervenes sometimes for the better, a lot of time for the worse, and destroys markets sometimes. In the dairy sector, which is an exception, it was successful because the state-owned marketing board was a disaster, the marketing board for dairy wasn't able to buy milk from the farmers, so there was no market. They couldn't get rid of their milk, so if they couldn't sell it to their neighbours or drink it themselves, they would have to throw it out, so they liberalized the state marketing board in 1991, so that's a part of the liberalization, which was a good thing, because the farmers could now then sell this milk. There was an emerging market, but prior to that, the government had intervened and supported with industrial policies, state intervention.

So even to liberalization, there had been some state promotion of cooling infrastructure, so that there was actually a cold chain that emerged, when they then liberalized and there was more trade in milk. So that was a combination of liberalization and government support that actually created the success in the dairy sector. The reason why it succeeded in milk and not for example, coffee, I think was a combination of the fact that this was an area where Museveni really wanted to build up a good base of support after having won the civil war and because the cattle was still there. The civil war had destroyed dairy cattle in several other parts of the country, and because a lot of the new elites came from there, so they did privately promote that industry in that area, so a combination of these things made that happen.

I think that this disagreement may be down the contested and differing definitions of neoliberalism that is pointed out in the theory chapter. This is why this thesis argues for the view that neoliberalism ought to be understood as a mind-set or ideology that centres the financialization of human life, and that the policies that are associated with neoliberalism are manifestations of the ideology that will be practiced unevenly and in varying degree in different contexts. As Harvey (2005:71) argues, not even the most ardent neoliberal state will adhere to neoliberal doctrine constantly. I refer back to the argument of Brenner, Peck & Theodore (2010:331) from the theory chapter, where neoliberalism is described a process that has been “articulated unevenly across places, territories, and scales”. I think this dynamic is well illustrated here with the dairy sector, which Kjær explains there are reasons for why the Museveni regime has subsidized this industry and imposed tariffs. But as Kjær points out, there has also been liberalization in this sector. I think this also reflects the point of Sahle (2008:79) in chapter 5, that with liberalization, small-scale farmers were no longer required to sell their agricultural surplus to the state-owned agricultural companies but can sell directly to private traders instead.

Morten Bøås argues in our interview that there have been neoliberal policies promoted by the IFIs that have been implemented in Uganda by the Museveni regime, but that one of the reasons the government has managed to stay in power for so long is that Museveni is skilled at balancing these powers, and the power dynamic is a two-way street, so it is not right that Uganda has been completely dominated by the IFIs and Western donors. This thesis argues that this is because the neoliberalization of Uganda is a process that have benefitted both foreign state and private actors as well as the government and elites in Uganda, the dialogue and negotiations between these actors are analysed in chapter 6. Bøås also takes a more

nuanced view than the sharpest critics with regards to the impact of these reforms for ordinary Ugandans and how the Ugandan state has developed under the NRM government:

Uganda became part of these interactions between donors, world bank, IMF, but the Ugandan state and Museveni have always proven themselves to be quite skilful negotiators (...) so for me it's almost impossible to say that at any point in time have they been completely dominated by the world bank, IMF and western donors, rather they have been quite good at utilizing off-shore state capital, that they had and still have, and initially that capital was built on a lot of goodwill from the donors because (...) if you look at those in power before Museveni; Amin, Obote, I mean, if you come after this bunch you will be met with a lot of international goodwill just by being something else.

There are two competing and dominating perceptions on the development of Uganda in a lot of the academic literature and in the development discourse. One is the sharply critic view of a Uganda in social and economic crisis with increasing inequality, authoritarianism, corruption, human rights abuses, and a crumbling public sector. The other is the view of Uganda as a model for economic growth and development. I asked Bøås about this and the standing of the Ugandan state today:

The reforms that have been implemented in Uganda that you can say belong to the very broad backs of neoliberal reforms, have been implemented because the Ugandans wanted them, and the Ugandans are quite good at implementing what they want, and they are also quite good at not implementing reforms that either key state officials or Museveni think that they shouldn't. What has emerged out of this is a state that has produced something that at least starts to look like a middle class in main cities, and this is where the debate stands today (...) and it leads to a very strange debate whether this is good or bad, whereas as is most often the case it's in the middle. The Ugandan state works a whole lot better than many other states in its immediate neighbourhood. It is a state that produce at least some sort of security for most of its inhabitants (...) not a welfare state of any kind, but it is a state that for most people, their ownership rights are relatively secured, you have your plot of land, you do not have to pay an awful lot of informal bribes to secure it, the state is relatively predictable, markets that matter to local peasants tend to work at least pretty okay, and the state has also managed, at least, to turn around part of the economy.

In my interview with Rose Nakayi, she argues that the reforms may have been initially intended to bring about actual positive change, but that as it provided an opportunity to serve the self-interests of elites, priorities may have changed and the reforms had unintended consequences of increased inequality:

I wouldn't really be sure, but I think, many times, most of these are intended to bring about change. I think there was a genuine intention to bring about change. It could also have been part of those agendas of, "what can we do in order to fit in?" Because I don't think it's only Uganda that has pursued neoliberal reforms. Other countries have, and sometimes these agendas are not necessarily originated from here. They are originated from elsewhere, so there could also be this question of, "how do we fit into this framework that seems to be attractive to our partners?" That could have been partly the motivation. It is being encouraged, "let's try it," and some would like to bring some results for us. Many times, in the process of implementation of these agendas, you find that the self-interests also get entrenched, and the focus changes.

I can't really say that it was basically, in the first place, intended to benefit the elites and those connected. It could have had a genuine intention, but at the end of the day, the elites and those connected saw it as a very good way for achieving their own goals, and I think over time, the original agenda is being lost. Because if you look at life in Uganda and how most of these policies are affecting the ordinary person and affecting some people who are moving into the so-called middle class, you see that it's not really working. It's now not serving its intended purpose.

This chapter has been dedicated to analysing the economic growth that have taken place in Uganda, more precisely what this growth tells us about the economic health of the country and the implications for the general population. How this growth has been distributed and who have benefited. The thesis argues that the GDP growth that have been upheld as a sign of impressive development have not necessarily significantly benefited the population, that it has been significantly aid-driven, and that the areas where there has been progress is more down to the relative political stability rather than a direct consequence of the reforms.

8. Socio-Economic Impact on the General Population in Uganda

This chapter will focus on how the wave of neoliberal reforms have impacted social sectors in Uganda and what this means for the average Ugandan. Such sectors include education, health,

infrastructure, and management of natural resources. This analysis will focus mostly on the education and healthcare sectors, and on the privatization of public goods and services.

Many SSA states, like Uganda, were in deep economic crisis in the 1980s with international debt, poverty, declining healthcare and education, crumbling infrastructure and institutions, and a large degree of political instability and conflict (Taylor 2018:14). Many countries had not managed to establish sufficiently functioning economies and institutions after decades of colonization, domination, and brutalization. Many were (and still are) to a large degree influenced and controlled by former colonial powers and other dominant international actors through various instruments of imperialism and exploitation that have been analysed in previous chapters in this thesis.

Austerity was a common conditionality for loans from the World Bank and IMF to SSA countries as part of the SAPs. This led to African governments making large cuts in social spending and essential public services such as healthcare, education, and infrastructure, which correlated with a decline in living standards and other central indicators of human development (Taylor 2018:14). Free education and healthcare systems was replaced with schools and healthcare services requiring fees, as is central to neoliberal doctrine (ibid.).

Taylor (ibid.) writes that as labour rights and wages increased in the Global North, leading to higher costs and less profit for companies, they started searching for ways to utilize cheaper labour elsewhere to make the manufacturing of their products more profitable. Herein lies one of the key aspects behind what can be called neoliberal economic globalization. The largest economies in the Global North lobbied through the IFIs to allow the free movement of capital transnationally and deregulate trade to allow multinational corporations in their countries to move out and manufacture their products in the Global South, where they can pay the workers much less, do not have to spend money on safety and health regulations, and could pay less taxes as foreign companies (Taylor 2018:14-15).

As a central aspect of the neoliberal project, countries all over the world were advised and often pressured into large-scale privatization of social services and other public institutions that had previously been run by the governments, leading to additional hardships for laborers in these sectors and increasing difficulties to pay for essential services like healthcare and education for them and their families (Taylor 2018:15). Taylor (ibid.) writes that “neoliberalism promoted the expansion of markets in the provision of core public goods and

services such as water, sanitation services, postal services, healthcare, education, and social welfare, effectively privatising some of these services”.

8.1 Privatization and Commodification

Wiegratz (2016:101-102) writes that the privatization process in Uganda was characterized by corruption and personal enrichment for political and well-connected business elites. Here it is significant to keep in mind the neopatrimonial aspect defined in the theory chapter, with corruption and the lack of distinction between the public and the private. The corruption involved “Selling” public entities at an undervalued price to cronies of the government, misdeeds regarding payment (for instance, no, incomplete or late payment) or bank asset manipulations. Many factories were acquired by connected people and then quickly re-sold to make a substantial cut in the process” (ibid.). The process provided the opportunity for NRM elites to enrich themselves by acquiring previously public enterprises (ibid.). This may be partly why the Museveni regime has been so willing to embrace the neoliberal agenda.

Another consequence of the wave of mass privatization is that it increased the inequality, polarization, and divide between the few at the top who could now access new capital and economic opportunity, and the general population who had to face the effects of these policies in the form of increased economic hardships (ibid.). There was a series of corruption cases involving influential individuals enriching themselves without any repercussions, which signaled to the general population that this was the priority of those in power rather than national development and growing the economy for the benefit of regular citizens (ibid.).

Another point that Wiegratz (2016:103) makes is that the neoliberal dynamic created a mutually beneficial relationship between donors and NRM leaders and their allies, both in political and economic terms. Wiegratz (ibid.) writes that “politics was increasingly about expanding, sharing and controlling the spoils between foreign (donors, companies, NGOs) and local elites: to control, use and exploit the country and ordinary Ugandans for advancement of the powerful.”

In my interview with Professor Rubongoya, he describes the effects of privatization reforms in Uganda and what this means to ordinary Ugandans, while also contributing to the impression of significant development because of GDP growth:

The other thing that neoliberalism did with privatization is to enrich the small class that has access to capital, and this is very small, and it has increasingly become foreign, so the Indian commercial class, the Chinese commercial class, because they

are able to get capital from abroad at 2-3% interest. If you are a Ugandan entrepreneur and you go to the local banks for loans to set up a business, the interest rate is between 19-25% depending on your collateral. What business are you going to do that ensures you have not only the capacity to pay back that loan, but also to make profit? On the other hand, when I do surveys in Uganda, I realized that the Chinese set up a lot of industries in Uganda because their capital comes from abroad, from Chinese banks, or from other banks. Indian entrepreneurs are able to get loans from Canada, from the US, from India or elsewhere and come and invest. What is that turning the Ugandans into? Basically, they are performing very low-level jobs. You find them sitting in Chinese stores, in Indian factories (...) they are underpaid. So those are the consequences of neoliberalism. All that is happening while the GDP and the GNP looks great.

To capture the effects of neoliberalism and market driven economic policy, one has to go to that micro-level and say, "what does it do, what does privatization of medicine, of education, of other social service deliveries, what does it mean?" You have to buy water, you have to buy electricity, you have to buy medicine, you have to buy education, you have to buy all of these things that were delivered by the state, and then, how much are you paid to grow coffee, to grow cotton, to grow maize, to grow food. What happened towards the end of the Obote-regime was that the peasantry had retreated from the economy, and they just became subsistence, precisely because there were no profits anymore from the cash crop economy.

What Professor Rubongoya is describing is the dynamics of neoliberal globalization and how this has affected local Ugandan businesses. This has to do with the neoliberal process of transnational movement of capital described by Stiglitz (2003:512) in the theory chapter, and as we can see this has significantly impacted local businesses. It is also a symptom of the commodification of essential services like education and healthcare, which fits into the broader neoliberal mind-set as this thesis argues and is supported by the definitions of Saad-Filho and Clarke (2008:136) in the theory chapter. Professor Asimwe provides an example in our interview that illustrates how privatization has commodified even something as basic as drinking water in his home village:

In neoliberalism they believe that state intervention destroys the market and all that, so the government pays lip service to that, using the developmental state model for organization in my village. We had state provided gravity water flow, pipes, around

the village, but that was privatized. They asked me for 400,000 Ugandan Shillings, that's about 130 USD, just to fix it. So, people have gone back to fetch water from rivers because they can no longer afford it, so it's the rich in the villages who can afford to buy water.

Professor Asiimwe explains that the privatization policies has led to electricity becoming so expensive in Uganda that regular households and small to medium sized businesses have difficulties paying for electricity:

Just in a household you need about \$50-60 dollars a month now to pay for energy, electricity (...) now electricity was of course privatized, given to a South-African company, and now it's made that it's so expensive for even small and medium scale enterprises. They cannot afford electricity (...) with the privatization, *everything* was privatized. There used to be the Uganda Electricity Board and it's no more.

The neoliberal reforms that were introduced in Uganda has transformed essential sectors like healthcare and education, which has had a huge impact on the lives of the general population. This is further analyzed in the next sections.

8.2 Healthcare

There is substantial literature about the transformation of the healthcare system in Uganda, and several of the scholars I interviewed for this thesis provided further insight into healthcare reform and the significance this has had for health care services for ordinary Ugandans.

Uganda was known to have one of the most advanced healthcare systems in Africa in the 1960s (Whyte 1991:130). Medical drugs were readily available for free at government run health facilities, which had high attendance rates (ibid.). However, the healthcare system in Uganda was completely decimated during the brutal dictatorship of Idi Amin, who expelled large numbers of trained personnel (ibid.). Between 1968 and 1974, the number of doctors decreased from 978 to 574, the number of pharmacists from 116 to 15 (ibid.). There was a lack of medicine, which is one of the reasons why attendance at government run health centers dropped by half between 1976 and 1988 (Whyte 1991:131). Uganda's economy was in ruins and the government did not have adequate resources to finance healthcare services (Ssali 2018:179).

The healthcare system was completely broken by the mid-1980s (Whyte 1991:130). Simultaneously there had been a sharp increase in private care since 1971 (ibid.). Private health clinics and drugstores multiplied and spread throughout rural areas (Whyte 1991:134).

Whyte (ibid.) writes that in 1971 there were no private health clinics or drugstores in Bunyole county in eastern Uganda, but by 1991 there was at least 11 private health clinics and 4 drugstores in the county. Before 1971 there was only a few private health clinics in the whole of Eastern Uganda, all based in larger towns, however by the mid-1980s private health clinics and drugstores had spread all over Eastern Uganda (ibid.). Whyte (1991:145) argues that there is a correlation between proliferation of private healthcare and medicine and decline in public healthcare systems in Africa. This is because “a weak public system motivates development of private activities, which in turn help keep the public system weak” (ibid.).

Since the early 1990s there have been implemented a series of reforms which has fundamentally transformed the healthcare sector in Uganda. The Ugandan healthcare system today is by many analysts considered to be a corrupt and inefficient healthcare system, which can be viewed as a reflection of the “neoliberal-capitalist restructuring of Ugandan society” (Ssali 2018:178). These reforms were enthusiastically supported by the IFIs, whose target from the mid-1980s was to focus on prices and markets as the best way to increase efficiency of healthcare in the Global South, with the ideological assumption that “efficiency is maximized by competitive market prices” (Rowden 2009:147).

Malin J. Nystrand & Gordon Tamm (2018) writes about neoliberalism in social sectors in Uganda. One of the reforms that were adopted was the Universal Primary Health Care (UPHC) in 2002 (Nystrand & Tamm 2018:168). The reform constituted a radical growth of the healthcare infrastructure in Uganda, especially in rural areas, and over 900 new healthcare facilities were created between 2001 – 2014, according to Nystrand & Tamm (ibid.).

However, even if healthcare coverage has been improved with the establishment of many new private health clinics, there is little empirical evidence to substantiate that the quality of healthcare services has improved (ibid.). There were several serious challenges that limited the success of the reform which are typical of many problems that arise in important social sectors in Uganda. There were not adequate resources allocated to the healthcare facilities, they did not generate sufficient revenue, the medical staff were few and not properly educated, medical supply chains were unstable and unpredictable, and the user fee system facilitated “necessary corruption” (ibid.).

The overall picture of healthcare services in Uganda is not very good but, as Nystrand & Tamm (ibid.) explains, there are differences between public and private healthcare, both with regards to quality and access. For instance, they write that a study found that only 35 per cent

of public health care providers could correctly diagnose at least four out of the five most common medical conditions in Uganda, and that “more than 50 per cent of public health care providers were absent on any given day” (ibid.). Nystrand & Tamm (ibid.) writes that when the healthcare options in Uganda is analyzed and evaluated, the private for-profit scores the highest on metrics such as qualified staff, medical supplies, frequency of treated patients, and waiting time. Private healthcare providers that are not-for-profit, like religious institutions and NGO’s, is second and score almost as high as for-profit providers (Nystrand & Tamm 2018:169). The public health care system scores significantly lower than any of the others on most indicators except for access and coverage (ibid.).

Nystrand and Tamm (ibid.) concludes that the neoliberal reforms and privatization that has taken place in the Ugandan healthcare sector has led to improvements for those who can afford to pay. As is the case with several other sectors where comprehensive reform has been implemented, the healthcare sector reflects class structures that has been reinforced during the neoliberal era: public healthcare services that are severely inadequate for most of the population, and private for-profit healthcare with higher quality for the richer part of the population (ibid.).

In my interview with Professor Rubongoya, he explained how the poor populations in Uganda, who is still majority in rural areas and dependent on agricultural production, is further squeezed between decreasing income from agricultural production and increasing expenses for social services and healthcare:

Most people are agricultural in their day to day activities and what they earn and their livelihood is based on how much they make from agricultural output, but the cost of input has risen because of neoliberalism (...) however, that same person used to go to a government hospital (...) and get treatment, and get medicine (...) but now that same person has to buy the drugs and also pay the doctor, if the doctor is available. One of the fastest growing sectors of the Ugandan economy are pharmacies. If you visited Uganda 10 years ago and you visited Uganda today, you find that pharmacies are all over the place, but that is a consequence of the privatization of medicine, and anyone who puts up a pharmacy can make money because you no longer get medicine from your doctor, from the hospital, so you pay to see a doctor, you pay to get the drugs. All of these are expenses on the rural community. On the youth who are underemployed.

Professor Asiimwe makes the same point as Nystrand & Tamm about privatization in the healthcare sector and how it reflects class divisions, so now you have a two-tier system, one for the poor population and one for those who can afford to pay for private healthcare:

Frontline services like education used to be free (...) (and) healthcare, now all those are in the profit sector (...) There is a very small, sort of a public, but it is the most insufficient and inefficient. Even if you can go to government health sector, public sector, it's laughable (...) So, you've got 2 parallel service provision systems. There is the so-called public, the remaining public, which is useless.

These quotes from Professor Rubongoya and Professor Asiimwe reflects the concept of neoliberalism as a class project, as formulated by James Ferguson (2009:170) in the theory chapter of this thesis. According to this definition, neoliberal reforms such as those described above in the healthcare sector, benefits the holders of capital while leading to rising inequality, deteriorating public services, and destitution and declining conditions for the poor and working class (ibid.). I think this is a fitting description of what has happened in social sectors in Uganda, as substantiated in this chapter. Furthermore, this is a phenomenon that applies to many countries in the Global North and Global South, as described by several analysts in this thesis, like Ferguson (2006), Chomsky (1999) and Taylor (2018). In Uganda, the documentation provided in this thesis suggests that increasing prices for basic services, coupled with declining earnings, especially for the poor rural population and the young city-dwellers who must resort to the informal sector for survival, has led to severe inequality and class division.

Sarah N. Ssali (2018:179) argues that the Ugandan population had been predisposed to accept the neoliberal mindset after years of colonization and state repression, where they had to fend for themselves to survive, rather than relying on or expecting assistance and services from the state. When the government implemented comprehensive healthcare reforms, it was towards a population that had learned to be compliant and not to seek or expect any rights or handouts from the government (ibid.). Ssali writes that in this context Ugandan citizens accepted that they had to formally and informally pay for healthcare, for example through user fees (ibid.). This fits with the neoliberal ideology as described in the theory chapter of this thesis. Individuality, self-reliance, and always seeking one's own self-interest, are key aspects of the neoliberal mindset. Many prominent critics of the neoliberal ideology featured in this thesis, like Chomsky, Harvey, and Wolff, argue that neoliberalism is in part a reaction to the advances made in the post-World War II period with regards to issues such as the labour

movement, civil rights, and social justice. It is an effort to undermine mechanisms of social solidarity, community, popular movements, and public influence in policy making.

The World Bank had four central reforms as conditions for further loans and aid to Global South countries: user fees, decentralization, insurance, and privatization (Ssali 2018:180). User fees were introduced in Uganda as one of the early healthcare reforms. This policy constrained access to healthcare services as many people could not afford them, and the policy was abandoned in 2001 as a result of popular demand and pressure, despite objection from donors (Asiimwe 2018:156). Okuonzi & Macrae (1995:122) writes that “Donor involvement in health policy-making (...) derives both from the level of their financial commitment and from a broader ideological and political basis which seeks to gain control over policy environments through conditionalities”.

One of the reforms undertaken in the 1990s, the civil service reform, sought to slim down the public healthcare sector, which was viewed as bloated and inefficient (Ssali 2018:183). This reform reduced the number of healthcare workers from 320.000 in 1990 to 64.632 in 1998, partly to increase the wages of the healthcare workers that were left (*ibid.*). However, even though income for healthcare workers in the public sector did increase, the wages were still below the minimum living wage in Uganda, and less than in the private sector, according to Ssali (*ibid.*).

Decentralization is another core aspect of the reforms that were implemented in Uganda. The goal was to allocate health services to the local governments in rural counties and provide them with more autonomy and resources to provide healthcare, with the assumption that they would be more responsive to local needs (*ibid.*). Ssali writes that the Health Unit Management Committees (HUMC) was established in the context of the healthcare reforms with the purpose of “overseeing management planning activities, setting and supervising the utilization of revenue from the user fees, providing public scrutiny and supervising the operations of health services at district level” (Ssali 2018:184). Ssali (2018:195) writes that the HUMCs rarely meet and are widely regarded to be flawed institutions. According to Ssali (*ibid.*), there is little empirical evidence to suggest that the decentralization reforms have led to increased local accountability and responsiveness to local health needs but has instead contributed to corruption in local government rather than benefit the rural populations.

8.3 The results of neoliberal healthcare reforms

According to Professor Asiimwe, with the removal of subsidies (as encouraged by the IFIs), healthcare expenditure in Uganda as a percentage of GDP dropped to 2.2 per cent in 2007 (Asiimwe 2018:156). Professor Ssali (2018:185) writes that health expenditure as a percentage of total government expenditure in Uganda continues to be less than 10 per cent, significantly below the 15 per cent that is recommended by the World Health Organization (WHO). The Ugandan Ministry of Health reported in 2006 that as much as 73 per cent of essential medicines distributed to health facilities did not reach their target group (Asiimwe 2018:157). Furthermore, Asiimwe (*ibid.*) writes that reports from 2006 and 2004 respectively, showed that essential drugs were unavailable at 43 per cent of healthcare centers, and that the median availability of essential medicines at public healthcare facilities was at 55 per cent.

In 2009, Uganda ranked as number 186 out of 191 countries on the WHO's healthcare performance index (*ibid.*) "Only 38 per cent of healthcare posts were filled and some 70 per cent of doctors and 40 per cent of nurses and midwives were based in rural areas, serving only 12 per cent of the population" (*ibid.*). The World Bank had previously heavily criticized the Ugandan healthcare system for being overly curative in its priorities and for mainly focusing on the urban populations where people had more money, while neglecting and providing vastly inadequate services for the poor rural populations (Ssali 2018:187). One of the main objectives of the healthcare reforms was to increase focus towards preventive healthcare services, something that has not happened as Ugandan healthcare is still largely providing curative treatments (*ibid.*). Even with increased financial resources allocated to establishing new healthcare clinics, most of the private healthcare infrastructure was constructed in urban areas, which means that the rural population is still largely dependent on public healthcare clinics, which, as demonstrated, are severely lacking in quality care (Ssali 2018:194).

Reforms in the healthcare sector correlated with an increasing number of Ugandan households facing unaffordable healthcare expenses from 28 per cent in 2006 to 37 per cent in 2012 (Ssali 2018:191). Ssali (*ibid.*) writes that the out-of-pockets expenses for households with regards to healthcare went to medicines, charges from health clinics, and doctor's fees and consultations. These data implies that healthcare costs are increasingly unaffordable for many Ugandan households.

8.4 Covid-19

Professor Nakayi echoes the sentiments that a division between classes has increased within the healthcare system. In our interview, she explains how the major health crisis (Covid-19) has highlighted the fact that some people can afford treatment (public or private), but that the fees are so high that most poor people cannot afford medical help:

Coming back to this health crisis (Covid-19). We have seen a number of people go to private hospitals because at the government hospitals they are given bills of hundreds of millions they can't afford, they start fighting for the body of the deceased, so indeed I can say that it had features of a successful program (neoliberalism), but at the same time the unintended consequences indeed have played out in a manner that brings about discrimination to sections of the society (...) where those in a higher class can have access to government facilities and resources, whereas some cannot.

Professor Asiimwe talks in our interview about necessary corruption in the healthcare system because the salaries are so low, and he also makes the same point as Professor Nakayi about the high cost associated with Covid-19 in Uganda:

Some get serious diseases like HIV, now Corona, and some of these private hospitals are shameless. I recently lost my brother-in-law to COVID, and the bill was 160,000,000 Ugandan shillings, 160,000,000 (...) that's about 20,000 dollars I think, around there (...) I was in Norway, I mean, there's so good welfare. Now, you can imagine you go to government hospital (in Uganda), you get nothing at all. A friend of mine, the mother had cervical cancer, and of course went to the hospital, the government hospital, and of course they keep dilly-dallying and that's the form of corruption (...) Dilly-dally. They say, "Christopher, sorry we can't get it, come next week," and then somebody tells you, "Christopher if you want? you better buy it with something." (...) now of course this neoliberal arena, there is a lot of... people have to earn. The civil servants also are compelled into necessary corruption.

The Covid-19 pandemic has put increased pressure on an already dilapidated Ugandan healthcare sector. As is the case with many SSA countries, the vaccine allocation and distribution in Uganda has been grossly inadequate. It is estimated that Uganda needs Covid-19 vaccination for 21.9 million individuals, which means almost 42 million doses as every individual need two doses (Barugahare, Kwagala, & Ochieng 2021:3). However, as of September 2021 Uganda had only received 2.3 million doses, which constitutes only 5.2 per

cent of the required doses (ibid.). Furthermore, the initial doses that was received could only cover two doses for less than 10 per cent of the high-risk individuals, as per WHO guidelines (ibid).

The data and interviews analysed in this chapter regarding the healthcare sector in Uganda indicates that the neoliberal reforms have not improved healthcare services for the majority of the population but has rather created a two-tier system: one for the wealthy few who can receive private healthcare, and one for the majority poor who has to rely on a deteriorating public healthcare sector.

8.5 Education

The state of public education in Uganda during the early years of the NRM government must be seen in light of the collapse of state functions, economy, and institutions following the Amin and Obote years and the civil war, just as is the case with healthcare and other essential sectors. Senteza Kajubi (1991) writes about the state of the education sector in Uganda during the early years of the Museveni regime:

“Education has not succeeded, for example, in promoting a sense of national unity, economic development, self-reliance, social justice and equity, scientific and technological literacy, cultural values and a sense of mutual responsibility to a degree that society would like to see among the “educated” class” (Senteza Kajubi 1991:322).

Senteza Kajubi (ibid.) writes that the education system had too much of an emphasis on just getting students to pass their exams “*per se*”, rather than fostering real knowledge, skills, and values that the student need when they enter the workforce. According to Kajubi (ibid.), the education system produced few graduates with expensive but inadequate educations, while the majority of the population did not receive proper education.

The situation in the education system in the early years of the NRM regime was that there was a severe lack of teachers at all educational levels, and the teachers that was employed largely lacked proper training and were unlicensed (Senteza Kajubi 1991:323). Senteza Kajubi (ibid.) illustrates this by pointing out that in 1988, 56 per cent of primary school teachers, and 40 per cent of secondary school teachers, were untrained. At Makerere University, which is one of the most highly regarded and prestigious universities in SSA, only 437 out of 845 positions were filled in 1990 (ibid.). One of the explanations for the lack of teachers and qualified staff has been the vastly insufficient salaries, much less than a minimum living wage for anyone residing in Kampala (ibid.).

A policy reform in the education sector required parents to pay a larger amount for their children's primary and secondary education, while there were little such requirements for higher education which was still largely funded by the public, according to Senteza Kajubi (1991:325). This policy reinforced class divisions because parents that could not afford to pay for their children's primary and/or secondary education had to pull their children out of school, while also paying taxes and thereby subsidising higher education for those privileged enough to have that opportunity (ibid.). Senteza Kajubi (ibid.) writes that the Ugandan government implemented a policy of cost-sharing at university level in 1989, something that was met with protest from students at Makerere, which had to shut down for three months in 1989/90. The policy change was based on the "returns to investment in education" research promoted by the World Bank (Kiiza 2012:222). The view was that the private rate of return was higher in higher education, while the social rate of return was higher in primary education (ibid.). The logic by the introduction of cost sharing in higher education is that it was more economically sounds, as the students attending university were generally more well off and able to pay, so public funding were allocated to more inclusive primary education (ibid.).

8.6 Higher education

Mahmood Mamdani wrote a book called *Scholars in the Marketplace* in 2007, which is about the impact of neoliberal reforms on Makerere University and what he called the commercialising of higher education. Mamdani (2007:xiii) writes that higher education has been "systematically devalued" by Ugandan governments for many years. By the Obote regime because institutions of higher education like Makerere was viewed as a threat because it was a centre for stimulating independent and critical thinking (ibid.). And then by the Museveni regime because they embrace the neoliberal ideology of the IFIs that higher education was not productive and worth investing in (ibid.). Mamdani argues that the dominating perception within the World Bank was that research and innovation should be concentrated within the few leading "technologically advanced" economies whose expertise and knowledge should be exported to the majority of countries who is then reduced to passive and obedient receivers and consumers of this knowledge and expertise from Global North technocrats (Mamdani 2007:xvi).

Mamdani writes that Makerere went through reforms and privatisation in the early years of the NRM regime, with the support and encouragement of the World Bank (2007:3). The most impactful reform was the defunding of higher education and introduction of cost-sharing, as

described above. This led to a much higher degree of enrolment of fee-paying private students, as a contributing source of financing for the university (ibid.).

Mamdani (2007) differentiates between “privatization” and “commercialization” when analysing the reforms in higher education in Uganda. By privatization, Mamdani (2007:5) refers to “a relationship between the private and the public (including the market) which is structured as to allow public authorities to limit and subordinate the relationship to the realisation of public objectives”. When Mamdani talks about commercialization, he refers to an opposite dynamic where the public university is subordinated to market logic and dynamic (ibid.). Mamdani (ibid.) writes that the commercialization of Makerere University led to declining quality of the education and gave rise to “a parallel private university alongside the public university known as Makerere”.

The commodification and commercialization of essential services like education and healthcare is widely agreed upon to be one of the central manifestations of the neoliberal ideology, which has been argued by scholars like Clarke (2008), Saad-Filho, and Harvey (2005) in the theory chapter of this thesis. This is based on the fundamental assumption from neoclassical ideology that re-emerged with neoliberalism, which is that free markets should reign supreme and that the decisions of the profit-seeking individual will ultimately lead to the best outcome for everyone, as described by Wolff & Resnick (2012). As we see in Uganda, this dynamic has led to the decline in public services, inequality, and has mainly served the interests of the business class. Indeed, when you look at the explosion of advertising and the development of human interactions, I think it is difficult to deny that the commercialization of society has been prominent and increasing in the neoliberal era since the 1970s. This thesis would argue that this is a consequence of the neoliberal mindset, as defined by Professor Saad-Filho in Chapter 3. Brenner, Peck & Theodore (2010:329) writes that “all prevalent uses of the notion of neoliberalism involve references to the tendential extension of market-based competition and commodification processes into previously insulated realms of political-economic life”.

Mamdani argues that the neoliberal mindset impacted the everyday functions at Makerere. Lecturers were being paid based on the number of hours that they teach, leading to a disproportionately large teaching load which is not the only part of the job working as a lecturer at a university (Mamdani 2016:115). Furthermore, all university activity was being monetized, so staff was being paid per tasks such as monitoring exams or even for attending staff meetings, according to Mamdani (ibid.). There was also a restructuring of the curriculum

and refocus of priorities for Makerere, in accordance with the neoliberal mindset (Asiimwe 2018:157). The focus of the university was shifted towards applied skills and natural sciences that were more sought after in the market and matched the economic vision of the government and the IFIs, at the expense of social sciences (ibid.).

Efficiency is one of the main considerations of the neoliberal agenda of the World Bank. They viewed higher education in Global South countries such as Uganda as a low priority, something for the children of elite families who could afford to pay for tuition (Mamdani 2016:115). So, it would be more efficient for the government to focus on financing primary education where there are lower costs, and there is an assumption that the funding will educate more students, according to Mamdani (ibid.). The results have been that most of the population cannot access higher education.

This reform turned out to have serious contradictions and negative consequences for both higher education as well as for primary education (ibid.). Mamdani (ibid.) writes that without proper funding for higher education, this naturally leads to a shortage of educated and trained teachers and staff at primary schools. Mamdani (ibid.) also makes the point that it is a deeply flawed assumption that higher education only benefits the teachers, staff, and students at the university, while neglecting the positive social impact and benefits for society of having a more highly educated population.

Mamdani (2016:116) points out the double standard of the neoliberal doctrine the World Bank preaches, because the bank itself has zero accountability and no responsibility for when their policies fail. In a genuine free market, you suffer the consequences for a bad investment. This does not apply to the World Bank who does not live by the same rules that they force on the Global South, who are stuck with the consequences of failed World Bank policies (ibid.).

Despite the issues that institutes of higher education in Uganda have faced over the years, there is still several highly regarded universities in the country, with Makerere still being one of, if not the, most prestigious university in the region. Morten Bøås made the same point when I interviewed him:

It (Uganda) has, again compared to neighbours, relatively strong educational sectors. Makerere, the main university, is still a bastion of intellectual strength, which has had a comeback of intellectual strength, both in Uganda but also in the region. Universities have emerged, some of them are basically just set up to make money, but others are again working pretty fine, like the Mbarara University of Science and Technology,

that's their Ugandan attempt to create an MIT or NTNU. It works pretty fine. Gulu University has taken a long step forward, but there are things that are happening here.

8.7 Primary and secondary education

The primary and secondary education sectors were the target of two significant neoliberal reforms in 1996 and in 2006 (Nystrand & Tamm 2018:166). As was the case with the healthcare sector, decentralization has been a core aspect of the neoliberal project in the educational sector (ibid.). This means allocating the responsibility for lower education to local governments (ibid.). With the reforms and increased focus on decentralizing and expanding access to primary and secondary education, the number of public and private schools increased from 10,490 schools in 1997 to 18,408 schools in 2014 (Nystrand & Tamm 2018:166-167). However, most of the high-quality private schools were established in urban areas and were attended by students from rich upper-class families, rather than the poor majority that lives in rural areas (Asiimwe 2018:158).

Nystrand & Tamm (2018:167) presents data that suggests that local governments did not have the financial support and capacity to enhance the quality of primary and secondary education. They write that UNESCO estimated the dropout rate at primary schools in Uganda to 60 per cent in 2000 and 44 per cent in 2013 (ibid.). Furthermore, a World Bank sponsored research study in 2013 showed that less than one in five public school teachers had full knowledge of the curriculum they were supposed to teach, according to Nystrand & Tamm (ibid.). Nystrand & Tamm (ibid.) writes that basic knowledge for primary school students have not significantly improved with the reforms either, with most students not reaching functional numeracy or literacy skills. Primary school completion rates have remained at roughly the same level at 54 per cent since the year 2000 (ibid.).

The neoliberal reforms in the educational sector led to a rolling back of public financial support for education and a decline in the quality of public education, and at the same time a sharp rise in the number of private schools (ibid.). As is the case for the healthcare sector, the reforms led to a two-tier educational system – public education of lesser quality for the poor majority of the population, and private education for the part of the population with the financial means to pay (ibid.). Nystrand & Tamm (2018:167-168) concludes that the reforms that were introduced have not led to any significant progress in quality or access in the Ugandan educational system, but that they have contributed to the increasing inequality described in this and previous thesis chapters.

9. The Political Aspect of Neoliberal Uganda

Uganda has experienced a sustained period of relative political stability for 35 years under the Museveni regime, which is one of the main arguments Museveni has used during political campaigns to keep getting re-elected over the years, that he has “brought peace” to the country. This political stability is also part of the explanation of why Uganda on development indicators has done better than other countries in the region. However, many analysts point out that the Museveni regime has become increasingly authoritarian over the years, and that this came to a head in the recent presidential elections in January 2021, with press censorship, violence, and arrests of supporters of the opposition, and particularly the political persecution of main opposition leader Robert Kyagulanyi Ssentamu, also known as Bobi Wine.

9.1 Decentralization

This thesis has discussed decentralization, which has been central reforms in both the education sector and the healthcare sector. Kristof Titeca writes about political decentralization in Uganda as a neoliberal reform in the spirit of “good governance” (Titeca 2018:111). Titeca writes that when the NRM came to power, Uganda had a highly centralized political administrative structure, and that the new regime started a process of decentralization reforms the like of which had never been seen in SSA (ibid.). The number of districts in Uganda has increased from 33 when the NRM came to power in 1986, to 112 in 2018 (ibid.). The intention of decentralization reforms was to promote popular democracy in Uganda, but these reforms rather provided the opportunity for the Museveni regime to further tighten its political grip of the country through networks of patronage (Titeca 2018:123), making it a neopatrimonial state as described in chapter 3. Professor Joshua Rubongoya (2018:108) writes that the creation of patronage and clientelist networks has been a key factor for why the NRM has sustained power for 35 years. In my interview with Professor Titeca, he described how the Museveni regime used the decentralization reforms to strengthen its political power:

There has been an explosion in the number of districts, and it was another way of using patronage. Look at the number of presidential advisors, look at the number of MPs that has been growing. (...) At some point, the individual districts, they were formidable sources of power for politicians, so they could emerge as a threat to the power of Museveni and the NRM. What Museveni did was basically divide and rule by flooding the country with districts, so they become that small that they are no longer a serious source of power. That's one, so divide and rule. The second way is through districts as a form of patronage, so create districts and create new

constituencies (...) so in the areas which have been given districts the number of Museveni votes, or NRM votes, went significantly up. So, by creating districts he also created sources of political support, that's true. And three, it's by making the districts themselves dependent on the central state for its funding.

Going back to the theory chapter, it seems like the NRM regime has developed an increasingly neopatrimonial state as defined by Medard (1996) and Bøåas & Dokken (2002). Titeca argues that the decentralization reforms have facilitated a system of patronage and power between Museveni and the leaders in the districts. Like Mobutu did in Zaire, the Museveni regime relies on a network of patron-client relationships, which has helped the regime stay in power.

9.2 The evolution of the NRM regime

The Museveni regime came to power with a leftist discourse and a vision of transforming Uganda into a modern industrialized economy. However, over the years it has been widely recognized as the SSA country that has implemented the most comprehensive neoliberal reforms with the support of the IFIs, which have led to some growth but also several developmental challenges, inequality, and crumbling social services. 35 years later the Museveni regime is becoming increasingly oppressive. Morten Bøåas gave his assessment of Museveni's vision of Uganda when he came to power, and how his rule evolved:

The state looks very different today, than it did when Museveni claimed power, and that is basically because what he took over was a state that had become completely dysfunctional, a state of affairs that had led this country to a civil war that Museveni and the NRM won, so obviously the state looks very different today than it did then. Museveni was a reformer when he came to power. In his early days as a student, he was influenced by socialist literature that he read, but he also spent some time in Sweden, as you may know and most likely when he started (...) to recreate and re-establish the Ugandan state, he probably was inspired by what we could call social democratic ideas about a state (...) Has this happened in Uganda during his stay in power? Obviously not, but this was the initial idea that he had.

I think one important aspect to keep in mind is the deteriorating state when Museveni came to power after the war. It is clear that he did not take the country in a socialist direction, rather the complete opposite. But there is an argument to make that by doing this and becoming a darling of donors and the US, this has contributed to the relative political stability in Uganda

since 1986. It seems from the interviews and literature in this thesis that this is more the reason why the country seems in better shape than others in the region like South Sudan, DRC, and CAR, rather than the neoliberal reforms which has rather increased inequality and class divisions. In my interview with Milton Allimadi, I asked him about his view of how the Museveni regime has changed since it came to power and where it stands now:

That is a good question that I have asked some of his closest colleagues. And many of them indicated that they feel like they were completely duped. That in fact, he seemed to have duped the entire population, that he was bringing in a new order. As he said when he was sworn in on the steps of the Parliament, that this was going to be a fundamental change, it's not a question of the old guard getting rid of the new guard. He said the primary problem of African countries are having leaders that stay in power for too long, and that is what he himself said 35 years ago (...) Whether he was committed to that ideology is questionable, because it's not like he tried to implement progressive or socialist type policies (...) but was forced by the World Bank and the IMF, by the real practical situation on the ground (...) none of that was even attempted, he had a deal with the World Bank very quickly and very early in his regime. It is much more obviously clear that it was always about survival, was always about Museveni first, and that has been demonstrated clearly now.

Allimadi has been a prominent critic of the Museveni regime, and he talks in our interview about the undemocratic way in which Museveni has managed to stay in power through changes in the constitution, and the autocratic direction he has taken the country:

So, you have a whole nation making comments to create a new constitution, you have a constituent assembly, and Uganda made a new constitution. And if you read the constitution, the first reference in the very beginning, basically says it is because of the history of dictatorship in Uganda, this is the reason why we are creating this new constitution to make sure that Uganda does not succumb to dictatorship again. What did that constitution have to preclude dictatorship? Number one, two presidential term limits, so a president can be maximum be two terms of five years each. Number two, it had a age ceiling, that once you are 75 you are no longer eligible to run for president. So, what did he do? When his second term came to an end, he made sure that the term limit was removed. He coerced members of parliament, some of them were physically threatened, some were bribed, and this is widely reported, so it's not a matter of speculation, and they removed the term limit. Alright, so he continues as president, I

basically refer to him as a dictator because the parliament really does not have any independent power. Then, in the last election that he stole in January, he was only able to run because in September 2017 he removed the age limit from the constitution because he was now beyond the age of 75.

The removal of term limits from the constitution is something that Museveni is not alone in doing, and for instance Paul Kagame in neighboring Rwanda has done the same. But the quotes from Allimadi illustrates the NRM regime is getting increasingly violent and dictatorial, yet Museveni's position has been relative unthreatened, largely because of his role in a patron-client relationship for the US.

9.3 Uganda as a US military proxy

Critics of neoliberalism and the impact the ideology has had on relations between the Global North and Global South will often argue that it constitutes a form of imperialism or neo-colonialism, where the economic and political dynamic benefits the dominating economic powers. As mentioned earlier in the thesis, several analysts have argued that Uganda under Museveni essentially functions as a proxy for US interests in the region, a dynamic with clear imperialistic traits. I asked both Milton Allimadi and Professor Rubongoya about this. Professor Rubongoya argues that this is a result of geopolitical interests of the US in the region with regards to security considerations and the rise of China on the African continent:

To the degree that the US no longer wants to have its troops on the ground in Africa to fight its wars, especially against terrorism, then creating alliances with states like Uganda is very important. It's important for the war on terror in Somalia, it's important for the war on terror in Sudan and South Sudan (...) but remember that for the first time ever, China has finally established a military base in Africa, specifically in Eritrea. There is a lot going on, even with the Biden administration going on now, with "how do we slow down the influence of China in the world, but also specifically in this case, in Africa." (...) In terms of what they get out of it, I think that the geostrategic component is very important, the west's relationship with China and how that applies to Africa (...) There's a lot of aid coming out of China into East-African countries, for infrastructure, road construction, energy plant construction, and commerce and trade. So, the western countries are losing at all of this (and wish to) counteract this Chinese paradigm.

I asked Milton Allimadi about his opinion on the close US – Uganda relationship, and what role Uganda serves for the US, and on the other side what US support has meant for the Museveni regime:

I think the US has a reliable Sheriff in town, and that's what Museveni is, and you can only have that when you are dealing with a ruler who does not have to consult parliament. He does not need the approval of parliament to deploy troops. In Kenya it would be much more difficult (...) I cannot see Uhuru Kenyatta just deploy thousands of Kenyan soldiers to any other part of Africa on behalf of Western interests (...) And that is the ideal type despot that the United States wants in an African country (...) Uganda is like a proxy for AFRICOM. Most African countries opposed the stationing of AFRICOM on African soil. So, the US has managed to get around that by going through the back door, by going through Uganda (...) So, Uganda and Museveni serve the role that Mobutu used to serve in Zaire (...) And now Museveni plays that role in the 21st century on behalf of the US, whether to deploy to Somalia, to the Central African Republic, the search for Joseph Kony (...) I think that is why, even with the human rights abuses in Uganda, with a blatantly stolen election, with the conduct of the election itself, where you have armed forces, security forces, attacking opposition candidate supporters, attacking opposition candidate leaders, arresting them, killing more than a hundred people on November 18th and 19th, that is somehow minor play, because at the end of the day, I think it's still trumped by the fact that the United States find Museveni as an indispensable, I won't even say ally, because ally implies some sort of equal status, you know. A proxy who deploys and saves the United States the need to deploy American soldiers.

The quotes from Allimadi are in line with the arguments made in this thesis by for instance Wengraf (2018), that Uganda and the NRM regime serves as a proxy for the US in the region and the Museveni regime is personally rewarded for serving foreign interest, rather than the needs of the majority of the Ugandan population. This dynamic is analyzed in the theory chapter of this thesis and has characteristics of neo-colonialism and imperialism.

9.4 The 2021 Elections. Business as Usual or a Gamechanger?

The Ugandan presidential elections in January 2021 were highly controversial and marked by violence, repressions of the freedom of press and freedom of speech, and oppression of opposition supporters and candidates. This was not something new, and similar tactics were

used by the NRM regime to oppress and restrict the political campaign of Kizza Besigye in previous elections. However, there is a question of whether the extent of violence and oppression during this election showed an insecurity on behalf of the Museveni regime that have not been there before, and if so, what this tells us about the path going forward. Morten Bøås argued in our interview that this was not a new practice from the Museveni regime:

The opposition against Museveni are (...) very good at critiquing him, but what they constantly have failed to do, whether it's Bobi Wine or Kizza Besigye (...) is to present an alternative development vision of Uganda that sounds more credible than the one that Museveni continues to preach (...) You can make quite a big in-road into the younger electorate, particularly in the larger cities like Bobi Wine managed to do, but can they challenge him in the countryside? Up until today they have not been able to do that (...) He (Museveni) also thinks that he can do whatever he likes against the opposition, like they did with Kizza Besigye, like they did with Bobi Wine, the difference isn't that huge between what they did. But the alternative reading of this is that the man has never felt secure. It has always been a matter of staying on top of things internally in the party, it's about a constant juggling of position (...) So, I think these are things done from a position of uncertainty, and not certainty. Because at the end of the day, I don't think he really had to do this. I think he would have won these elections anyway, so it's really quite futile, what he has been doing.

Professor Titeca takes the view that these elections was indeed a gamechanger in the Ugandan political landscape, and argues this in our interview:

I largely agree that he (Museveni) would have won the elections anyway. Irrespective of that there is some debate among analysts to what extent these elections were a gamechanger or not. One part of the debate says “well, what you see here is not new”, the same happened in the past with Kizza Besigye, who also has been arrested, he’s been put under pressure to concede elections, he was put under house arrest, nothing new there. Another view of the debate, and I think I belong to these, says that these elections were a gamechanger because the regime was seriously concerned about the threat of Bobi Wine and his constituency, however his constituency is mainly the young, the uneducated urban youths, particularly male. And you have seen all the articles stating how young Ugandas population is with a high degree of unemployment (...) So Museveni's claim to legitimacy is “well I came to power in '86 and I brought peace to this country, before there was conflict and now I got peace and stability, but

for the Bobi Wine generation, they were born under the Museveni regime, the lack of war (...) they've always had formal stability so they want jobs, they want public services, and these have been largely dysfunctional. I would argue that yes, the regime was panicking to some extent, and that's why it was (...) doing everything it could to repress Bobi Wine and his party, hence the large number of disappearances, hence the kidnappings, which hadn't happened on this scale before. Yes there was repression against Besigye, but not on this scale, so I would argue that it was a gamechanger. The Museveni regime have always used this strategy, but they've been used much more offensively (this time).

Milton Allimadi also argues in our interview that the 2021 elections was a political gamechanger, and the aftermath shows that there is a change in the air with regards to the US perception of Museveni and that the rise of Bobi Wine shows that something is happening in Uganda politically:

Bobi Wine also knows that the youth are overwhelmingly on his side. That was apparent when you saw the campaign, the massive turnout, even though it was blocked from Ugandan media (...) Museveni knows the truth, he's created a very corrupt regime, he's very brutal, he's shown that when it comes to human lives he really doesn't care. But at the same time he's not a fool, so I think that in the back of his mind he realizes that there needs to be a transition somehow (...) I think that the West has made it clear that you will have to deal with Bobi Wine. Because when he (Museveni) declared himself the victor, he put Bobi Wine under house arrest. The US Ambassador tried to see him, but he was blocked. But I think that the mere fact that the Ambassador tried to go and see him, that was a very strong statement in terms of what the United States position is (...) what I like is that for the first time his principal Western supporter made a statement which is unambiguously clear on April 16th by the Secretary of State (Blinken), when he said the Ugandan elections were neither free nor fair. Normally they beat around the bush, but this time it was straight forward. And obviously nobody can claim to be the legitimate president as the outcome of an election that is neither free nor fair.

I think Professor Titaca and Milton Allimadi makes some strong points about the recent developments in Uganda regarding the 2021 elections and the path forward. Based on the literature and interviews in this thesis, it is argued that Uganda has benefited from the political

stability of the NRM regime and the relative peace in a country that had previously seen a number of brutal civil wars and coup d'états. This has also been Museveni's main argument and claim to power. However, as Titeca points out, the population of Uganda is very young and unemployment and social conditions are dire for many. This is a generation which has not experienced the war and pre-Museveni era, and they are demanding things that the Museveni regime are not providing, so the argument from the President has less effect on them.

Allimadi and Titeca points out the increasing violence and oppression during the last election towards Bobi Wine and his supporters, and that this was on an unprecedented scale and symbolize the increasing fear and threat the NRM are experiencing from the opposition. Bobi Wine, despite the political oppression and violence, managed to gain a huge following especially among young people, which I think is a sign that change might be in the air over the coming years. This is further substantiated by the change in tone from US officials that Museveni might have gone too far in the previous election. The future will see whether Museveni and the NRM's willingness to implement neoliberal policies and appease donors, the IFIs, and the US, despite the impact on the population from the neoliberal reforms analyzed in this thesis, will be enough for them to sustain power in the coming years.

10. Summary & Conclusion

The overarching research problem for this thesis is as follows: *How has neoliberalism impacted Uganda?* This is a very broad research problem which needed to be sharpened and operationalized further, so I formulated three underlying and related research questions to shed light on the main research problem:

1. *What is neoliberalism, and how do we define and recognize it?*
2. *Who has been the most central actors and institutions in the neoliberal transformation of Uganda?*
3. *What has been the socioeconomic and political ramifications of neoliberal reforms in Uganda?*

10.1 What is Neoliberalism, and how do we define and recognize it?

This question is analysed in detail in the theory chapter. Neoliberalism is a contested and inconsistently defined term, that have sometimes been used casually and broadly to define anything that is bad, a point made by James Ferguson (2009:166) in the theory chapter. One of the reasons of why there is confusion around what constitutes neoliberalism, is because, as

Brenner, Peck & Theodore (2010:331-332) argues neoliberalization is unevenly developed and manifests itself in hybrid variations. This means that there is no country that follows neoliberal orthodoxy 100 per cent all the time, and neoliberalism manifests itself differently in various contexts. But this also means that neoliberalism is a useful analytical tool for analysing struggles in different contexts under the umbrella of neoliberal globalization. Eriksen (2015:915) provides an appropriate example of this in the theory chapter, that indigenous organizations in Brazil, labour unions in Spain, and environmental organizations in Japan, all different in many ways but their activism are all directed against impacts of neoliberal globalization.

Neoliberalism has been the dominating political and economic philosophy since the mid-late 1970's and is commonly associated with policies such as market liberalization, privatization, deregulation, free trade, austerity, and economic globalization (Bøås & McNeill 2003:60). Neoliberalism has also been described as a class struggle, a neo-colonial project with regards to development, a reaction from the business class to the development of the welfare state, and a process of undermining mechanisms of social solidarity, community, popular movements, and public influence in policy making.

This thesis does not dispute that any of these aspects are central to the aspect of neoliberalism but argues that they are more like manifestations of the ideology. This thesis takes a more fundamental and holistic approach towards the concept, that is closely linked with the definition Professor Saad-Filho provides in the theory chapter. This thesis argues for an approach towards neoliberalism as a mindset of individualism, competition, financialization, and commodification that has penetrated most aspects of human life.

10.2 Who has been the most central actors and institutions in the neoliberal transformation of Uganda?

The neoliberal transformation of Uganda over the years has been facilitated by several actors, the most important of which is the Ugandan state itself. As documented in chapter 5, the Ugandan state has undergone massive changes under the Museveni regime and have been widely recognized as the African country that has adopted the most comprehensive neoliberal policies, including large-scale privatization reforms of public enterprises, and in the healthcare and education sector. When Museveni and the NRM took power of Uganda in 1986, they started out with a populist left-wing platform, but within a few years started

implementing the Structural Adjustment Programs by the IFIs, which typically included free trade, privatization, and cuts in public spending. The neoliberalization of the Ugandan state has facilitated corruption and provided the opportunity for NRM elites to enrich themselves and tighten their power-grip of the country.

The large multilateral institutions like the World Bank, the IMF, and the WTO, have also had a vital role in facilitating neoliberalism in Uganda, which is analysed in chapter 6. The SAPs and other neoliberal reforms Global South countries like Uganda have implemented, have often been as a conditionality for further loans and aid from these institutions. Perhaps the clearest manifestation of neoliberal globalization is liberalized trade, which is enforced by the WTO. In the Case of Uganda, the US has also played a significant role, both as the dominating country in the largest multilateral institutions, and as the key ally of the Museveni regime. This relationship is further analyzed in chapter 9 and has been characterized as a neocolonial dynamic where Uganda serves as a proxy for US interests in the region.

10.3 What has been the socioeconomic and political ramifications of neoliberal reforms in Uganda?

The main body of this thesis has been dedicated to analysing the socio-economic impact of these neoliberal reforms on the Ugandan population. Uganda has for longer periods of time been upheld as a model for development by Western donors, the IFIs, and the Ugandan government itself. This perception has been substantiated by an impressive GDP growth as well as advancements in poverty reduction. These claims have been critically analysed and scrutinized in chapters 7 and 8, which also examined the measurement of GDP and poverty reduction. What does it really tell us, and what does it hide? It seems clear that there has been significant wealth created in Uganda and economic growth under the Museveni regime, but with the significant level of inequality, this thesis argues that this wealth has been concentrated in relatively few hands, and the economic growth have not significantly benefited the general population. The thesis also argues in chapter 7 that the poverty reduction has been significantly exaggerated by the government, IFIs, and donors, that have an interest in perpetuating this narrative.

Chapter 8 analysed the neoliberal reforms in the healthcare and education sector in detail. The data presented in this thesis suggests that these reforms have not led to significant

improvements in quality or coverage for most of the population. Rather, these reforms have strengthened and widened class divisions by creating a two-tier system in both the education and healthcare sector: private education and healthcare services of higher quality for the few with the financial means to pay for it, and public education and healthcare of much lower quality for the poor majority of the population.

As documented in chapter 9 of the thesis, Uganda was in terrible shape after years of civil war and political and economic mismanagement when Museveni and the NRM came to power in 1986. In the following 35 years, Uganda has seen a relative peace and political stability, which this thesis argues are one of the main reasons for the advancements that have been made with regards to development in Uganda. The longevity of the regime is partly explained by its close relationship with Western donors and the IFIs, and its willingness to implement neoliberal reforms. However, as documented in this thesis, the Museveni regime have become increasingly dictatorial, violent, and oppressive, which culminated during the contested 2021 elections where Museveni once again claimed victory. The fallout from this creates an uncertain path forward for the Museveni regime and the Ugandan people.

10.4 How has neoliberalism impacted Uganda?

This is a question that is best answered by looking at the three underlying research questions that I formulated to shed light on this topic. There is little doubt that Uganda has undergone massive changes, and the state looks completely different from when the NRM took power in 1986. The Museveni regimes close ties with the US and the IFIs, and their openness to neoliberal reforms promoted by these actors has led to a political stability and relative peace that most Ugandans have benefited from. These neoliberal reforms have been followed by an increasing GDP growth and FDI, which has earned Uganda a reputation as a developmental success. However, as demonstrated in this thesis, this narrative is challenged by critics who describe a Uganda characterized by state repression and censorship, human rights abuses, corruption, inequality, rising crime, poverty, a deteriorating social sector, and an increasingly authoritarian Museveni regime. Overall, this thesis argues that there is little evidence that suggests that these neoliberal reforms have increased living-standards for most of the Ugandan population.

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