CANADIAN FOREIGN AID POLICY: THE CASE OF UGANDA SINCE INDEPENDENCE

BY

GEOFFREY BWETWARE TUKAHEBWA.

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GEOFFREY BWETWARE TUKAHEBWA

A Thesis submitted to the Faculty of Graduate Studies of the University of Manitoba in partial fulfillment of the requirements for the degree of

MASTER OF PUBLIC ADMINISTRATION

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ABSTRACT

This thesis focuses on the relationships between domestic concerns in Canada and political and economic policies pursued in Uganda and how they have interacted to shape aid policy. Canadian foreign aid policy is reviewed and its implementation in Uganda analyzed in light of the recipient's political and human rights policies. The thesis provides plausible evidence that Canadian aid policy towards Uganda was influenced more by domestic concerns in Canada and economic policies pursued by the Ugandan government than by political and human rights problems in the country.

Canada's foreign aid policy was initially motivated by cold war politics and domestic economic considerations. Towards the end of the 1970s, Canada's relations with the South were redefined as primarily economic in purpose. Henceforth, foreign aid has been used to reinforce international trade. Despite government rhetoric, Third World development is not a priority in Canada's foreign aid policy.

Uganda's reliance on foreign aid is a colonial legacy which was reinforced by the World Bank and adopted by Ugandan politicians who inherited the colonial government. When the Ugandan government attempted to reform the colonial economy it was overthrown in a foreign backed military coup in 1971.

Notwithstanding the brutality of the Amin regime which had not affected Canadian aid policy, when it attempted to reform the economic system, there was reaction from Canada in terms of its aid to the country which precipitously dropped. From 1980 onward Canadian aid to Uganda was linked to the World Bank programmes in the country. The atrocities and human rights violations in the early 1980s were hedged off as long as the government pursued the "right" economic policies.

In 1986, when the NRM government came to power, despite quick restoration of peace and security, when it announced intentions to reform the neo-colonial economy, Canadian aid was halted. It resumed only when the World Bank and IMF signalled Western donors that after all, the NRM government had also placed the economic destiny of Uganda to their trust. Henceforth, Canadian aid policy to Uganda has been premised on these institutions' Structural Adjustment Programmes in the country.

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1.0 Introduction

Since its inception after World War Two, foreign aid or development assistance, has increasingly become an important issue in international politics with significant implications for both donors and recipients. It is on one hand a powerful policy instrument for the donors, and a big component of development programmes of Third World countries on the other. Projects financed by foreign aid are a common feature in the poor countries of Africa, Asia and Latin America.

Whereas Third World countries like Uganda welcome assistance from any source, the philosophies, attitudes and policies of donor nations towards development vary greatly. The interests and motivations which lie behind the aid policies of donor nations can differ significantly.

The concept of development assistance emerged after World War Two out of the needs to reconstruct war ravaged Europe. The first aid to the development of other nations was initiated in 1947 in the United States of America(USA) in the form of the Marshall Plan (Bijli, 1979). This aid was aimed at the recovery of Western Europe, which had been devastated by the war. The objectives of the Marshall Plan were achieved and by the mid 1950s Europe was back on its feet (Khan and McNiven, 1984).

When foreign aid was extended to the underdeveloped

regions, the official pronouncements from President Truman of USA, the initiator of foreign aid, emphasized it as a moral obligation and focused on development assistance as a transfer of technical knowledge to the underdeveloped countries (Bijli, 1979).

After the Marshall Plan, the next major aid scheme was the COLOMBO PLAN in 1950, a Commonwealth initiative to give economic assistance to the newly independent countries of Asia. As the decolonisation process heightened throughout the 1950s and early 1960s, development assistance was extended to the "new" nations of Asia, Africa and Latin America. Canada was a founder member of the COLOMBO PLAN and has since been in the aid donors "club". Its development assistance programmes are spread throughout the developing countries of Asia, Africa and Latin America.

After the success of the Marshall plan in the reconstruction of Western Europe, development assistance was viewed, by some people, as a mechanism that could uplift the Third World from the mire of poverty. This optimism which was held in the 1960s and early 1970s, was darkened by increasing poverty and continued deterioration of living conditions of the Third World people. The emergence of the Third World debt crisis in the 1980s, raised doubts about the "fairness" of the international economic system, and the foreign aid policies of donor countries.

Despite development assistance provided over at least

three decades in most instances, the plight of the Third World today is appalling. Economic conditions there are worsening rather than improving; in some Third World countries, especially in Sub-Saharan Africa, the living standards are worse now than what they were twenty years ago. The total Third World debt, as of 1990, stood at US \$1.3 trillion and has doubled since 1980, while debt servicing consumed 40% of export earnings in Latin America and about 50% in Sub-Saharan Africa where twenty four of the world's poorest countries are located (IDRC, 1990).

With so much of their meagre revenues spent on debt servicing, the indebted nations have resorted to drastic cutbacks on imports and domestic spending in order to service debts. The effect has been a worsening poverty situation and economic decline. For example, income per capita has fallen 6.5% in Latin America and 25% in Sub-Saharan Africa since the start of the 1980s (IDRC, 1990). Taken as whole, these regions have in actual fact not had any development for a decade, instead they have deteriorated.

Banks in the North have virtually stopped lending to debtor nations in the South and foreign aid flows have also slowed down with the result that Third World countries find themselves making a net financial contribution to the rich countries because of their debt obligations. For example in 1988, the Third World debtor countries' principal and interest payments totalled US \$142.4 billion, but they received only US

\$92.3 billion in new loans and aid (IDRC, 1990). The US \$50.1 billion difference is a massive financial transfer from the impoverished Third World to the rich countries. Indeed such "reverse transfers" have been in existence and increasing every year since 1984, thus helping to finance deficits and growth needs of the North.

However, economic problems of the South have negative effects in the North as well. For example, it has been shown that the plight of the most indebted countries cost Canada about \$24 billion and 130,000 jobs in lost exports over a seven year period in the 1980s, and such losses are duplicated in other industrialised countries on a similar scale (IDRC, 1990). For the entire decade of the 1980s, job losses in Canada attributed to economic downturn in the South totalled 180,000 and another 139,000 are projected to be lost in the 1990s unless the Third World economies improve (Head, 1991). From this financial stand point, both the North and the South stand to lose from the debt crisis of the South.

Despite the grim picture in the Third World, donor agencies, which act as "agents of change" have increased in size and also become more complex in structure. Over the past two decades, organisations involved in aid to developing countries have proliferated; both official agencies and nongovernmental organisations. In fact development assistance has become a large industry involving large numbers of personnel and big amounts of money. As Timberlake observed,

advising Africa has become a major industry with at least 80,000 expatriates at work in black Africa at a cost of more than US \$4.0 billion a year (Timberlake, 1985).

In the past, technical advisors and foreign aid in general to Africa, came from both communist and capitalist donors. Third World countries Most the positioned themselves between the two ideological blocs by adopting a stance of neutrality in the cold war which in turn partly facilitated aid flows from both blocs. This was why many Third world countries like Uganda chose to join the Non- Aligned Movement. But with the end of the cold war and disintegration of the Soviet Union, former leader of the communist bloc, the ideological motivation for aid may not only disappear, it may also carry a price for the Third World as aid may start to flow from West to East displacing flows from North to South. The Third World countries that played a strategic role in the cold war will feel it first, but there will eventually be an impact on all aid recipient countries. Furthermore, the collapse of the communist bloc has revealed the poverty and underdevelopment that were previously hidden behind the Berlin Wall and this has added to the list of recipients, while the number of donors has declined. Everywhere, aid budgets are under serious strain and scrutiny and may not escape cutbacks.

Marginalisation of Africa and displacement of aid flows may have already started. As observed by the North-South

Institute, in 1990 when the aid budget was drastically cut back, Canada simultaneously announced a \$42 million aid package to Poland, one of the latest additions on the list of aid recipients (North-South Institute, 1990).

The concern of possible aid displacement has already been raised by Third World countries to their donors. However, on her visit to Uganda in March 1990, the British minister for overseas development replied to this concern by stating; "we are not in the business of robbing an African Peter to pay a European Paul" (Uganda High Commission, 1990). Despite such an assurance, the concern remains. "Glasnost" and "perestroika", and the consequent collapse of the Communist bloc have also revealed that all the former Eastern bloc countries require massive aid. Since aid policies, have in the past been driven by both interests and ideology, with the demise of the Eastern bloc, the latter will give way to the former. This is a fundamental shift in foreign aid policy.

Canada, along with some European countries, notably Ireland, Sweden, Netherlands and Switzerland, started their aid programmes as middle powers (Khan & McNiven, 1984). Since its debut on the foreign aid scene in 1950 when it joined the Colombo Plan, Canada's commitment to development assistance kept growing. In 1960 Canada's Official Development Assistance(ODA) disbursements as percentage of Gross National Product(GNP) was 0.16%, in 1965 it had risen to 0.19% (Stokke, 1989). The ODA/GNP ratio kept rising and by 1970 it had risen

to 0.41%, it reached the peak in 1975 when it stood at 0.54% (Stokke, 1989). While the percentage fluctuated during the eighties, it has dropped below the peak and stood at 0.45% in fiscal year 1989/90 (CIDA, 1991). In absolute amounts the aid grew, but this was in the context of a growing economy so that the percentages declined. For example in 1980 Canada's (ODA) allocation was \$1.3 billion, by 1988, this had more than doubled to \$2.7 billion, and in financial year 1989/90 the absolute ODA allocation was about \$ 2.8 billion² (CIDA, 1991). This was despite the fact that the ODA as percentage of GNP was 0.43% in 1980, 0.49% 1988 and 0.45% in 1989/90 (Stokke, 1989; CIDA, 1991). Thus the increases in absolute terms did not keep pace with the increases in real terms, ie, as percentage of GNP.

Canadian aid is widely dispersed and its aid programme covers over 119 countries (Nossal, 1988; Sanger, 1992) and the types of aid provided are diverse. Some motivations for provision of aid are general in nature, but the aid objectives do differ somewhat from country to country. Canada has a general development assistance policy, but it is applied or implemented differently among different recipients. Moreover, not all Third World recipient countries are at the same level of development nor are their needs the same.

1.1 Focus and Scope

This study, examines Canadian aid to Uganda since independence (1962). Canadian aid policy and how it has been

applied in Uganda over the years is critically examined in light of major political events in Uganda. The nature and reasons behind Canadian aid efforts in Uganda are also analyzed and explained. The main focus is placed on economic assistance in the form of financial and technical aid. Canadian aid policy towards Uganda has been shaped by three broad sets of factors: domestic factors within Canada, international economic conditions, and the economic and political circumstances of Uganda itself. It is the latter group of factors which receives the greatest attention within the thesis. It is not possible to analyze as fully the other two sets of factors but obviously they have played a role in the changing nature of Canadian aid towards Uganda.

With respect to the economic and political situation in Uganda, the research question which the thesis sets out to examine is how the Government of Canada has adjusted its aid efforts in response to domestic developments in the recipient country. For the twenty nine years that Uganda has had political freedom, it has been troubled by political instability and gross human rights violations. relationship of these internal developments to Canadian aid patterns provides the focus for the study. It is impossible to separate precisely how domestic political events in Uganda interact with factors outside Uganda to determine shifts in Canadian aid efforts in that country.

1.2 Uganda, and the Initial Canadian Involvement

Uganda, a landlocked country in Eastern Africa, straddles the equator with a total area of 235,885 km². Uganda shares borders with Sudan in the North, Kenya in the East, Tanzania and Rwanda in the South, and Zaire in the West. These borders were demarcated in the late 19th century among the United Kingdom, Germany and Belgium. Though Uganda lies astride the equator, it does not have a typical equatorial climate, because of high altitudes. Its temperatures are tropical but moderate all year with rainfall evenly distributed throughout the year with two distinctive double maxima in the south and one maximum in the north.

Much of Uganda is a plateau with altitudes averaging 4,500 feet, and going up to 6,000 feet in the south west of the country. The permanently snow capped Rwenzori mountains on the border with Zaire have altitudes of almost 17,000 feet, while Mount Elgon (also snow capped) in the east rises to a height of 14,000 feet. In the south west, close to Rwanda, the Muhabura range of active volcanoes reach skyward (Dostert, 1990). Uganda is dotted with lakes, with one immense lake; Lake Victoria which is shared by the three East African countries, Tanzania in the south, and Kenya in the east. There are many small rivers with five big ones, the giant of which, the Nile, flows out of Lake Victoria through Uganda, Sudan, Egypt, until it reaches its mouth in the Mediterranean sea. Approximately, 15% of the country is covered by fresh water

(Dostert, 1990).

Fertile volcanic soils, sufficient rainfall, and varied high altitudes, permit Ugandans to grow a variety of crops. In the south they grow perennial and seasonal crops while in the north, they grow seasonal crops. Agriculture is the mainstay of the economy, it accounts for about 95% of export earnings, 55% of GDP (subsistence & monetary agricultural production combined), and provides a livelihood for about 83% of the labour force (Carroll, 1989). The main export crops are coffee, tea, cotton, and tobacco. Overall, the agricultural sector provides more than 65% of government revenue, mainly through export duties on coffee which is the main export (Carroll, 1990).

The current population of Uganda is estimated to be 17.6 million people, with an annual per capita income of about US \$280 (Dostert, 1990). Uganda's population is predominantly rural, making their livelihood as subsistence farmers or herdsmen. Only about 8% of the population live in cities and towns. Over 98% of the population are African in origin with three distinctive ethnic backgrounds; the Bantu, the Nilotics, and the Nilo-Hamites (Dostert, 1990). The Bantu, who are the majority, occupy the south, south-east, and west of the country. The Bantu are comprised of different ethnic groups which include the Baganda, Basoga, Bagisu, Banyoro, Batoro, Banyankole and Bakiga4. The Nilotics include the Acholi, Alur and Jonam. The Nilo-Hamites include Langi,

Karamajong, Sebei, and Itesots, while the Western Nilotes include the Lugbara, Kakwa and Madi. The latter group occupy West Nile and extend across the border into Sudan and Zaire (Dostert, 1990; Hooper and Pirouet, 1989). The present national borders of Uganda cut across ethnic and language boundaries and bring together over forty ethnic groups (Hooper and Pirouet, 1989). While there are three main language groups, (Lunyiigo, 1989), there are many dialects and people from the same language group may not understand each other's dialect. Thus, more than five languages are broadcast on the national radio. Currently, there is no racial animosity between the majority blacks and the tiny minority of Asians and Whites.

Until 1962, Uganda was a British colony. When it gained independence, it became a member of the United Nations and the British Commonwealth. As a Third World country, Uganda is heavily dependent on foreign aid and credits. At the end of 1989, it had an outstanding external debt of US \$ 1.2 billion; of which 24% is owed to bilateral creditors, 66% to multilateral creditors, and 10% to private creditors (Uganda, 1990). By the end of 1991, however, the total National debt had increased to US \$ 2.5 billion with debt service consuming about 50% of earnings from coffee, the biggest foreign exchange earner (Aliro and Buwembo, 1991).

During the 68 years Uganda was under British rule, it was not only introduced into the cash nexus, but also integrated

into the international capitalist economic system; albeit, at its periphery. However, it has been observed that one outstanding fact in the Uganda experience under the British rule, from the earliest days, was its ability to rely on its resources to finance its own development (Clark, 1966). In the post World War Two period, the Ugandan economy, though reliant almost entirely on agriculture, was reasonably self-sufficient to the extent that, even without raising taxes, it was not required to borrow abroad to finance its general development expenditure (Clark, 1966).

The first post war development plan for Uganda was produced in 1946 by E.B. Worthington, a British expert, when Uganda was still under British rule. It was a ten year plan; from 1946 to 1955. This plan had serious implications for the country since it spelt out the strategy for future economic development. Moreover, it covered a crucial period when demands for independence had intensified, and the British had come to a conclusion that at a future date they were going to hand over Uganda to the natives.

In a forward to the plan, then Governor of Uganda John Hathorn Hall wrote, "Uganda is and must remain for the present at all events primarily a country of peasant agriculture" (Clark, 1966). Hall's strategy was that Uganda should remain a producer of raw materials to feed factories in Britain. Thus, though funds had been approved for the iron and steel project, it was abandoned. Nevertheless, agricultural exports

continued to generate enough revenue to run the economy, and on independence, Uganda virtually had no overseas debts (Clark, 1966). The irony is that, since independence, the country has had to rely on foreign aid and credits.

On attainment of independence, a team of experts from the International Bank for Reconstruction and Development (World Bank) were invited into the country to advise on drawing up a development plan and а strategy for future development of Uganda. The World Bank team recommended that the government should concentrate its efforts and resources on the increase of output in the commodity producing sectors; those that produced agricultural raw materials. These experts also recommended reduction of spending on social services, health and education, and reliance on foreign personnel to staff the public service. But above all, they recommended besides earnings from raw material exports, government should rely on foreign state and private capital to finance its development plan (Clark, 1966; Mamdani; 1984).

Like the Worthington plan, the World Bank team report placed the prospective development of Uganda on agriculture and ignored manufacturing or industrialisation. They instead stressed diversification of agrarian and livestock activities. The World Bank experts unambiguously emphasized and recommended a strategy where the economic development of Uganda would lie squarely on agriculture, foreign aid, foreign credits, and foreign investments. So, according to these

recommendations the future development of Uganda was to rely on uncertain external sources of finance, and agricultural raw material exports which are highly vulnerable to the vagaries of international market prices.

Equipped with expert advice from the World Bank team, the Ugandan government drew its first development plan which endorsed the Bank's recommendations. In the introduction of the team's report, then Prime Minister of Uganda, Milton Obote wrote; "my government broadly accepts the recommendations of the report and has produced a development plan closely modelled on them" (Mamdani, 1984). This plan, which adopted the World Bank strategy, was to rely on two main sources of finance for its implementation; 52% from export earnings and 48% from external sources⁵.

The government produced a plan when it did not have enough funds to implement it, and could not raise the money internally. Moreover, the country lacked financial room to independence, over 80% since, before manoeuvre as commercial deposits were controlled by major British banks whose policy was to give more commercial than investment loans as the former were more profitable. To execute the plan, the government turned to foreign sources for funds and technical personnel. This was the beginning of foreign aid in Uganda. In summary, the achievement of political freedom did not bring with it economic independence⁶.

Uganda now turned to whatever source it could get

technical assistance and financial support. Aware of its position, and the ideological reality of the day, Uganda chose a middle ground by joining the Non-Aligned Movement. Being non aligned was seen as a good strategy because the country could attract and solicit aid from both ideological blocs, yet remain with some semblance of freedom to take an independent stand on issues in the international fora such as the United Nations. Among the foreign countries Uganda turned to for aid was Canada.

However, due to historical association, Canada started giving aid Uganda before Uganda got its formal independence. This was because at the meeting of Commonwealth Prime Ministers in 1960, they decided to start a programme of economic and technical assistance for African Commonwealth countries and territories. This programme known as Special Commonwealth Africa Aid Programme (SCAAP), was a counterpart in Africa, of the Colombo plan in Asia. Whereas the Colombo plan was extended to include non Commonwealth countries, SCAAP was entirely a Commonwealth scheme.

The main donors in SCAAP were Britain, Canada, Zealand and Australia, though India and Pakistan were also able to provide limited amounts of assistance in fields where had experience and specialised knowledge. All Commonwealth countries of Africa; both independent and dependent territories, qualified for aid under SCAAP. The Canadian government policy was to give more aid under SCAAP to

independent countries or those that were on the verge of independence, and very limited assistance to the smaller dependent territories. Uganda qualified for Canadian aid under SCAAP, and in 1960 received US \$0.01 million net bilateral grants from Canada. So the historical link to Britain of both Canada and Uganda, led to an early commencement of Canada-Uganda aid relations.

After independence when Uganda was looking for assistance to implement its development plan, it turned among others, to Canada where an aid relationship already existed. This relationship has continued since then but as shown in this study, not on an uneventful course. Foreign aid policy like other public policies, changes with time as interests and factors considered when formulating the policy are not static. Moreover, after independence many other foreign countries came in as Britain began to lose the monopoly it had in Uganda during direct colonial rule.

As Uganda and other Third World countries continue to rely on foreign aid, they have almost developed an "aid dependency syndrome", yet the donors, including Canada have developed "aid fatigue". Nevertheless, the current unfolding reality will change aid policies fundamentally. The Canadian NGOs have already started self evaluation and resolved together with their counterparts in the Third World to move away from a patron to partner relationship, and to lobby the government to move in the same direction (CCIC, 1991).

In this study, foreign aid is looked at as a supplement to Third World efforts, or as put by Pratt, a way of helping the poor to increase their productivity and self reliance (Pratt, 1988). We thus do not look at Canadian development assistance as a panacea to Uganda's economic problems.

In this study, official development assistance, foreign aid, development assistance, or simply assistance, are used interchangeably to refer to resources transferred from the donors in the North to recipients in the South on concessional terms. The South, Third World, less developed underdeveloped countries are interchangeably used to refer to foreign aid recipients. Also the terms donors, developed countries, the North or rich countries, are interchangeably to refer to countries that give aid, unless otherwise used in a context that warrants an explanation. Unless otherwise specified dollar(\$) values in this thesis refer to Canadian currency.

1.3 Methodology and Constraints

To determine the interrelationship between Canadian aid policies in Uganda, and political crisis in the country, published materials, government documents and reports, both published and unpublished, were reviewed. In addition, three interviews were carried out with Canadian International Development Agency (CIDA) personnel on the Uganda desk in Ottawa. The CIDA officials interviewed included the Director of CIDA operations in Uganda and the Programme Development

Officer for Uganda. The Uganda High Commissioner in Canada was also interviewed. Because of the diversity and number of Non-Governmental Organisations(NGOs), and the fact that they are spread throughout Canada, questionnaires were sent to a selection of those organisations with programmes in Uganda. The Chief Executive Officer of Development Network of Indigenous Voluntary Associations(DENIVA), an umbrella organisation of about one hundred and ten indigenous Ugandan NGOs, was also interviewed. All the research and interviews were carried out in Canada.

In the course of the research, a number of problems were encountered. Some of the archival material, especially for the 1970s and 1980s, is still classified, and access was denied. The CIDA policy of not permitting outsiders to use its library was also a constraint. In addition, access to evaluations and some end of project reports for CIDA projects in Uganda was also denied, as were documents on projects CIDA has undertaken in collaboration with the World Bank and the International Monetary Fund(IMF). It was obviously not possible to analyze in detail the activities of all Canadian NGOs that have had projects in Uganda because of the numbers of NGOs and also because not all of them are federally based. Besides, some of them were not able to give statistical and historical data, while one NGO that has implemented government projects in Uganda declined to provide data insisting that they needed clearance from CIDA before they could release the information.

Lack of detailed project information made it impossible to analyze Canadian aid to Uganda on a sector basis.

Despite these bottlenecks, enough materials to answer the research question were gathered both from published, and unpublished sources, as well as interviews and correspondence with CIDA officials. Besides, the author got access to archival material that had never before been made available to the public.

1.4 Thesis Outline

This brief introductory chapter has looked at the economic condition of the Third World in general and of Uganda in particular. It has also illustrated Uganda's transition from colonialism to neo-colonialism and how it came to be reliant on foreign aid. It has also elucidated Canada's initial involvement in Uganda.

Chapter two will examine the historical background to Canadian aid policy, nature and reasons behind Canadian aid efforts in Uganda. Chapter three will examine the changing conditions in Uganda during three chronological phases; 1962—1971, 1971—1979, 1980—1986, and assess Canadian development assistance policy shifts in each. Chapter four discusses Canadian ODA to Uganda through non-traditional channels. It presents a synoptic analysis of International Development Research Centre (IDRC) projects in Uganda and Canadian ODA disbursements through NGOs. In the chapter, a critical assessment of the NGO-government relationship and its impact

on NGOs as distinct and alternative players in international development is presented.

Chapter five, analyzes recent Canadian aid initiatives in Uganda, and critically examines the balance of payments programme, which is a new phenomenon in Canadian aid policy to Uganda. Chapter six concludes the thesis, and also presents an interpretation of likely future Canadian aid policy towards Uganda.

2.0 BACKGROUND TO CANADA'S FOREIGN AID POLICY

Canada's first official aid programme dates from the Colombo Plan in 1950. The Colombo Plan for Cooperative Economic Development for south and south-east Asia, was started as an economic assistance scheme for the newly independent Commonwealth countries of Asia. However, it was shortly thereafter expanded to include non-commonwealth donors and non-commonwealth recipients. The major non-commonwealth donors that joined the Colombo Plan were the United States of America(USA) and Japan (Bijli, 1979).

Though Canada's official development assistance started in 1950, Canadian voluntary development agencies were active in the Third World long before government; they were engaged in missionary work overseas before the turn of the century (Broadhead et al., 1988). However, it was during the late 1950s and early 1960s that Canada's official development assistance was extended to all Third World regions. It was during this period that Canada expanded its aid programme to include Commonwealth Caribbean in 1958, Commonwealth Africa in 1960, Francophone Africa in 1961 and Latin America in 1964 (Canada, 1968).

The late 1950s, and the 1960s were not only periods of accelerated decolonisation process but also severe ideological tensions between the Eastern and the Western blocs. The growth and expansion of the aid programmes partly lay in the power

relations between East and West. It was felt that aid relations could move governments of the "new" nations towards specific ideological stances (Khan & McNiven, 1984). Moreover, after the demise of single colonial monopoly, foreign aid was a way of getting influence in the newly independent countries by non-colonial powers like Canada. However, the prevailing motivation according to statements by political leaders and public opinion surveys, was a humanitarian concern for the many millions of poor people in the Third World.

As aid effort gained momentum, became institutionalised when almost all donor countries created fully fledged government institutions to handle foreign aid. The USA U.S.A.I.D(United created States Agency for International Development), Britain created Overseas Development Agency, France created F.A.C (Fonds d'aide et cooperation), and in 1968 Canada also created C.I.D.A (Canadian International Development Agency).

The creation of a large agency designed to administer aid programmes formalised the state's commitment to the "life and continued existence of a large bureaucracy" (Nossal, 1988). As the budget and mandate of the agency grew, bureaucratization was an inevitable consequence as CIDA attempted a global reach. Bureaucratic interests and organisational maintenance for the agency bear considerably on the design and implementation of the aid programmes. Capital—intensive, project—oriented, and tied—aid programmes require personnel to

administer them both in Canada and in the recipient country. It has been suggested that these administrative requirements have served to maintain a large aid bureaucracy just for its own sake (Nossal, 1988).

Undoubtedly, CIDA has some influence on Canada's development assistance policies, but it would be wrong to suggest that the agency is solely responsible for policy. Important policy direction comes from the Prime Minister, the Cabinet and the responsible Minister. CIDA implements but does not make the policy. Though CIDA enjoys some degree of autonomy from government, it is not unlimited. It is part of the civil service and its president is a civil servant equivalent in status to a deputy minister (Lavergne, 1989).

Nevertheless, CIDA is the main organisation that disburses official foreign aid.² Aid is disbursed in two main ways, bilaterally or multilaterally, and aid through special programmes is categorised as either of the two, CIDA handles all types. In the 1980s Canadian aid was split between about 33% multilateral and 67% bilateral, and the multilateral share was larger than most of the OECD(Organisation for Economic Cooperation and Development) countries (OECD, 1985).

Canada's foreign aid policy reflects historical traditions, national interests, domestic and external influences. In addition to the numerous factors that influence aid policies, the aid itself can be characterised in various ways: amount of aid, terms of aid, choice of recipients,

modalities, and the channels through which the aid is disbursed (Lavergne, 1989). Though the underlying motivations may form some sort of common denominator, not all aid policies respond in some neat and unique way to a set of particular objectives.

Canada's development assistance policies are usually examined by referring to the different motives underlying the foreign aid programme. The three motivations commonly identified are humanitarian, economic and political, and Canadian policy is probably a combination of all three. The relative importance of these broad motivations behind Canadian aid policy have shifted over time in ways that are not easily documented. It is equally not easy to draw a fine line between them and to rank them accordingly. The other factors which get less attention are international factors and Canada's position as a middle power.

It is difficult to separate the true motives of the aid programme since government rhetoric may not match reality (Lavergne, 1989). But to a certain extent, international, national, and even private motivations have some influence on the aid policy. The Canadian government consistently emphasizes humanitarian and development objectives but the veracity of such pronouncements is challenged by critics.⁵

Not all of the objectives of foreign aid are declared publicly. Even the Marshall Plan by the USA had unofficial objectives beyond the official goal of reconstruction of

Western Europe. The unofficial objectives were to capture European markets for American goods, to tie West Germany to the western alliance, and to stop Soviet influence from spreading to Western Europe.

Though Canada's participation in the Colombo Plan could have been initially prompted by association with Britain and membership in the Commonwealth, it was not motivated mainly by the plight of the Third World Asian countries but rather by cold war politics. Prime Minister Pearson admitted that Canada wouldn't have gotten into foreign aid at all but for the perceived communist threat. He even lauded this threat for having drawn Canada's attention to the condition of the Third World (Carty & Smith, 1981). Poverty of the Third World was an "afterthought" in Canada's development assistance programme.

So, in the early period of the aid programme, apart from other interests of vital importance to Canada, the policy was to avert communist influence in the Third World and to spread Western influence. The latter would also serve to strengthen Canada's position in the western alliance. Whatever interests or objectives development assistance served, from the stand point of public policy, the issue was how best to allocate Canadian resources in Canada's national interest (Reuber, 1958). If foreign aid allocations are made in Canada's national interest, the interests of the Third World recipient countries would be incidental, and may not always coincide with those of Canada.⁶

In addition to forestalling communist influence, there were other motivations involved in post-war aid by Western countries. During the 1960s, when many African countries became independent, Western interest in the continent increased. Many Western countries saw this as an opportunity for new markets for their industries.

Canada was among the countries looking for such opportunities. For this reason, the Canadian government required that foreign aid funds be used for procurement in Canada, even when other sources may have been cheaper. Strict guidelines for Canadian procurement were attached to aid right from the beginning, usually in the form of a requirement for 80% Canadian content in any equipment or material purchased with aid funds. This regulation even affected foreign companies operating in Canada but whose products had a large component of foreign manufactured parts. This was the essence of tied aid.

The government was not only concerned with donor identity, but also economic or commercial benefits thereof. Moreover, the government rhetoric that foreign aid was motivated by humanitarian considerations was under attack not only from the business community but, also some scholars advised that if it was the motive, then economics of philanthropy should be appropriately developed and applied as a criterion for Canada's foreign aid programme (Triantis, 1967).

As part of the general economic strategy of Canadian governments, foreign aid was clearly used to boost exports. But it was also used to help Canadian businesses acquire knowledge and experience in the Third World countries and markets, an experience they lacked since Canada was not a colonial power. The government adopted this policy and has since implemented it through the tied aid policy, project design and procurement practices. It has been entrenched in the aid programme to the extent that in some cases aid is actually used as a subsidy to support firms entering new Third World markets and assisting "infant" Canadian industries to establish themselves (Gillies, 1989). By 1984, among the donor countries, Canada was second only to Austria in tying its aid (Helleiner, 1984).

When CIDA was formed in 1968, one of the aims of the organisation was the establishment in the Third World of attitudes favourable to the West. If achieved, this objective would enhance Canada's influence in the recipient Third World countries as well as boost Canada's position in the Western alliance (Carty and Smith, 1981). Essentially, Canada's aid programme has to consider four constituencies; domestic, Third World recipient, the international one, and the Western alliance in general.

The aid policy that emerges has to be reflective of all of them. To the foreign policy officials, the size of the aid programme is equated with the amount of weight Canada can

swing on international issues in which the nation has a direct stake, such as multilateral negotiations (Carty and Smith, 1981). The issue is whether foreign aid, a single instrument, can achieve all these objectives and remain effective in its development purposes.

Development assistance is a programme that requires public support to be sustained for a long period of time. Public opinion helps set the agenda and may set limits to what a government may or may not do. This is especially so when the government in power is "politically vulnerable" ie, does not have majority support (Flemming and Keenleyside, 1983). According to surveys that have been carried out, the Canadian public supports foreign aid for humanitarian reasons (Decima Research Ltd., 1985; Gregg and Posner, 1991). In the Decima survey, 75%-80% of the respondents supported programme, while 72% supported the idea of untying aid to better address Third World needs. However, the same survey suggests that Canadians do not reject the possibility of using development assistance to promote Canadian economic interests or influence abroad.

The strongest public support for foreign aid existed during the late 1960s, as manifested by the "miles for millions" marches in which thousands of Canadians exchanged blisters and sore feet for cash contributions to the cause of Third World development. At the end of 1969, about 400,000 Canadians marched in 114 places and raised \$5 million in

voluntary contributions (CIDA, 1970).

Also during this period there was a spurt of voluntary activity as Canadian Non-Governmental Organisations(NGOs) involved with Third World development grew from about 20 in 1963 to over 120 in 1972 (Lavergne, 1989). The government responded to this upsurge in voluntary activity by establishing a public participation programme in CIDA in 1971, intended to support public knowledge and awareness of NGOs' activities. The government has since used NGOs to deliver ODA to the Third World.⁷

From its original aim of anti-communism and support for a multi-racial Commonwealth, the foreign aid programme grew rapidly and became a permanent feature of Canadian foreign policy under the leadership of Prime Minister Lester Pearson, 1963-68. In 1970, when the Trudeau government issued a foreign policy document[Foreign Policy for Canadians], foreign aid issues were given serious attention (Canada, 1970).

The document emphasized economic and social development of the Third World as the primary goal of Canada's foreign aid. It also insisted that foreign aid should be sensitive and relevant to other Canadian objectives. The document expressed the desire to portray Canada's image abroad as a bicultural and bilingual country and called for fostering of new links with Francophone countries.

The move to portray Canada's bilingual character abroad was a response to demands by French speaking Canadians, and

also as a result of the struggle between Quebec and Ottawa over who would represent French-Canadians' interests abroad. Ottawa was not ready to relinquish its role as the sole foreign policy representative for the whole country, but this infighting led to a shift in focus and an increase in the amounts of aid to Francophone countries (Lavergne, 1989).

In 1978, Rene Levesque, then Premier of the Province of Quebec, wrote to 19 African leaders asking for participation in "la Francophonie" heads of state meeting. To stop these Francophone countries from flirting with the independence aspirations of Quebec, Ottawa used the diplomatic stick and the aid "carrot". The 1980 meeting of Francophone heads of state did not take place when France refused to attend because Quebec was refused separate representation. However, when Prime Minister Trudeau went to Dakar, Senegal to discuss rescheduling of the meeting with Francophone West African leaders, he sweetened the discussion by promising an increase in Canadian aid to Senegal to assist exploration and a major dam construction (Carty and Smith, 1981). The aid was used to pre-empt Quebec's desire to legitimise its aspirations for independence, by blocking such recognition by recipients of Canadian aid.

Nevertheless, the first two years of the Trudeau government witnessed an increase in development assistance, and it has been suggested that the Prime Minister was personally sympathetic to Third World needs and that Canada's

positions in North-South fora in the 1970s were reflective of this attitude (O'Manique, 1979; Wood, 1981; Young, 1983). However, though the 1970 government foreign policy statement(referred to above) committed Canada to move to the official United Nations aid target of 0.7% of GNP, it did not specify the pace or date when the target would be met.⁸

In 1975 the government published the most comprehensive policy statement ever on Canadian aid policy, titled Strategy for International Development Cooperation 1975-80 (Canada, 1975). It emphasized development and meeting the basic Third World needs as the direction for Canadian aid policy. While maintaining the fundamental goals of the 1970 document, the statement called for less tying, more support for multilateral institutions, greater geographical concentration of aid, and more aid to the least developed Third World countries. It reaffirmed the government's commitment to move to the 0.7% target but once again did not specify the date when it would be met (Canada, 1975).

However, the reality that ensued contradicted these government pronouncements. The harsh economic climate of the late 1970s led to cutbacks in foreign aid in 1978-79, and even emphasis was shifted from Third World development objectives to economic benefits that Canada might derive from her aid programme. As noted by Pratt, by the middle of 1978, the cabinet had agreed that Canada's primary interests in relations with the Third World were economic and that

increased emphasis should be placed on the systematic expansion of Canada's relations with a limited number of large and fairly wealthy developing countries (Pratt, 1984). This was a fundamental departure from the 1975 strategy.

The late 1970s were indeed a watershed in North-South relations. The developed countries were experiencing a structural crisis in their economies and to keep inflation down, they adopted a high interest rate policy. By aggravating their debt problems, this policy of high interest rates had a negative impact on the Third World economies (IDRC, 1990).

In the midst of this harsh economic climate, the Export Review Committee chaired by businessman Roger Hatch produced a report which criticized what it called CIDA's philanthropic approach to aid (Canada, 1979). It recommended that foreign aid should be harnessed in the service of trade promotion (Canada, 1979). It supported the tied aid policy and endorsed the then newly created industrial cooperation division in CIDA.

In view of the poor record of Canadian firms in procuring contracts for multilateral projects, the report recommended that multilateral aid should be halved, while tied bilateral aid should be increased by the same proportion. The report also argued in favour of CIDA-EDC [Export Development Corporation] parallel financing using funds from the foreign aid budget (Canada, 1979).

Apparently, the government accepted this advice and, in

1981, \$900 million in concessional funding was made available over three years as a mixed credit facility to Canadian exporters. These funds were made available for what was termed "national interest" (Gillies, 1989). The Export Development Corporation(EDC) would not normally undertake such funds because of their high risk or concessional nature (Gillies, 1989). This was a subsidy to Canadian firms in the name of aid, the Liberal government had in essence began a functional linkage between EDC and CIDA.

While this was happening, Prime Minister Trudeau renewed some of his earlier campaign on behalf of the Third World. He actively supported an international meeting on cooperation and development held in Cancun, Mexico in 1981 and his position as co-chairman of the meeting put him once again into the spotlight of international development (O'Manique, 1985; Lavergne, 1989). Canada continued to express commitment to assisting the poorest countries first and it was instrumental in achieving consensus among donors to commit 0.15% of GNP to 37 least developed countries in 1982 (CIDA, 1982). It was amidst this renewed momentum that the government (1982) finally committed itself to a specific date for meeting the 0.7% aid to GNP target established by the United Nations. This target was to be met in two stages; 0.5% in 1985, and 0.7% by 1990 (Lavergne, 1989; O'Manique, 1985).

Although there was some resurgence of neo-conservatism and commercialisation of aid in the late 1970s, particularly

in the brief government of Joe Clark, this was partly reversed when Trudeau came back to power. The Clark government actually fell before it could implement foreign aid policy review announced by Prime Minister Clark at a meeting in Yaounde, Cameroon. Canada has not been rigidly ideological in its selection of recipient countries. At a Commonwealth meeting in St. Lucia in 1983, Prime Minister Trudeau declared that regardless of the ideological path Third World states choose to follow, they would get Canada's help if they kept their social and their humanitarian obligations to their people in the forefront (Lavergne, 1989). This was in fact a pledge by the Prime Minister that the equation of human rights had now entered Canada's foreign aid policy.

Nevertheless, in the 1984 budget, the Liberal government announced creation of an Aid/Trade Fund(ATF). The then Minister of Finance, Marc Lalonde, rationalised the fund as public support for the role of the private sector in international development and stated clearly that Canada should not respond to Third World needs for their benefit alone, but also for Canada. Hence close coordination of foreign aid and export financing policies was required. The advantage of ATF was that it would be funded from foreign aid funds, thus freeing the government account and lowering overall costs of state assisted export financing (Gillies, 1989). This was a clear signal of the government's intention to commercialise foreign aid, and an overt expression that

foreign aid is not charity.

When the Progressive Conservative government of Brian Mulroney came to power in 1984, they endorsed ATF but renamed Trade and Development Facility(TDF). However, February 1986 budget, the Mulroney government suspended it. The official reasons for the suspension were twofold: it was sacrificed as part of the government plan to save \$1.5 billion on the aid programme by slowing down its growth, and also the government wanted to reduce the federal deficit but the fund ran counter to government's broader support for privatisation (Gillies, 1989). In otherwords, the fund was not suspended the because Conservative government did not commercialise aid. Besides, it was only suspended and not scrapped, besides parallel financing and co-financing arrangements between EDC and CIDA still exist and are used to assist Canadian firms. 10

In the 1986 budget, the Conservative government backed away from the 0.7% target date of 1990. It set the limit to 0.5% till 1990, and to grow to 0.6% by 1995. The United Nations target of raising the foreign aid level to 0.7% of GNP is now hoped to be reached by the year 2000 (Clarke, 1990).

The focus on commercial benefits from aid has increased since the late 1970s. The most drastic shift occurred during the economic recession of the early 1980s (Freeman, 1985; Rudner, 1985). The new orientation is evident in the government foreign aid pronouncements of 1984 (Canada, 1984).

This document portrays more awareness of commercial issues than that of 1975. The government also retreated from the 1975 commitment to partially until bilateral aid.

An indication of the Conservative government's changed aid policy was the creation of a business cooperation branch within CIDA. Its purpose is to coordinate and extend the agency's links with Canada's exporting firms. Moreover it is the most rapidly growing branch within CIDA; its financial allocations increased from \$27 million in 1984/85 to \$45 million in 1986/87. In 1987/88 its allocations further rose to \$60 million but dropped to about \$58 million in 1988/89 (CIDA, 191). The branch is intended to manage relations with the private sector in the context of development assistance (Rudner, 1985; Gillies, 1989).

The business cooperation branch does free pre-feasibility studies, makes business contacts, and assists Canadian firms when bidding for tenders from international financial institutions and organisations. As observed by Gillies, CIDA is rapidly being transformed into an economic intelligence agency for the business community (Gillies, 1989). 11

The Canadian government's insistence on tied aid is hard to rationalize in terms of the stated objectives of the aid programme. Many observers have pointed out that it provides little real benefit to the Canadian economy, while at the same time imposing substantial costs on the ability of Canadian aid to deliver a cost effective development assistance (Economic

Council of Canada, 1978; Treasury Board, 1976¹²; Adams and Solomon, 1985; Wyse, 1983). Despite this evidence on the faults of tying aid, about 80% of bilateral aid is still tied.

However, tied aid is the main instrument of export promotion associated with the foreign aid programme. It is the aid programme's sop to influential business interests both in and out of government (Lavergne, 1989). Tied aid is easier to maintain politically because politicians can point out that there are "mutual" rather than "conflicting" benefits to be achieved from the aid programme. Thus, despite being cost and development ineffective to the recipient, tied aid is used to achieve some support for the aid programme in Canada.

Nevertheless, tying aid to procurement from the donor country has been pointed out as the most significant factor of the self-interestedness of donors and the self-serving nature of foreign aid. It is in fact a cause of deep cynicism about the development assistance programme in general. Since tied aid cannot be understood in terms of the stated objectives of development assistance, the integrity of the stated objectives themselves are rendered questionable (North-South Institute, 1977).

The year 1984 was a turning point in Canada's aid policy. It marked the final dissolution of foreign aid goals espoused in the 1975 strategy. Foreign aid suffered cutbacks two times in 1984; first by the Liberal government in the March budget, and later by the Progressive Conservative government in their

November economic and fiscal statement. After these cutbacks, foreign aid emerged virtually as a "third arm" of foreign policy complementing and reinforcing Canada's diplomatic and international trading relationships (Rudner, 1985).

Whereas the 1975 strategy had given priority to major Third World problems, namely, food production, rural development, education and training, public health and demography, shelter and energy (Canada, 1975), by mid 1980s, the focus was on a more systematic integrated foreign trade/aid strategy. The business cooperation branch in CIDA, and the ATF which was intended to channel about \$1.08 billion or half of the increase in aid annually (Rudner, 1985), to aid assisted export promotion, are all fundamental departures from the seemingly "genuine" 1975 goals.

In a clear departure from the earlier broadly framed project or programme country approach which extended project aid to a wide variety of countries, which had began in 1982, the government introduced three distinct categories of recipients eligible for Canadian bilateral aid. The categories are based on the type and intensity of Canada's interests in the recipient country. These interests range from developmental and commercial to political. For each category, the operational approach to aid delivery is different (Rudner, 1985).

In this three tier system, category one constitutes the "core countries" or major recipients of Canadian development

assistance, with whom a continuing and extensive relationship is envisaged (Rudner, 1985). In this category of recipients, all forms of aid instruments and delivery channels are used and even longterm programming is undertaken. These recipients are eligible for both programme and project aid.

Category two are countries where only selective instruments of aid delivery are used. This category comprises of most middle income countries where opportunities for long term commercial and political advantages are deemed promising (Rudner, 1985). In this category, multi-year programming is not undertaken. The delivery instruments to this category include credit, co-financing, lines of and technical, industrial and institutional cooperation (Rudner, 1985). This category is only eligible for project aid. Unlike category one, there is tight donor control supposedly accountability but ostensibly for donor identity as well.

Category three are poor countries where Canadian development assistance is minimal. These countries are only eligible for assistance under M.A.F. (Mission Administered Funds) of up to about \$ 250,000 for financing small projects through the local Canadian diplomatic post, NGOs, humanitarian food aid, selected industrial and institutional cooperation (Rudner, 1985). These countries are also eligible for emergency or natural disaster relief. These are countries where Canada tries to maintain a visible aid presence.

The eligibility of recipient countries within this tier

system is a prerogative of cabinet, and is reviewed annually. The distribution of bilateral aid funds to these categories is 75% to category one, 20% to category two, and 5% to category three (Lavergne, 1989). However, despite the annual review, the tendency has been to maintain continuity and consistency especially with category one (Rudner, 1985). In the early 1980s, bilateral aid tended to concentrate among the higher growth low income countries (Rudner, 1985). This, however, is no surprise since it is in these countries where the salience of commercial interests namely, economic performance and commercial opportunities propitiously shows up in the aid policy.

Officially, the eligibility criteria are based on level of development, human rights record, commitment development, absorptive capacity, commercial and political considerations of special interest to Canada (Lavergne, 1989). However, apart from the amounts, it is also the delivery that differentiates the categories referred to above. The main difference between the major categories, ie, one and two, is that the former is eligible for programme aid while the latter is not. The difference between programme aid and project aid is that with programme aid, the recipient country has the flexibility in planning, administering and allocation of the resources (aid) to suit the recipient's public policies and development needs; it is administered by the recipient country. But for project aid, the donor is tightly in control

and is involved in project identification, design, and implementation. With project aid, the recipient does not have the liberty of setting priorities. If the donor and recipient priorities conflict, the donor's priorities and project design, though they may not necessarily be appropriate or in the best interests of the recipient country have to prevail or no aid is given at all.

Around mid 1980s, a series of reports on foreign aid policy were produced, which led to the emergence of the most recent policy statement on Canadian aid policy in 1987. In 1986, a special joint committee¹³ of the Senate and House of Commons report recommended that the Canadian government's aid activities should be better integrated with foreign policy and that Canada should be a leader in international development (Special Joint Committee, 1986). This call was repeated by the House of Commons Standing Committee on External Affairs and International Trade (House of Commons, 1987).

The House of Commons committee, chaired by Mr William Winegard, MP, held public hearings across Canada and visited some aid recipient countries before coming up with its report. Though the committee report reiterated the Simard-Hockin report's call for a "Canadian vocation", it concluded that purposes of Canadian development assistance were confused and that the order of priority among political, commercial, and development objectives unclear (House of Commons, 1987). The report thus went ahead to clarify Canadian interests in

foreign aid.

It defined Canadian interests in development assistance as threefold: humanitarianism, whose main concern alleviation of human suffering and promotion of social justice; political, whose main concern is promotion of stability and peace; and economic, whose aim is to support economic growth in the Third World (House of Commons, 1987). The report stipulated that the primary purpose of Canadian aid is to help the poorest countries and people and that it must strengthen the human and institutional capacity of the Third World to solve their own problems in harmony with the natural environment (House of Commons, 1987). Overall, the report was critical of CIDA.

In reply to the Winegard report, CIDA issued the document, Sharing Our Future (Canada, 1987). It stressed that in the new aid policy, human rights issues would be carefully assessed in determining a recipient country's eligibility for Canadian aid. It also promised to loosen aid tying, foster partnerships between Canadian individuals, groups, organisations and firms and their counterparts in the Third World to undertake various development activities (Canada, 1987).

With the demise of communism and apartheid under siege, the Canadian government has shown commitment to human rights observance as part of its ODA strategy. At the Commonwealth conference in Harare, Zimbabwe in October, 1991, the Canadian

Prime Minister called for a direct linkage between aid and human rights record in the recipient countries. A month later, he reiterated the same call at "La Francophonie" summit in Paris. On the other hand, suspension of government to government aid to Haiti after a military coup and the announcement to suspend aid to Indonesia after the massacre of innocent civilians in East Timor in November, 1991, indicate an increased importance of human rights in the new Canadian ODA strategy.

However, the cornerstone of the new policy is the development assistance charter which sets forth the guiding principles and priorities on which CIDA's activities would be based. According to the charter, all aid activities would put poverty first, help people to help themselves, maintain development priorities and encourage partnerships between Canadian people and institutions, and their counterparts in the Third World (Canada, 1987).

However, Canada's insistence on Structural Adjustment Programmes (SAP) as condition a for its aid may contradictory to these grand pronouncements. SAPs in the Third World started to be emphasized by the North during the 1980s when there was high unemployment, inflation and low growth in the donor countries. During the same period, many of the Third World countries were burdened by high interest rates, unfavourable terms of trade, slow growth of international trade, and were overwhelmed by crippling levels of debt

(Clarke, 1990).

The donor countries, working through international financial institutions sought to influence the domestic policies of the indebted Third World countries. This was done through "structural adjustment", by making it a precondition for loans and aid to the Third World (Clarke, 1990). S.A.P requires that before a Third World country can be eligible for debt re-scheduling and aid, it has to restructure its economy in accordance with the guidelines set by the international institutions; usually financial the World Bank and International Monetary Fund(IMF).

SAP is a package of policy changes which involve across the board economic liberalisation, enhancement of market forces, currency devaluation, openness to external trade, capital flows and other inputs (Helleiner, 1989). To implement these measures, the recipient government has to reduce its spending and such reductions are usually applied to education, health care, food subsidies, and public services (Clarke, 1990; CCIC, 1991). It is thus argued that, the majority poor people in the Third World are hurt most by implementation of SAP.

It has been observed that these economic measures(SAP) may lead to capital flight, recession, and capital concentration due to disengagement from local activity directed at the local market. Whatever little growth these measures may achieve will arise from activities dependent on

low wages and external market (Clarke, 1990). As a result of SAP, the state may be weakened and government programmes may also become more dependent on foreign loans and aid. In fact, it has been argued that the whole package destroys the endogenous basis for economic development and produces fundamental dislocations in the state structure thereby creating a situation in which international financial institutions become "de facto trustees" (Clarke, 1990).

The likely result of implementing SAP is increased poverty, greater hardships for the poor, and according to George, a decline in the effectiveness of democratic institutions necessary for genuine development to take place (George, 1988). The austerity conditions of SAP, it has been argued, are based on initiatives that open the Third World to world capitalism. Insistence on SAP by donor countries, critics further contend, is an international expression of neo-conservative ideology (Clarke, 1990; Helleiner, 1989).

Canada is a strong supporter and advocate of SAP and through its representative at the IMF, was instrumental in setting up the SAP of Guyana which proved disastrous. The same official who engineered the SAP for Guyana became a president of CIDA in September 1989, and in a speech in November of the same year said, "structural adjustment looks more relevant with each day that passes", and that "CIDA had taken the leap of faith and plunged into the unchartered seas of structural adjustment" (Clarke, 1990). In the same speech he confirmed

that SAP is among the priorities of Canadian development assistance. 14

This stringent conditionality is now endorsed and emphasized in Canada's foreign aid programme. However, SAP and its effects are contrary to the major goals of the new aid policy which CIDA enacted in 1987. Since increased poverty and hardships to the majority are the likely result of implementing SAP, supporting SAP by CIDA means that the 1987 pronouncements may well remain on paper.

2.1 Multilateral Aid

Whereas Canada has a strong and direct control over bilateral aid, it does not have such a strong influence on multilateral aid such as choice of recipients or tying the aid once it has made its financial contributions to multilateral organisations. Multilateral aid is officially rationalised as international burden sharing ie, Canada doing its share in international development.

However, the main motivating factors for multilateral aid are Canada's foreign policy objectives, particularly, maintaining a credible and strong position among its allies. Multilateral aid also supports Canada's foreign policy objective of maintaining a global system of international finance, trade, and welfare. It also provides Canada with an opportunity to gain some aid "presence" in Third World countries besides the main bilateral recipients (Rudner, 1985).

This aid presence becomes very important when it comes to international matters in which Canada needs support of Third World countries. An example of such a time was in 1989 when Canada needed votes to be elected to the United Nations Security Council. Though Canada was elected for the fourth time, unlike the previous three, it had to compete for the seat due to lack of prior consensus among Western countries. The seat was contested between Canada, Greece and Finland (Canada, 1991).

In the months before the United Nations General Assembly vote, the department of external affairs and all Canada's diplomatic missions abroad were involved in intense lobbying of all United Nations member countries, and when the election was held, Canada got 127 votes which represented 80% of the UN membership (Canada, 1991). Small as the aid presence may be, it helps Canada acquire such an important victory; a show of international confidence in Canada which is cherished by most Canadians. Thus international factors play a big role in multilateral aid.

The split between bilateral and multilateral aid is about 2/3 and 1/3 respectively (Lavergne, 1989; CIDA, 1990). Canada's support for multilateral aid agencies is partly due to its position as a middle power; it realises that though it is too small to have much impact on world affairs when acting alone, it is large enough to have influence on how international institutions operate (Lavergne, 1989).

The major recipients of Canada's multilateral aid are the United Nations agencies and the international financial institutions. These include the United Nations Development Programme(UNDP), the World Bank, the World Food Programme(WFP), and the regional development banks namely; the Asian Development Bank, the African Development Bank, and the Inter-American Development Bank. The largest recipient of Canada's multilateral aid is the International Development Association(IDA), which is an affiliate of the World Bank (Lavergne, 1989).

The WFP has been receiving about 20% of Canada's multilateral aid since 1966. It has been argued that such large contributions were originally motivated by the abundance of stocks of wheat at the time (Wyse, 1983; Williams and Young, 1981). Domestic politics help to maintain the consistency of Canadian support since contributions to WFP are the main way that Canadian farmers obtain a share of foreign aid spinoffs. With the current outlook on grain prices and the "subsidy war", WFP is likely to remain an important outlet for Canadian grain.

The regional development banks receive a substantial share of Canada's multilateral aid. Canada's aid to the Asian Development Bank began in 1966, and between 1980-84 accounted for 11.9% of Canada's multilateral aid. Contributions to the African Development Bank and Inter-American Development Bank started in the 1970s, and during 1980-84 aid to these banks

respectively accounted for 6.6% and 4.2% of Canada's multilateral aid (Lavergne, 1989).

Through its contributions to these banks, Canada is able to have some indirect influence on the economic policies of borrower nations and a direct influence on the banks' policies since it has a place on the decision table. As pointed out, "Canada is large enough to ensure that Canadians sit on the board of directors of all development banks, but it cannot afford to let its contributions slip if it is to maintain that position" (Isbister, 1986). Canada has thus maintained a visible presence in the major regional development banks.

The level of multilateral aid has fluctuated. It rose from 19.8% to 44% of total aid between 1970 and 1976 (Lavergne, 1989); which was consistent with the 1970 policy commitment by the government. However, it dropped from 45% in 1979 to 31% in 1981 and rose again to 32% in 1982 (Rudner, 1985). This drop was due to pressure from the business community, particularly, the 1979 attack by the Export Review Committee report, and the need to harness foreign aid and export promotion policies. But above all, the drop was due to the inability of Canadian companies to secure contracts from international organisations proportional to Canada's contribution to these organisations. Canada ranks lowest among the "G7" countries in ratios of procurement to contributions to the international financial institutions (Rudner, 1985).

Multilateral aid to the Commonwealth and "la

Francophonie" is motivated by cultural links, diplomatic moves, and domestic politics. In these organisations, Canada acts as an intermediary for western interests and also as a mediator between Britain, France, and their former colonies. In 1965 when Tanzania severed diplomatic relations with Britain, Canada became the channel for bilateral diplomatic contact between them (Young, 1983).

Internal economic interests are not absent in the multilateral aid programme. In 1982 Canada initiated a move to create an international energy organisation affiliate to the World Bank. When this move failed, Canada created its own agency in this field, namely, Petro Canada International Assistance Corporation (Lavergne, 1989). Creation of this corporation was not motivated by energy problems of the Third World but by a desire to have an international outlet for Canada's oil and gas technology, with possible commercial benefits in the longrun.

On the other hand, multilateral aid is resorted to when it is convenient for Canada ie, when it does not have the delivery mechanism in place and manpower to administer the aid in the recipient country. But above all, multilateral aid is motivated by the need to enhance Canada's position among its Western allies and to be part of the collective Western policies towards the Third World, rather than being responsive to the needs of a particular recipient country.

The above sections have reviewed the shifting

considerations behind Canadian aid policy in general. Various categories of aid have been identified, along with the different vehicles for delivery of development assistance. Over the years commercial considerations, mainly reflected in the tying of aid to Canadian procurement requirements, have grown more important in Canadian foreign aid policy. It is within this wider aid policy context that assistance to Uganda has been provided.

2.3 Nature and Reasons for Canadian Aid to Uganda

Uganda is not among the major recipients of Canadian aid. It is in category II and is eligible for both bilateral and multilateral Canadian assistance. Uganda is, however, not eligible for long term programme aid. It does receive project aid which is highly tied to Canadian procurement.

From 1960, when Canada started giving aid to Uganda, to 1990, Uganda has received a total of \$148.532 million in Canadian aid of which \$77.284 has been disbursed bilaterally either directly from government to government or through Canadian organisations and institutions, and \$71.248 million has been disbursed multilaterally through international organisations including international financial institutions. 15

Canadian aid to Uganda tends to be disaggregated, ie, no big projects but rather numerous small projects in various government departments and institutions. In the 1960s, Canadian aid to Uganda consisted mainly of technical assistance, especially, provision of Canadian teachers and

advisors, and financing of Ugandan trainees in Canada (Canada, 1968).

The greatest concentration of Canadian aid, however, was in geological survey and mining. This emphasis reflected the commercial prospects involved. Many Canadian experts were involved in mineral prospecting in Uganda and, until 1973, it was a Canadian monopoly, Falconbridge that was running the biggest mining venture in the country, with shares also in fertilizer and chemical manufacture.

Most of Canadian aid to Uganda has been in form of technical assistance; in education, health, mining, and provision of equipment especially mining equipment, and scientific equipment for secondary schools and other teaching aids, especially on the initiative of Canadian teachers in Uganda.

In terms of direct economic assistance, the bulk of Canadian funds support the economic recovery programme which is being run in conjunction with the World Bank SAP. In the field of health much of Canada's aid is directed at procurement of pharmaceuticals, both human and veterinary drugs. Also in the field of health, some aid funds are directed at rural water supply, and immunisation, and is mainly disbursed multilaterally through WHO, UNICEF, and UNDP. On the other hand, the IDRC projects in Uganda have mainly been in agriculture and forestry, especially food and nutrition research. NGOs aid to Uganda is mainly through

religious organisations and consists mainly of relief for displaced people and community centres rehabilitation. However, the biggest NGO and one that is used most as a delivery channel of Canadian aid to Uganda is AMREF[African Medical and Research Foundation] whose aid consists of health education and community based health and "AIDS" education.

As mentioned in chapter one, the historical association through membership in the Commonwealth led to early Canadian aid to Uganda under SCAAP. The Secretary of State for External Affairs said in 1979 that such "cultural" ties weigh heavily on Ottawa's mind when considering whether to give aid or not (Fromm and Hull, 1981).

Canada's foreign policy interests also play a role in Canada's aid to Uganda. Canada is interested in forging a strong alliance with Commonwealth and "la Francophonie" members which can stand by its side on international issues, especially in the United Nations and other international fora. The aid "carrot" can facilitate support in case of contentious international contentious issues of interest to Canada.

Though diplomatic and foreign policy objectives are considered when giving aid to Uganda, they are not the only considerations. They go hand in hand with economic and commercial prospects and they may in fact be more important. It is for commercial reasons that aid to Uganda is so heavily tied. The recent series of Canadian trade missions to Uganda sponsored by CIDA (Uganda, 1991) are also suggestive of this

reason. These delegations are aimed at forging business linkages between Canada and Uganda in the context of development assistance.

On the other hand, Canada is heavily identified with the on-going economic recovery in Uganda, after having sponsored a major study whose report has become a cornerstone of Uganda's economic policy (IDRC, 1987). Canada's commitment to and, support for, the structural adjustment programme in Uganda is also one of the reasons why it gives aid to the country.

However, an element humanitarianism may also exist in Canadian ODA to Uganda, but is mainly an initiative of Canadian Non Governmental Organisations and educational institutions especially universities, but is nonetheless reinforced by the government. This is, however, part of the broad government agenda to include Canadian nationals in international development.

2.4 Summary

This chapter has analyzed the evolution of Canadian aid policy. Whereas fighting the spread of communist influence was at the centre of the aid policy when the aid programme began, over time this motivation lost prominence to other significant considerations and now has disappeared completely. Such considerations included: economic and commercial benefits, political and diplomatic factors, international factors and Canada's position as a middle power, human rights in the

recipient countries (since, 1983), and more recently structural adjustment programmes prescribed by international financial institutions to the Third World recipient countries. Third World development was not a consideration when the aid programme was started but came as an afterthought when the aid programme had already been established, and even then may have been more rhetorical than real.

This chapter also discussed the different aid delivery channels and motivating factors for choice of one over the other. Finally, the nature and reasons behind Canadian aid to Uganda were also discussed. The next chapter will analyze Uganda's transition from colonialism to political freedom, political crises under various governments and Canadian response to different internal crises in the country.

CHAPTER THREE

3.0 THE UGANDAN POLITICAL SITUATION AND CANADIAN AID.

3.1 Introduction

This chapter analyses the Ugandan political situation with emphasis on how major political events affected Canadian aid policy towards the country. The major focus of the chapter is the correlation between political events in Uganda and Canadian reaction in terms of aid to the country.

Chapter one presented a brief discussion on Uganda's transition from colonialism to neo-colonialism and how Uganda came to rely on foreign aid and credits as a major source of finance for its economic development; a strategy that was endorsed by the Ugandan politicians who took over government on attainment of independence. The analysis now turns to the political system which has been dominated by politics of intrigue, opportunism, despotism, and almost total disregard for the Ugandan masses who have been suppressed and oppressed since colonialism and have seen little or no change for the better ever since the colonial government was handed over to the Ugandan politicians.

Contrary to many Western observers who view the often violent conflict in Uganda as ethnic or tribal hostility, it is the struggle for political power that causes conflict in Uganda. Both internal and external forces play a part in the conflict. The seeds of political conflict and disunity were

cultivated many decades ago when imperialism was trying to gain control and bound together different nationalities to form what is now known as Uganda.1

Before Uganda was colonised, the people that compose it today were at different stages of social, economic and political development; centralised kingdoms had evolved in the south while the north was still at the stage of segmentary societies (Mamdani, 1983; Karugire, 1980). The kingdoms in the south were; Buganda, Busoga, Bunyoro, Toro and Ankole and the segmentary societies were Acholi, Lango, West Nile, Karamoja and Teso in the north and Kigezi in the south-west (Mamdani, 1983).

Politically, the kingdoms had developed into bureaucratic state systems with authoritarian kings at the top, assisted by a hierarchy of chiefs. The segmentary societies had not developed centralised authority. In the segmentary societies, public affairs were managed by elders and clan leaders chosen by consensus. As Karugire puts it, the idea of decentralised democracy prevailed among the segmentary societies (Karugire, 1980).

The political organisation in the segmentary tribal societies was based on the philosophy that important decisions affecting a community could not be made by a single person, but must be reached consensually by elders representing different clans that constituted the particular community.

Due to the kings' expansionist policies, the relationship between the kingdoms was not harmonious. Buganda, which was best organised and most powerful of the kingdoms, received tribute from Busoga and Ankole, while Toro also paid tribute to Bunyoro. The relationship was not even harmonious between the north and the south; emissaries of the king of Buganda used to raid the north for slaves. In fact, the power of Buganda was felt throughout the whole region (Mamdani, 1983).

When the British colonialists appeared on the scene in 1894, they forcefully bound together these people with different cultures and at different stages of political, and socio-economic development.² The colonial administration policies of divide and rule, and indirect rule accentuated the differences between these nationalities.³ Animosity towards Buganda was increased by the colonial "exportation" of the Buganda model of administration to other parts of the protectorate with Baganda agents as administrators.⁴ This created a mistaken complacency among the Baganda, who were portrayed as superior, when in fact they were being used for the convenience of the British rulers.

Throughout British rule, no attempt was made to integrate the different nationalities or to cultivate a sense of shared nationhood. Instead, the British imperialists maintained a separate vertical relationship with each nationality as means of political control. The nationalities were unable to look horizontally beyond their borders despite having common

problems. Political fragmentation and division served the aims of British imperialism (Lunyiigo, 1989).

Economically, the country was also divided; the south was designated for cash crop growing while the north was officially prohibited from engaging in this type of economic activity. This meant that the southern kingdoms, particulary Buganda and Busoga, were turned into cash crop growing reserves while the northern segmentary societies and Kigezi in the south-west were turned into labour reserves where soldiers, policemen, and labourers to work in plantations and factories based in the south were recruited (Mamdani, 1983).

In the commercial sector, the British brought in immigrants from India who were prohibited from owning land but were given incentives to be in commerce. In the end, every supposedly national institution that was touched by the colonial state was given a nationality or regional character. It became a common adage that a soldier would be a northerner, a civil servant a southerner, and a merchant an Asian (Mamdani, 1983). Thus, colonial policy emphasized differences and promoted separate development of districts without any attempt to integrate them and create national institutions transcending traditional nationality or tribal loyalties.

Attempts at mass organisations by radical nationalists would be crushed by maximum force. On the other hand, civil discontent with nationalist demands would be branded communist inspired and similarly crushed (Mulira, 1983). On the issue of

crushing the alleged "communist" infiltration, Christian churches were allies to colonial government. On this one issue, Roman Catholics and the Anglicans could agree and they joined forces with the colonial government to combat what they perceived to be a common threat. On most other issues the two denominations were in conflict and their disputes produced another cleavage in Ugandan society.

This "communist" phobia, which was initially propagated by the colonial government and supported by the church, became so strong and entrenched that it even continued into independent Uganda. Different political groups would use it to discredit their opponents (Mulira, 1983).

Fierce religious wars between the Roman Catholics and the Anglicans were fought during the 1890s. During these wars the Ugandan christians identified themselves with either of the contending imperial interests; Catholics with the French and Anglicans with the British. This civil war left Buganda⁵ weak and divided, however, this division introduced by the Bible did not remain confined to Buganda but embraced the whole of Uganda (Lunyiigo, 1989).

With the help of British imperial forces, the protestants came out victorious over the Catholics. Consequently, though undeclared officially, Anglicanism became a state religion. Throughout colonial rule, Catholics were excluded from almost all public offices and other positions of influence. They could not even become local chiefs (Karugire, 1980). This was

despite the fact that the catholics were and are still the majority in Uganda.

This religious polarity was unfortunately reflected in the political parties that were formed on the eve independence to champion the cause for national freedom. Almost all political parties were formed on motivations. The Democratic Party(DP) formed in 1956, was predominantly catholic in leadership and membership. The DP was not formed as a party for national unity but rather as a platform for ending catholics' exclusion from public life that had existed since the turn of the century (Karugire, 1980).

On the other hand, the Uganda Peoples Congress(UPC), with a protestant dominated leadership, was formed in 1960 essentially as an anti-Buganda party. UPC was formed when the non-Baganda wing of Uganda National Congress(UNC) merged with Uganda Peoples Union(UPU). UPU was the first political party to be formed and led by non Baganda. It had been formed to oppose the concessions that Buganda was demanding from the protectorate government (Karugire, 1980).

The Kabaka⁶ Yekka(King alone), formed in 1961 after the DP had won the general election for self-government, was motivated by preservation of protestant domination and ensuring that a catholic-led government did not take power, and also that the Kabaka remained supreme (Karugire, 1980).

In summary, up to independence, Ugandan politics still revolved around sectarian issues and no party with national

aims had yet emerged. Despite the differences between the Kabaka Yekka(KY) and UPC, when DP won the elections and formed the first African government in 1961, UPC and KY joined forces to vigorously oppose DP and remove it from power. Their opposition was not to the programme of the DP, but because they saw the government ending long established protestant domination in the country. Both KY and UPC wanted protestant domination maintained in the country.

It was because of this that the elite leadership of the anti-Buganda UPC concocted an extraordinary alliance with their erstwhile enemies KY, Buganda's neo-traditionalists. The UPC-KY alliance forced another general election in April 1962 in which the DP was defeated but no party won a clear majority. The result was UPC/KY coalition government installed in office on October 9, 1962 as the first independent government of Uganda (Low, 1988). Mutesa II, leader of KY and Kabaka Buganda became President of Uganda representative of the Queen who was still honoured as head of state, while Milton Obote, leader of UPC, became the head of government and the executive Prime Minister of Uganda.

During this political struggle among Ugandan elites the colonial government was not on the sidelines, but busy identifying the so called "moderate" elites to inherit the colonial government. Even the constitutional conference in London on the eve of independence, which was dominated by factional struggles between the UPC-KY alliance and the DP on

the one hand and representatives of the kingdoms on the other, almost boiled to a show between the queen and the pope.

The final constitution that emerged had virtually created four separate states within Uganda. It allowed considerable autonomy for the kingdoms of Buganda, Ankole, Toro, Bunyoro and Busoga. According to this constitution, Buganda would retain control over land tenure, social services, security and political representation in the central government (Walker, 1989).

However, after these struggles which culminated in a "hodge podge" constitution, the constructed majority government inherited the colonial mantle with its structures intact. It also inherited some outstanding boundary disputes, particulary between Buganda and Bunyoro⁷ (Karugire, 1980; Low, 1991). This "lost counties" dispute became the first real test of the UPC-KY alliance and their constructed majority government.

Despite a legacy of colonial policies that sowed seeds for internal conflict, Ugandans must take part of the blame for nurturing these divisions. The willingness of Ugandan political elites to put political expedience and power before national unity and development was partly responsible for the endemic malaise in the Ugandan political system.

3.2 1962-1971: Fragile Democracy or Indirect Dictatorship?

After independence, the initial period of the UPC-KY coalition government was largely occupied by attempts by Prime

Minister Obote to consolidate the power of the central government. However, despite being in government together, the differences between UPC and KY remained, and to make matters worse the UPC leadership split along "ideological" lines. This intra-party rivalry would soon surface. Nonetheless, for the first two years there was relative political peace, and the modified Westminster system of government(one chamber) bequeathed to Uganda seemed to work reasonably well.

In this period many foreign countries showed enthusiasm and came in with economic aid to assist in the implementation of the development plan which had been orchestrated by the World Bank. Many Ugandans were mystified by this sudden interest by outsiders in their welfare. In particular they wondered why Britain had ignored economic development for so long only to provide massive aid after independence (Clark, 1966). The explanation was that Uganda had graduated from single hegemonic control and was now up for "grabs", open for competition, and aid was a strategic instrument to establish political relationships and ensure that the donor countries' corporations acquired business in the country.

In the first years of independence, Canadian aid continued to come under SCAAP. Only direct government to government bilateral aid was provided at this time. Though there was a huge percentage increase from the pre-independence year, the total amount remained very modest indeed. Table one presents both the total amounts and percentage increases in

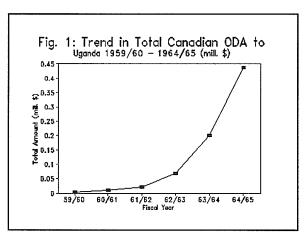
Canadian aid to Uganda during the years immediately before and after the achievement of independence.

Table 1
Canadian Official Development Assistance (ODA) to
Uganda 1959/60-1964/65 (Million Canadian Dollars)

Fiscal Year	Total Amount	Percentage (%) Change
1959/60	0.004	-
1960/61	0.009	125.00
1961/62	0.021	133.33
1962/63	0.068	223.81
1963/64	0.200	194.12
1964/65	0.437	118.50

Source: Author's calculation's based on figures from CIDA's ODA historical data for Uganda.

Figure one displays the same information in graphic terms, showing the steep increase in aid at the time of independence.



Britain remained the biggest player in Uganda, but its monopoly was under serious challenge, particularly from the USA, but also from other countries including Canada which, by 1965 had acquired near monopoly in fertiliser and industrial chemicals manufacture, and actual monopoly in copper and

cobalt mining (Mamdani, 1984). By 1965, Canada was only second to the USA in provision of advisors and consultancy services to the government of Uganda. The Canadian experts were concentrated in the fields of education and geology; geological survey and mineral prospecting.

The short period of stability that prevailed in Uganda after independence cannot be attributed to commitment to "politics of reconciliation" by Ugandan leaders. Rather, it reflected the fact that none of the leaders and their followers felt they had the strength to question the 1962 constitutional arrangement (Mudoola, 1985). Moreover, the independence constitution had been reached as a matter of political expedience since the parties involved in the constitutional negotiations did not want independence, which was conditional upon agreement on the constitution, delayed any longer.

The first real test of the UPC-KY government was the boundary dispute between Buganda and Bunyoro over the lost counties, and it eventually destroyed the UPC-KY alliance. The central government was determined to resolve the issue through a referendum as provided by the independence constitution. The Kabaka of Buganda attempted to retain the two counties by settling ex-servicemen there, despite the huge financial costs involved in the scheme. However, the Kabaka was outmanoeuvred when the central government ruled that only people resident in the two counties before 1962 would be eligible to vote in the

referendum, whose results would decide whether the two counties would be transferred back to Bunyoro (Walker, 1989).

The referendum was held in 1964, and the results overwhelmingly favoured returning the counties to Bunyoro. During the referendum, violent tactics were used by both the Kabaka's and Central government's factions (Walker, 1989). However, Kabaka Mutesa II, in his capacity as president of Uganda, refused to accept the results of the referendum. This was yet another futile move by the Kabaka, as the Prime Minister signed the necessary instrument and the counties were transferred back to Bunyoro.

The referendum and the attendant violence did not have international significance, and so did not affect Uganda's foreign relations, including its aid relationship with Canada. The upward trend in Canadian aid to Uganda continued.

By November 1964, when the referendum results were announced, UPC was already strong enough to dispense with the KY alliance. UPC had lured some members of the opposition in the National Assembly to defect to its side and some former DP members of Parliament had become cabinet ministers in the UPC government (Walker, 1989; Low, 1991). Besides, UPC was already in control of local(district) administrations; it controlled all of the district councils and kingdoms' legislatures except in Buganda.

However, ideological infighting and power struggles soon weakened UPC. The party was split in three factions; "left",

"centre", and "right". The "left" wing led by John Kakonge was composed of militant nationalists and the young people. It was quickly disbanded and Kakonge replaced by Grace Ibingira who belonged to the "right" wing. Obote's faction was the UPC "centre"; the moderate nationalists (Mamdani, 1984).

Meanwhile, the remaining UPC factions sought outside sponsors and alliances, as did the other political parties. The KY aligned itself with British Conservatives; the DP with German Christian Democrats; the UPC "centre" with German Social Democrats; and the UPC "right" wing , which came to be known as the Dollar Faction with the USA (Mamdani, 1984). Foreign support included financial assistance. These factional struggles with foreign sponsors was typical of neo-colonial politics.

To gain internal strength, these factions created sectarian bases among the people by organising and dividing them along narrow nationality or ethnic lines (Mamdani, 1984). Despite the intra- and inter-party struggles, the Obote faction for a time maintained control of the government and country. However, the semblance of Western Liberal democracy that had existed up till 1965 would soon give way to open undemocratic means of governing.

With regard to foreign policy, Uganda was non-aligned. But it was involved in two schemes; one in Congo(now Zaire); and another one in Sudan. In the Zaire scheme, Uganda together with Tanzania and Zambia had since 1964, secretly supported

anti-Tshombe⁸ rebels. Uganda facilitated ivory and gold smuggling from Zaire to purchase armaments and also provided a transit route for supplies to the rebels. In this covert operation, Colonel Idi Amin, second in command of the Uganda army, was responsible for marketing the ivory and gold (Walker, 1989).

In the Sudan operation, Uganda played a key role in Israel's Arab-African policy. The Obote government had allowed Israel to use northern Uganda as a base to supply arms to the Anyanya guerillas in Southern Sudan, who were fighting the Arab government in Khartoum. Because of this Israeli connection which started in 1963, Israel was training the Ugandan security forces(Mamdani, 1984; Hutton and Bloch, 1980). Both these operations had far reaching implications for Uganda, and the violent conflicts that ensued in the country.

It was the Zaire operation that first flared up. In February 1966, while Obote was touring northern Uganda seeking popular support for his party, a motion calling for suspension of Col. Idi Amin and an investigation into the alleged smuggling of gold in which he and the defence minister were implicated was passed in the National Assembly (Walker, 1989; Martin, 1974). The motion had been backed by the "right" wing members of the ruling party(UPC) including some cabinet ministers who had not only become disenchanted with their leader, but also sympathetic to the Kabaka and Buganda's cause.

On his return to the capital, Obote sent Amin on leave and instituted a commission of inquiry into the allegations which later exonerated him. However, by this time the split within UPC had become clear to Obote and he realised that the "right" wing faction led by Ibingira, a cabinet minister and Secretary General of the party, was planning his overthrow. Obote moved swiftly and carried out a counter coup using undemocratic methods against the "right" wing faction (Walker, 1989; Mamdani, 1984).

While in a cabinet meeting Obote ordered the arrest of five of his cabinet colleagues including Ibingira. He suspended the 1962(independence) constitution, deposed the president, and transferred all executive powers to himself (Walker, 1989). In fact, Prime Minister Obote had abrogated the constitution, and resorted to preventive detention as a method of dealing with political opponents.

Two months later, in April 1966, he presented an interim constitution to parliament which was passed without debate. It was actually imposed. The interim constitution eliminated Buganda's federal privileges and withdrew the special constitutional status from the other kingdoms namely, Ankole, Bunyoro and Toro⁹. It also introduced the presidency with Obote himself becoming President and head of state (Walker, 1989; Kasfir, 1976; Low, 1991). This marked the end of the Queen's official role in Ugandan affairs.

The reaction from Buganda was violent; the Baganda traditionalists set up roadblocks, burned bridges and attacked police stations. The Lukiiko(Buganda's legislature) attempted to impose a trade boycott and demanded that Obote and the Central government should leave Buganda soil (Walker, 1989; Kasfir, 1976). Obote was ordered to take the capital to Lango, his home district. Obote responded to this challenge to central authority with maximum force. He ordered government troops led by Idi Amin to attack the Kabaka's palace. A bloody battle ensued, though the Kabaka himself escaped uninjured to England. Consequently, the whole of Buganda region was placed under a state of emergency which remained in force until the overthrow of the UPC government in 1971 (Kasfir, 1976).

During this crisis, Obote continued to consolidate his position and to tighten his control over power. In September 1967, feeling secure, he introduced another constitution to parliament. Unlike the one which had been swiftly imposed the previous year, the proposals were freely and intensively debated and even minor amendments made (Kasfir, 1976). After three months of debate it was passed. This constitution established a unitary republic, abolished all traditional rulers and legislatures, tightened central government's control over district administrations, and divided Buganda into four separate districts subject to the minister of regional administrations like all other districts (Kasfir, 1976).

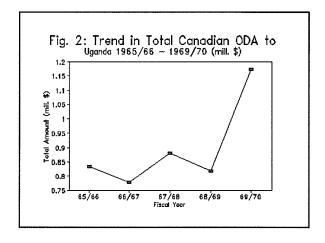
The 1966 crisis ended "federalism" in Uganda and overthrew the 1962 constitution with the use of force. After the crisis, UPC continued to seek popular support, but the general elections that were due in 1967 were postponed to 1971. This move ensured UPC's prolonged stay in power and also Buganda's under representation in parliament, since its members who refused to swear allegiance to the constitution had lost their seats. However, though by 1967 UPC had consolidated its hold on power, it remained primarily a parliamentary party without mass support.

This crisis seems not to have affected Uganda's international relations. As table two and the figure which follows it demonstrate, Canadian aid continued to increase. Projects that were already in the pipeline continued, such as supply of construction and fisheries equipment. The biggest project undertaken during this period was construction of an ice plant for the department of fisheries to facilitate marketing of fresh fish¹⁰.

Table 2
Canadian ODA to Uganda 1965/66 - 1969/70
(million Canadian dollars)

Fiscal Year	Total Amount	Percentage (%) Change
1965/66	0.834	90.847
1966/67	0.778	-6.715
1967/68	0.881	13.239
1968/69	0.819	-7.038
1969/70	1.173	43.223

Source: Author's calculations based on figures from CIDA's ODA historical data for Uganda.



The intra-party struggles within UPC between the "centre" and the "right" wings which implies sharp ideological difference, did not mean much to the Ugandan masses in terms of government policies. None of them was really bent on destroying the colonial mantle. With the demise of the radical nationalists in 1964, the remaining factions were not a threat to enhancement of Western interests and neo-colonialism. The 1966 crisis and abrogation of the 1962 constitution was viewed as internal re-organisation. Moreover, the free debate on the 1967 constitutional proposals was applauded as a historical event in African politics (Kasfir, 1976).

The Canada-Uganda aid relationship continued uninterrupted. The Canadian assistance programme in Uganda continued to be largely small projects under SCAAP whose main emphasis was provision of skilled manpower, mainly educators and educational equipment. By 1967, Canada had embarked on a training programme of Ugandan teachers both for primary and secondary schools.

In 1968, Uganda proposed a French-English language education institute in Kampala for use by both English and French speaking African officials. The objective of the project was to alleviate interstate communication barriers in Africa. The Canadian government initially agreed to support the project because it would help cement French-English relations in Canada and also portray Canada's bilingual and bicultural character abroad. However, in 1969, when the Organisation of African Unity(OAU) decided to establish a bureau for research and development of indigenous African languages for Pan-African use in Uganda, Canada withdrew support for the project on grounds that indigenous languages would displace both French and English.

After the 1966 crisis and the centralisation of power in 1967, Obote was unable to form another governing majority, he became dependent on the army (Low, 1991). Nevertheless, by 1969, his faction was clearly triumphant, the other factions had been silenced. Despite his grip on power the country was in an economic crisis. Though he had faithfully followed the World Bank blue-print and increased production of raw materials, namely, cotton and coffee, their prices on the world market had gone down. Consumer goods became scarce and prices soared. Unemployment in the country was also rising.

Faced with these problems, the government attempted a number of reforms. A series of policy documents and statements collectively known as the "move to the left" were released

(Walker, 1989; Low, 1991). Included in the "move to the left" was a proposal for compulsory national service of up to two years by all able bodied Ugandans, and a "common man's charter" which promised to obliterate the last vestiges of feudalism in the country. The move also anticipated nationalisation of foreign monopolies, and called for redistribution of income in the country.

The government also tried to reform the monetary policy through the establishment of a central bank and national currency. 11 Strict foreign currency and exchange regulations were put in place. Despite these measures, foreign banks continued to control 90% of all commercial deposits in Uganda; British banks alone controlling 80% (Mamdani, 1984). To ease the unemployment problem, the government embarked on the first ever mass expulsion by requiring Kenyan workers to leave the country. The Kenyan workers constituted about 10% of the industrial labour force at the time. Although this expulsion of foreign workers was executed in an undemocratic way, and in a manner tantamount to violation of human rights, the international community kept quiet and the Western media did not even mention it (Mamdani, 1984).

The grim economic situation led to mounting popular discontent and, in 1969, the right wing parties attempted to assassinate President Obote. In response, the wounded president banned all opposition parties and declared Uganda a one party state (Walker, 1989). The army went on rampage in

Kampala and Buganda and repression and detention became the order of the day (Low, 1991). The banning of opposition parties marked the end of the semblance of multi-party democracy and freedom of association which had thus far been the outlook of Ugandan politics.

With regard to foreign policy, the government cut off Israeli access to northern Uganda as a conduit to arm Anyanya guerrillas in southern Sudan. The Obote government became very outspoken against the Smith regime in Rhodesia, apartheid, and became actively involved in supporting liberation movements in Southern Africa.

The "move to the left" was followed by the "Nakivubo Pronouncement" on May 1, 1970, which was a specific plan for The plan did not for nationalisation. call nationalisation but partnership between the government and foreign monopolies; the former to control 60% and the latter 40% of the assets (Mamdani, 1984). Such a measure would not mean a change of the colonial economic arrangement. Moreover, another aspect of the policy statement was clearly anti-labour because it declared strikes to be illegal (Walker, 1989). The government rationalised outlawing industrial action on the questionable ground that since it was a partner in monopolies, the workers should not strike because they would be striking against themselves. The government presumed that the interests of the government and those of Ugandan workers were synonymous.

From some sections of Ugandan society and internationally, the reaction to the "move to the left" and "Nakivubo pronouncement", were negative. Led by Britain and the USA, the countries whose companies were to be partially nationalised communicated their opposition (Hutton and Bloch, 1980). The Obote government was overthrown in a military coup d'etat on January 25, 1971, barely eight months after the pronouncement and before it could be implemented.

During the crisis, Canadian aid to Uganda continued to increase. By 1969, Canada was providing 10% of all foreign experts in Uganda. For the first time in 1969, Canadian official aid to Uganda was disbursed through the NGO channel; \$ 0.016 Million, an equivalent of 1.14% of total Canadian ODA to the country for the year, was disbursed through the NGO channel. However, the following year, no aid was disbursed through NGOs which resumed in 1972.

By and large, Canadian aid kept its trend throughout the political crises in the 1960's. The next section analyses the period of outright military dictatorship under Idi Amin.

3.3 1971-1979: Military Dictatorship

The right wing coup that brought Amin to power was largely a result of external forces, perpetrated mainly by Britain and Israel who explicitly backed the military takeover. Britain was disturbed by the Nakivubo Pronouncement because of the intention to partially nationalise foreign monopolies, the majority of which were British. Meanwhile,

Israel moved against the Obote government because of his friendliness with President Nimeri of Sudan and the consequent blockage of Israeli support for the separatist guerrillas in southern Sudan (Walker, 1989).

General Idi Amin was a product of colonialism, trained and nurtured in the colonial army. 12 The British knew him very well; they had used him to "butcher" Mau Mau nationalists in Kenya in the 1950s, a fact Amin did not even mind bragging about in public while a president (Mamdani, 1984). After suppression of the Lukiiko (Buganda's Legislature) and storming of the Kabaka's palace in 1966, Obote had rewarded him with promotion to the rank of Major General and made him the chief of the Defence Forces. All along, Amin had become vital to the Obote government and played a key role in the Zaire and Sudan covert operations.

By 1970, the Obote government had become aligned with radical regimes in a campaign against imperialism. His "move to the left" of 1969, was seen as a surrogate of Tanzania's Arusha Declaration two years before and interpreted as a threat to Western interests in the country (Low, 1991). Moreover, Uganda's socialist tendencies would mean isolation of Kenya in the region, which from colonial times to the neocolonial period functioned as a base for Western interests in the region.

On the other hand, Idi Amin, as chief of the Defence Forces was mismanaging the defence budget and overspending,

actions which brought conflict with President Obote. When Obote reversed his approval for Israel to use Northern Uganda as a bridgehead to channel military aid to the guerrillas in Southern Sudan, Amin ignored the President's order because of personal ties with the Israeli government and Security forces (Walker, 1989).

In January, 1971 Obote was overthrown while attending a before in Singapore. Even Commonwealth conference departure for the conference, rumours of the coup were circulating, so he issued an order for the arrest of Amin (Martin, 1974). Obote felt compelled to attend the Singapore meeting in order to present a united African case against Britain. Tanzania and Zambia had been gathering Commonwealth opinion against the Conservative government in Britain which had announced intentions to resume arms sales to the Apartheid government in South Africa, arms which, according to these African leaders, would be used to suppress black South destabilize to the and Africans' demand for freedom neighbouring countries (Martin, 1974).

At the conference, Obote spoke vigorously against British policies in South Africa and threatened to withdraw from the Commonwealth. Apparently, the British Prime Minister at the time, Edward Heath, knew of the plot in Kampala and speculated that some of the fiery leaders at the meeting would not be allowed to return home (Mamdani, 1984; Hutton and Bloch, 1980). Britain was the first government to recognise the Amin

government: just two days after the coup. Israel and the USA also wasted no time in recognizing the Military government (Hooper and Pirouet, 1989). These early recognitions gave the regime an international legitimacy.

On usurpation of power, Major General Idi Amin promised a return to civilian rule in five years, rule of law, economic progress, lower prices and taxes, and an end to corruption and nepotism which he accused the UPC government of having perpetrated. The coup received enthusiastic welcome from some sections of the Ugandan people, especially the Baganda and members of DP who were disenchanted with the previous government. Despite the "flowery" promises, Amin clamped down on democracy. He suspended political party activities, dissolved Parliament, suspended the constitution, and proceeded to rule by decrees.

Amin immediately made a series of populist gestures in an attempt to gain support and legitimise his government. These included release of political detainees, most of whom were Baganda. Among the released detainees were the five ministers Obote had detained in 1966. The state of emergency in Buganda was lifted; he embarked on tours throughout the country; and returned the body of the late Kabaka Mutesa II for a ceremonial state burial (Kasfir, 1976). His first foreign visits were to Britain and Israel where the former gave financial aid and the latter military aid including training of the security forces.

In addition to its dependence upon Britain and Israel, the Amin regime announced close relations with Kenya and the initiation of official contact with the apartheid government in South Africa (Martin, 1974; Mamdani, 1984; Walker, 1989). However, the announcement to initiate official contact with South Africa isolated Amin from some African leaders who viewed the action as a betrayal of the African cause of liberation.

In the military, Amin was in an awkward position due to the fact that he had usurped power without support of a large segment of the army (Kasfir, 1976). To consolidate his military position, a series of massacres directed against troops and police who were suspected to have been supporters of Obote were carried out. The main victims of these purges were those from Lango, Obote's home district, and Acholi. Many of the survivors escaped to Sudan. Meanwhile, Amin stepped up recruitment from his home area; West Nile¹⁵, and even from Zaire and Southern Sudan (Walker, 1989).

Despite the coup, Canada continued to give aid to Uganda. In 1971, the year of the coup, Uganda received US \$ 1.5 million of which US \$ 1.1 million was technical cooperation grants (OECD, 1977). The bulk of Canadian aid to Uganda continued to be provision of technical expertise and skilled manpower. However, the previous year, Canada had started giving loans to Uganda which totalled to US \$ 0.7 million in 1970, and US \$ 0.2 million in 1971 (OECD, 1977).

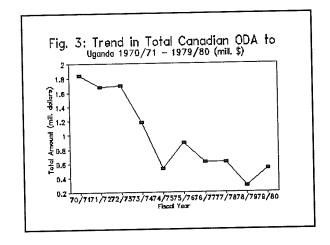
Table three and figure three below demonstrate the continuing Uganda-Canada aid relationship, which consisted of support for small projects.

Table 3
Canadian ODA to Uganda 1970/71 - 1979/80.
(million Canadian dollars)

Fiscal	Govt. to	NGO	Total	Percentage
Year	Govt		Amount	(%) change
1970/71 1971/72 1972/73 1973/74 1973/75 1975/76 1975/76 1976/77 1977/78 1978/79 1979/80	1.836 1.537 1.657 1.150 0.356 0.747 0.570 0.565 0.289 0.285*	0.141 0.037 0.023 0.169 0.142 0.043 0.048 0.002 0.240	1.836 1.678 1.694 1.173 0.525 0.889 0.613 0.613 0.291 0.525	56.52 -8.61 0.95 -30.76 -55.24 69.33 -31.05 0.00 -52.53 80.41

Source: Author's calculations based on figures from CIDA's ODA historical data for Uganda.

Note: * Includes \$ 0.13 million disbursed through Provincial governments.



Despite the populist gestures by the military government, the killing had actually started with the coup (Martin, 1974). The honeymoon with the Baganda, whose support for the regime was premised on the hope that Amin would restore their kingdom and autonomy, was dashed when he told a group of Baganda elders late in 1971 that he supported a unitary state.

By the end of 1971, Amin had re-organised regional administration and brought the entire population under military tribunals. Regional administration was divided into ten provinces¹⁶ ruled by governors appointed from the army, police, and prison service (Walker, 1989). This was a tactical move to reward the instruments of repression essential to Amin not only to suppress opponents but also to maintain himself in power.

In August 1972, Amin declared an "economic war", which he claimed was a divine inspiration. The "economic war" was expulsion of Asians, the majority of whom were British subjects, who were required to leave Uganda in 90 days (Mamdani, 1984). Asians had dominated commerce in Uganda since colonialism and even after independence they had continued to function as agents of British monopolies. The expulsion of Asians became the second mass expulsion in Uganda's history.

Britain reacted by cancelling all aid to Uganda. Amin responded by nationalizing forty one foreign owned firms, up to twenty of which were British. He, however, did not nationalise the British banks which maintained control over

Uganda's foreign transactions (Mamdani, 1984). Nevertheless, Britain severed diplomatic relations and imposed a trade embargo on Uganda.

On the other hand, the regime's cordial relationship with Israel which had been due to the fact that Amin continued to allow Israel to channel arms to guerrillas in Sudan through Northern Uganda, went sour when, through mediation by Libya, Amin made a deal with the Nimeri government to cut off the Israelis. Consequently, Amin unceremoniously expelled all Israeli nationals; they were given a scant four days to leave Uganda.

Amin's cut off of Israelis was reciprocated by the Sudan government which also cut off all facilities it had provided to the pro-Obote guerrillas who were organising to stage a come back. Consequently, the pro-Obote guerrillas left Sudan and went to Tanzania, the only country sympathetic to them in the region.

Meanwhile, after the expulsion of the Asians, the expropriated properties were allocated to members of the security forces, prosperous African merchants, public officials, and the Uganda Muslim Supreme Council(UMSC) which was the largest single beneficiary. The ordinary Ugandan, in whose name the properties were expropriated, was not even among the categories eligible to acquire them (Walker, 1989; Mamdani, 1984). The beneficiaries of these properties formed a class(locally known as "Mafutamingi") loyal to the military

regime. Though the Asian expulsion was rationalised as a move against imperialism and exploitation, Amin did not have a long term economic strategy. Instead, he used the spoils of office to consolidate his personal power.

Amin's series of nationalisations continued and in 1973 Falcon bridge, a Canadian monopoly that run Kilembe mines, the biggest mining venture in the country, was also nationalised. The following year Canadian aid to Uganda dropped drastically; it fell by 55%. (See table 3 above). Although there was no hard evidence to connect the two incidents, the drop seemed to be more than a coincidence. Many CIDA projects were also suspended but the training programmes for Ugandans in Canada in the fields of agriculture, veterinary science, forestry, commerce, geology and fisheries were maintained. By this time, Canada was increasingly using NGOs to channel its official development assistance to Uganda.

In the meantime, in September 1972, a group of exiled Ugandans commanded by David Oyite-Ojok and Yoweri Museveni invaded Uganda from Tanzania. They suffered a serious defeat which translated into a humiliation not only for Obote but President Nyerere as well (Martin, 1974). After the attack, despite a ceasefire arranged by President Siad Barre of Somalia, Amin's air force bombed Tanzania's towns of Mwanza and Bukoba. This invasion of Uganda prompted Libyan military aid to Uganda comprised of troops and equipment.

In the aftermath of the invasion, the military regime unleashed a reign of terror; tortures, murders, disappearances, summary executions, and firing squads. Suspected collaborators or sympathisers of the attackers were killed without self defence in a court of law. Some would briefly appear before military tribunals whose sentence was final, and the most common sentence by military tribunals was death by firing squad¹⁷.

Meanwhile, in November 1972, Amin publicly praised Hitler and the way he dealt with Jews after the Munich massacre (Mamdani, 1984; Martin, 1974). These remarks brought a quick denunciation in many world capitals. In Washington, the State Department announced that a loan to Uganda would be held up because of Amin's utterances. In an act of hypocrisy, at the same time the US ambassador to Uganda informed Amin that the delay was on technical grounds and had nothing to do with his remarks about Hitler (Mamdani, 1984). This was public deception by the US government.

On the other hand, in December 1972 when the military regime announced nationalization of British firms, the French ambassador publicly announced that France was prepared to increase its aid to Uganda. The British media's bitter complaint that French teachers were even being exempt from National service to take up jobs vacated by the British could not change the French government position (Mamdani, 1984).

In April 1973, the US government announced that it had stopped all aid to the Amin government, but within a month it provided technical instructors to the Uganda police. Despite its rhetoric, direct US aid to the Amin regime continued until August 1975 (Mamdani, 1984). Although the US closed its embassy in Uganda on June 30, 1973 and advised its citizens to leave, it permitted Uganda to retain its embassy Washington. While the US government condemned the Amin regime, through the Central Intelligence Agency (CIA) and third parties it continued to supply Amin's regime with telecommunications and surveillance equipment (Mamdani, 1984; Hutton and Bloch, 1980).

In the meantime, the British-Israeli campaign to topple Amin, launched after the nationalisations, was so far a failure. Even the trade boycott had failed to achieve the desired result. Faced with this failure to overthrow Amin, Britain resorted to anti-Amin propaganda on BBC, "piously" denouncing the Amin government as the worst reign of terror in African history (Mamdani, 1984). This was a sharp contrast to the way Amin was portrayed by the British establishment and press when he came to power. The British press had hailed him as a conquering hero and even wished him good luck (Hutton and Bloch, 1980). Amin reacted to the propaganda by threatening to expel all British nationals from Uganda in 48 hours. His mind was changed, however, after President Jomo Kenyatta of Kenya intervened on behalf of British nationals.

Official Canadian reaction to the Amin regime's activities began only after Canadian firms were nationalised. At that point Canadian aid dropped precipitously and was not restored to its previous levels until the fall of Amin. The only Canadian monopoly that was not nationalised was the Bata Shoe company. It continued its monopoly position in shoe manufacturing and marketing, a monopoly which still exists.

Though Canadian aid declined in the wake of nationalisations, it did not stop completely and a direct government to government aid relationship was maintained as illustrated in Table three above. Furthermore, the Canadian government continued to give loans Uganda; US \$ 0.6 million in 1973 and US \$ 0.4 million in 1975 (OECD, 1977).

In his search for support and legitimacy, Amin had tried the religious card as well. In addition to a declaration that his major policy decisions were inspired from above, he set up a department of religious affairs in the president's office and used state funds to promote religious education in schools. He took this to great lengths when he offered financial assistance to the major religious denominations namely, the Roman Catholics, Anglicans, and the Orthodox Church (Walker, 1989; Mamdani, 1984).

The courtship of the churches did not last long. As the regime's brutality and killings of innocent Ugandans intensified, the religious leaders could not keep quiet, but the regime was prepared to strike down whoever dared speak out

against the injustices. Such was the fate of Archbishop Janan Luwum of the Church of Uganda, who was murdered in 1977. Having fallen out with the other religions, Amin turned to Islam, which was his religion. Notwithstanding alienation of other religions, Amin threw state power behind Islam which he turned into a semi official religion.

Amin did not care about alienation of other faiths, all he wanted was allies and Islam played well into his hands because it brought him both internal and external allies. The institutionalisation of Islam and anti-Zionism rhetoric brought Arab allies who, by 1975, were his biggest foreign financiers. When Amin declared the "economic war" in 1972, total bilateral aid from DAC(Development Assistance Committee[some of the members of OECD]) countries was US \$ 24.5 million, in 1973 it fell to US \$ 0.7 million, it further fell to US \$ -2.1 million in 1975. In the same period, donations from OPEC(Oil and Petroleum Exporting Countries) countries, the majority of which are Arab and Islamic countries, rose from US \$ 4.7 million in 1973, to US \$ 14.2 million in 1974 and further to US \$ 52.7 million in 1975 (OECD, 1977).

With these payoffs, Amin was prepared to push the Islamic card and the pro-Arab stance even further. Internally he was at home with the moslems, moreover, the UMSC(Uganda Muslim Supreme Council), which received all properties that formerly belonged to Asian Moslems and their organisations which

included mosques, schools, housing estates, and a few factories was fully behind him. Besides, historically, the moslems had been the most oppressed organised group in the country, a fact Amin took advantage of for his own purposes. The Arab-Islamic connection reached the greatest heights when Arabic broadcasts were introduced on national radio and television, Arabic made one of the languages on Ugandan passports, and an Institute of Islamic studies set up at Makerere University. Amin also commissioned a plan to set up an Islamic University in Uganda, made Friday the Islamic prayer day a National holiday, and used state funds to build a National mosque¹⁸.

Despite such populist gestures and attempts to gain support, the military regime did not succeed in establishing local support from which it could draw strength. On the contrary, the regime was able to attract foreign allies who helped Amin to build a terror machine and from whom he drew most of his strength. In 1975, political party activities which had earlier been temporarily suspended, were now banned indefinitely and instead of the promised elections, Amin had himself promoted to Field Marshall and declared president for life.

By the end of 1974 Britain realised the futility of its campaign to overthrow Amin, so it removed the trade embargo and resumed diplomatic relations with the dictatorial regime.

Amin had switched alliance from Britain to mightier forces,

namely, the super powers. The Soviets helped build and equip the army, whereas USA trained and equipped Amin's intelligence organisation; the State Research Bureau(SRB) (Mamdani, 1984; Hutton and Bloch, 1980). By 1975, the Amin regime had received about US \$ 50 million in cash and military equipment from the Soviet Union (Walker, 1989).

In 1975, Uganda hosted the OAU(Organisation of African Unity) Summit meeting 19 and Amin became the OAU chairman. The Arab connection paid off when the Arab countries led by Saudi Arabia and Kuwait financially supported the conference. The financial aid was used to buy a fleet of Mercedes Benz cars, telecommunications equipment and other paraphernalia for the Summit. There were suspicions that USA was behind this assistance because Amin refused to toe the Soviet line in the Angolan civil war which was on the Summit agenda (Mamdani, 1984). The USA government could not have openly assisted the regime since diplomatic relations were already severed.

Despite the regime's foreign connections, the country was in a deep economic crisis. By the mid 1970s manufacturing had sharply declined, and many of the indigenous skilled personnel fled the country to escape the regime's terror and brutality. Amin attracted a retinue of sycophants who undercut the civil servants in controlling positions to the extent that any imagined inefficiency could be misunderstood as sabotage. Even legitimate scrutiny and questioning of government spending by senior civil servants especially with regard to expenditures

by Ministers and Army commanders, could be taken for national sabotage punishable by summary dismissal or even death (Gwyn, 1977). What followed was a pattern of mutual evasion, breakdown in bureaucratic discipline and virtually all government institutions degenerated into bureaucratic corruption. Eventually, the senior civil servants abdicated their role as advisors to the ministers and the consequence was amateuristic policies which could not be implemented in most cases.

On the other hand, the expropriated properties allocated to Amin's supporters, the "mafutamingi" did not produce wealth. Their speculative capital became rather than productive. The economic crisis was compounded by the collapse of the East African Community(EAC) in 1976. Railways and harbours, airlines, and other services had been jointly run by EAC for the three East African countries of Kenya, Tanzania and Uganda. When the community broke up, Uganda, landlocked country needed railways and trucks to ferry exports, especially coffee and cotton, to Mombasa port in Kenya. To get out of this crisis, the military regime got loans and tied aid from West Germany for railways; Belgium for water transport; and Japan for road transport (Mamdani, 1984).

The hijacking of a French aircraft in 1976 was a setback for the Amin regime but not a fatal one. In June 1976, an Air France aircraft enroute to Tel Aviv was hijacked by PLO(Palestinian Liberation Organisation) terrorists who forced

the pilot to fly to Entebbe where 200 passengers were taken hostage apparently with Amin's collaboration and approval. However, Amin paid heavily for this collaboration. Israeli air force commandoes raided Entebbe airport, freed most of the hostages, and destroyed a large number of Ugandan military aircraft which were on the ground (Walker, 1989).

The priority of the Amin government was military power rather than economic development. Many economic infrastructures degenerated and many peasants retreated from cash crop production to that of subsistence crops. In addition, "magendo", an underground market, flourished and most economic activities were speculative rather than productive.

Eventually, Amin was under siege on several fronts. The euphoric support he got in the aftermath of the coup had quickly evaporated. In the army, factional struggles and attempted coups had become common by 1977. Amin was now left with a small ring of ruthless Nubian loyalist officers, morale in the army was generally low, and civil unrest manifested by demonstrations and strikes were common.

On the economic front, transportation of Ugandan exports to sea was growing more expensive. Relations between Uganda and Kenya were cool following the Israeli raid on Entebbe which was supported and assisted by Kenya. In addition to rising transportation costs, Uganda was losing revenue due to in-transit thefts of its coffee. A Commonwealth team of

experts estimated that Uganda's coffee worth US \$ 94 million was stolen in Kenya in 1976-77, and US \$ 18 million in 1977-78. The report also observed that high level Kenyan government officials were involved in both the smuggling and theft of Ugandan coffee (Mamdani, 1984). Such losses were at a time when external aid was slowly drying up.

It was amidst this economic squeeze that Amin started claiming part of Kenya as Ugandan territory. Kenya's reaction was to block Uganda's access to sea, including denying entry to oil tankers (Mamdani, 1984). This worsened the economic crisis. The economic crisis did not, however, ease the regime's brutality but intensified it. By the time Amin was overthrown, both state inspired and private murders by the army were the order of the day; it was sheer anarchy.

The murder of Archbishop Luwum in February, 1977, was state-inspired and turned world public opinion even more against the Amin regime. Nevertheless, though there were symbolic killings such as that of Archbishop Luwum, Makerere University Vice Chancellor Kalimuzo, and Chief Justice Benedicto Kiwanuka, state-inspired killings started with the coup and never stopped until the overthrow of the military regime. Some estimates put the number of those murdered and disappearances during the regime at about 500,000 people (Hooper and Pirouet, 1989)²⁰. Despite such blood-stained dictatorship and blatant violations of human rights, foreign

assistance continued, and it was still acceptable for the big powers to do business with Amin.

Although the Amin government got assistance from Arab countries, the regime's strategic allies were the superpowers and other Western countries (Mamdani, 1984). But after the arrest and murder of Archbishop Luwum, the regime's brutality became widely exposed. By 1978, it had become clear that the regime had become counter-productive to Western interests in the country. So in October 1978 when the USA imposed an embargo on Uganda, Amin found himself in a very precarious situation indeed. Unlike the British embargo in 1972 the US embargo sent a powerful signal to its allies that it was time to isolate Amin.

Internally the regime's unity was collapsing with coup attempts and mutinies taking place. His leadership under siege, in late 1978, Amin invaded Tanzania and annexed Kagera salient, a diversionary tactic that backfired on him (Hooper and Pirouet, 1989). The Tanzanian army(TPDF) and the Uganda National Liberation Army(UNLA) made up of Ugandan exiles, counterattacked. Despite military assistance provided to Amin by Libya, the invading forces captured Kampala on April 11, 1979 and drove Amin out of Uganda. Many of his soldiers fled in disarray to Zaire and Sudan.

Throughout the military regime, Canada maintained an aid presence in Uganda and the greatest percentage of Canadian aid to Uganda was by the government to government channel, though

some official aid was also channelled through NGOs. Since the inception of the aid programme in 1960, to the fall of the Amin government, Canadian Official aid to Uganda was still only bilateral.

3.4 1980-1985: The Second UPC Government.

After the overthrow of Amin, within a period of less than two years, there were three transitional governments before UPC came to power again after a general election held in December, 1980. In the war to remove Amin, two Ugandan groups fought alongside TPDF, namely, Obote's Kikosi Malumu(KM) and Museveni's FRONASA(Front for National Salvation). The two combined to form UNLA.

As the TPDF and UNLA closed in on Amin's forces, about a month before the capture of Kampala, Ugandan exiles gathered in the Tanzanian town of Moshi for a unity conference in which the Uganda National Liberation Front(UNLF) was formed. Significantly, Milton Obote was absent from the conference, even though he was in Tanzania at the time, and his party(UPC) was represented by Paulo Muwanga. Obote would later claim that he had been shut out of the conference.

At the conference, on March 25, 1979, Professor Yusuf Lule was elected Chairman of UNLF's National Executive Committee (Hooper and Pirouet, 1989). When Kampala fell, UNLF moved in to fill the power vacuum. Two days after the capture of Kampala, Yusuf Lule was sworn in as President of Uganda. The main political organ of the UNLF government was the

National Consultative Council(NCC) which acted as an interim parliament. NCC contained a member from each of the delegations at the Moshi conference. On June 19, 1979, after being in office for 68 days, Lule was voted out by the NCC and replaced by Godfrey Binaisa.

After the overthrow of Lule, the Baganda turned to street demonstrations which almost paralysed the whole capital. Lule was identified with Buganda conservatism. Moreover, during an address at his installation, he commented in vernacular(Luganda), that "now is our turn", a comment that startled many and left others suspicious. These demonstrations which were suppressed by force, were an expression of disillusionment and return to sectarian politics.

Though Binaisa is a Muganda like Lule, the Baganda did not welcome him because he was a member of UPC and had been Attorney General in the first UPC government in the 1960s (Hooper and Pirouet, 1989). Many saw him as a harbinger of Obote and UPC which they hated. Though Binaisa expanded and appointed more people to the NCC, like his predecessor, he did not have real power and was unable to have effective control over the army.

Binaisa proposed that the National elections should be held under the UNLF umbrella with every candidate as an independent. This proposal was vehemently opposed by the old political parties, namely, UPC and DP. The army chief of staff, David Oyite-Ojok, became insubordinate to the president

who is constitutionally the Commander-in-Chief of the armed forces. After an attempt to remove Oyite-Ojok by appointing him an ambassador to Algeria, which he defied, and shuffling Museveni from Ministry of Defence to Ministry of Regional Cooperation, Binaisa was on May 10, 1980, overthrown and placed under house arrest.

Binaisa was replaced by the Military Commission(MC) which assumed all presidential powers. The members of MC were: Paulo Muwanga, its Chairman; Yoweri Museveni, Vice Chairman; Tito Okello, member; and David Oyite-Ojok, member. Apart from Museveni, the rest were Obote's stalwarts²¹. Despite Muwanga's insistence that it was not UNLA that had taken over, for all intents and purposes, it was a military take over. Moreover, after this coup, Muwanga issued a proclamation that the assumption of power by the MC was not questionable in any court of law (Hooper and Pirouet, 1989). The MC thus did not only assume absolute power but also rendered the NCC ineffective. Immediately after the coup, the MC lifted the suspension on political party activities. Two weeks later, on May 27, 1980, Obote returned from exile and staged a series of rallies, used to glorify the political past and to challenge leaders of other parties to show their commanders who fought to remove Amin²².

After the overthrow of Amin, many countries provided economic assistance to help reconstruction and rehabilitation. Canada provided assistance worth \$ 3 million in 1979. Canada's

contribution was part of the first IBRD reconstruction credit totalling US \$ 72.5 million. However, the Canadian funds were disbursed bilaterally on a grant basis; it was disbursed in several stages and the project continued up to 1984.²³ The Canadian aid was capital assistance for the purchase of equipment and raw materials to rehabilitate the tea industry, sugar industry and textile production. During the MC government, Canada gave Uganda a grant of \$ 0.25 million to help in organising a general election (CIDA^a, 1991).

The general election was held on Dec. 10, 1980, and was contested by four parties; UPC led by Obote, DP led by Paul Ssemogerere, UPM(Uganda Patriotic Movement) led by Yoweri Museveni, and CP(Conservative Party) led by Joshua Mayanja Nkangi. UPC, DP, and CP²⁴ sought support mainly from their traditional power bases, while UPM largely represented a regrouping of the radical UPC Youth wing of the 1960s which had been disbanded in 1964 (Walker, 1989). The campaign was dominated by religion, ethnicity, and personality politics rather than different party policies and programmes which differed marginally.

The election was monitored by a Commonwealth Observers Group(COG). While noting certain irregularities, the COG characterised the election as a worthy and valid conclusion. The COG's conclusion that the election was valid played a big role in the international community's acceptance of the results, and afforded the UPC government international

legitimacy. Other observers, however, saw the election as rigged in favour of the winning party, the UPC (Nabudere, 1988; Hooper and Pirouet, 1989; Walker, 1989).

UPC ended up forming a majority government; DP became the official opposition. CP did not win any seat, while UPM won one seat. Milton Obote was thus sworn in as President of Uganda. The opposition parties protested the rigging of the election and DP threatened to boycott parliament. DP reversed their threat after being convinced by German Christian Democrats, their main financiers during the campaign (Nabudere, 1988).

Again Britain was the first country to recognise the UPC government as it had done with the Amin government. Before the elections Obote had negotiated with the British government for their support on the basis of promises to be fulfilled when he came to power. These promises included: guarantee of British investments in Uganda; return or compensation of British and Asian businesses expropriated by the Amin government; allowing Ugandan Asians to return; and cooperation with the British government at the UN Security Council where Uganda had secured a two year term. In return, the British government agreed to give political and diplomatic support; financial aid; and to convince other EEC(European Economic Community) members to support the regime. The British government also agreed to sponsor in conjunction with the World Bank, a Uganda donors'

conference in Paris to finance the recovery programme (Nabudere, 1988).

This agreement which was sealed in March 1981 between the British and Ugandan governments, in effect meant that British interests would be the driving force behind both Uganda's economic and foreign policies. As it turned out, the British Prime Minister Margaret Thatcher, was very instrumental in convincing the USA to back the UPC government and support the IMF stand-by loans (Nabudere, 1988).

Although the presence of the opposition party in parliament lent credence and respectability to the democratic process in the country, it did not translate into peace and stability. UPM did not take up its sole seat and in February 1981, its leader went to the bush to launch a guerrilla war against the UPC government.

During the UPC government, Canadian aid to Uganda increased significantly; it rose to pre-"economic war" levels and more. Table four below shows the total amounts and percentage increases during the second UPC government, while figure four indicates the trends in official Canadian aid to Uganda in the same period.

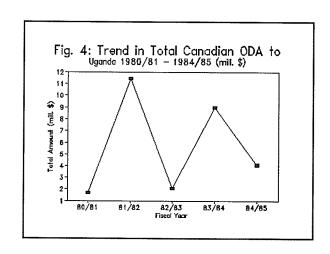
Table 4
Canadian ODA to Uganda 1980/81 - 1984/85
(million Canadian dollars)

Fiscal Year	Govt. to Govt.	NGO ^b	IHA°	Multi- lateral	Total Amount	(%) Change
1980/81	0.980	0.568	0.150	-	1.698	223.43
1981/82	5.158*	5.258	1.047	-	11.463	575.09
1982/83	0.525	1.530	0.030	-	2.085	-81.81
1983/84	5.792 ^a	1.788	0.630	0.760	8.970	330.22
1984/85	2.799 ^d	0.942	0.200	0.130	4.071	-54.62

Source: Author,s calculations based on figures from CIDA'S ODA Historical Data.

Notes: b Includes aid disbursed through Institutions mainly Universities and Professional Organisations.

- c IHA stands for International Humanitarian Assistance. This is aid through International Humanitarian Organisations; it is mainly relief aid.
- * Includes \$ 1.992 million government to government food aid.
- a Includes aid through INC and IDRC.
- d Includes \$ 0.292 million through IDRC and \$ 0.013 million disbursed through Provincial governments.



As can be seen from Table 4 above, some amounts of ODA funds were disbursed through the NGO channel. This was largely initiatives response to by Canadian NGOs representatives visited Uganda after the fall of Amin. One such visit resulted in the formation, in Canada, of the Makerere University Library Support Committee(MULSC) to solicit assistance for rehabilitation of Makerere University Library (Rennick, 1985). Their efforts were, however, supported by the government which provided funds to purchase school supplies and books to assist in reconstruction of the education system. The single largest contribution by the government was \$ 3 million to the Overseas Book Centre (CIDAb, 1982).

The Canadian High Commissioner to Uganda, resident in Nairobi, also visited Uganda after the fall of Amin to asses how the Canadian government could help in the reconstruction programme. He recommended aid to rehabilitate health services the aid was, however, passed through the African Medical Research Foundation(AMREF), a NGO. Other NGOs that received funding through CIDA's special programmes for rehabilitation and reconstruction in Uganda in this period included: the Canadian Lutheran World Relief; the Anglican Church of Canada; the Canadian Catholic Organisation for Development and Peace(CCODP); and UNICEF Canada.

For the first time, in 1982, Canada gave military aid to Uganda. Canada's military aid was part of the Commonwealth

Military Training Assistance Programme (CMTAP) in Uganda, established in 1982. The purpose of the programme was to assist in the training of the army and to improve the standards of the armed forces discipline so that civil authority could be strengthened and respect for human rights enhanced in the country (Government of Canada, 1982).

Canadian involvement in CMTAP was rationalised by the Deputy Prime Minister and Secretary of State for External Affairs, Mr Allan MacEachen, as an effort to restore political stability and security with economic recovery as the ultimate objective. The same motivation was echoed by National Defence Minister Jean-Jacques Blais. Canada's involvement was terminated at the end of March 1984 after two years (Government of Canada, 1983).

However, despite this Commonwealth involvement, UNLA^{25,} is yet the most undisciplined army in Ugandan history. UNLA, which was dominated by Acholi and Langi officers, first displayed their brutality during the MC period with a dreadful revenge on West Nile, Amin's home region where it was estimated that 50,000 people were massacred and another 50,000 forced to flee in March 1981 during the early months of the UPC government (Hooper and Pirouet, 1989). The fact that such atrocities by UNLA were meted out with impunity, suggests that the government either acquiesced, or was powerless to deal with the perpetrators.

Most of the atrocities committed by the UNLA against civilians were largely under the guise of fighting guerrillas or punishing their supporters and sympathisers. The 1980 controversial election set the stage for confrontation for the guerrillas based in the South where guerrilla groups sprang up, while the West Nile massacres intensified resistance in that region. In all there were four groups engaged in armed struggle against the UPC government.

The first was the Uganda National Rescue Front(UNRF), formed in 1979. UNRF, led by Moses Ali, former Finance Minister in the Amin government, was based in West Nile and largely comprised of ex-soldiers in the deposed Amin government. The second and most powerful one was the National Resistance Army(NRA) led by Yoweri Museveni. NRA started guerrilla activities in 1981 and was based in Luwero, Mubende, Mpigi and Mukono districts of Buganda. The third was an urban guerrilla group, the Uganda Freedom Movement(UFM), led by Andrew Kayira, which began activities in 1981 and was also based in Buganda. The fourth was the Federal Democratic Movement of Uganda(FEDEMU). FEDEMU was relatively minor; it was also based in Mukono district and started guerrilla activities after the 1980 elections.

The UPC government refused to deal with these groups politically and chose to confront them militarily. In April 1981, the UNLF-AD(Anti-Dictatorship) called for a Moshi-style round table conference to sort out Uganda's political

problems, but President Obote ignored them. However, in August of the same year, Christian and Moslem leaders reiterated the same idea in a joint letter to President Obote. They called for a round table conference to be held in a neutral country and attended by all opposition parties, exiles, and resistance groups. They suggested that Uganda was haemorrhaging politically and could bleed to death (Hooper and Pirouet, 1989). In April 1983, Cardinal Nsubuga wrote a similar letter to the Speaker of Parliament, calling the attention of Legislators to the problem.

Ignoring these appeals, the UPC government resorted to repression against the guerrillas and their sympathizers whom it described as "bandits". It unleashed the UNLA which harassed civilians especially in Luwero, Mubende, and Mpigi districts²⁶ where guerrilla activities were mostly based. Many civilians were displaced by the civil war and had to live in camps.²⁷ On failure to beat the guerillas, UNLA vented their anger and frustration on the civilian population, killing and looting (Hooper and Pirouet, 1989). In the "Luwero triangle" entire villages were decimated.

Another major displacement was the expulsion of the Rwandese(people from Rwanda) refugees which started on September 30, 1982. This expulsion became the third mass expulsion in Ugandan history. Among those expelled, only about 25%-30% were genuine refugees (Hooper and Pirouet, 1989). The majority of the rest were Rwandese who had become naturalised

Ugandans.²⁸ On the other hand, the evictions also affected some Bahima²⁹, and the Bakiga immigrants in Ankole. The expulsion of the Rwandese was politically inspired, the main reason being their support for the opposition parties, DP and UPM. It was an attempt by the UPC government to gain grassroots support. Properties of the expelled individuals were appropriated, consisting mainly of land and cattle, and redistributed among UPC supporters.

It was during these displacements that food aid featured for the first time in the Uganda-Canada aid relations. In financial year 1981/82, the only food aid ever through the government to government channel, totalled \$ 1.992 million. However, food aid through NGOs and international relief agencies, remained a feature of Canadian aid to Uganda throughout the remainder of the UPC government.

Much of Canadian aid to Uganda during the second UPC government was tied in to the World Bank Recovery and Reconstruction Programmes. In 1982, the Secretary of State for External Affairs announced that Canada was interested in contributing to the IBRD Reconstruction II for Uganda estimated at US \$ 70 million, and to develop a grant project for balance of payments support. Consequently, in financial year 1983/84, CIDA disbursed through the IBRD a bilateral grant of US \$ 5.0 million. The funds were however, made available to the government of Uganda in fiscal year 1984/85 (Mackenzie, 1984).

The objective of this grant, according to CIDA, was to support Uganda government's recovery programme; particulary to import agricultural inputs, raw materials for industry and transport, and to strengthen the government's capacity to implement the World Bank prescribed policies and programmes (Mackenzie, 1984).

Though the Canadian grants were officially bilateral and not tied, they were administered by IBRD and could not be disbursed to the Ugandan government without approval by the IBRD. Canada's contribution to the first IBRD Reconstruction programme, for instance, was delayed for a year because of a delay in signing of the agreement between Uganda and IBRD (Cross, 1984). Thus Canada's bilateral assistance played a supportive role to the World Bank programme in the country during the second UPC government.

The second Obote government's economic policy, premised on the World Bank and IMF Stabilisation Programmes. Though the government's faithful pursuit of these institutions' prescriptions helped it get Western aid (Nabudere, 1988), the economic conditions in the country not only deteriorated, but the country got further indebted as (Chango-Macho, 1985). Both the World Bank Recovery Programme on which much of Canadian bilateral aid was premised, and the IMF Stabilisation Programmes did not improve the economic situation in the country. The more the government pursued the IMF policies, the more economic problems for the

country. In fact, it has been argued that, the programme was so inappropriate that it could not possibly succeed (IDRC, 1987). Both inflation and corruption in government institutions reached their highest level ever during the second UPC government.

On the other hand, during the second UPC government, Obote's socialist stances of the late 1960s were never repeated. However, Obote's dealing with political opponents remained virtually the same: preventive detention. But this was taken a step further by state-sponsored abductions of political opponents from foreign countries, particularly Kenya (Hooper and Pirouet, 1989).

As guerrilla activities intensified, so did UNLA's brutality. Roadblocks were set up on major entry points to the cities and towns, especially, Kampala, with the objective of capturing guerrillas. However, impromptu and unofficial ones along highways and in the countryside by local commanders for the purposes of extortion were also a common occurrence. Extortions at roadblocks and nightly raids on civilians by the UNLA left almost the entire population terrorised.

In October 1984, European democratic parties held an international conference in Kampala to mark the return of democracy in Uganda (Nabudere, 1988). The irony however, is that, as these European Democrats met with their Uganda "counterparts", barely 50 km to the North of the city where the conference was in progress, villages were being decimated,

while jails and military barracks around the city were full of political detainees.

Increasingly however, the UPC government's record was getting exposed despite strong support by Britain and other Western governments prepared to hedge off the problem. The US statements and Congressional hearings on violation of human rights in Uganda in 1984 (Hooper and Pirouet, 1989), put the issue in an international spotlight. This was reinforced by the condemnatory Amnesty International Report of June, 1985 (Nabudere, 1988).

On the other hand, internally, UPC had once again split into factions, but this time the split did not have any ideological character. Rather, it was purely a power struggle. Similarly, the army was also riddled with factional struggles. By 1985, it had become clear that UNLA was no more than an arithmetic summation of several semi-private armies (Mamdani, 1988). As private competitive recruitment intensified, each group trying to outstrip rival factions, they even turned to the urban un-employed who saw the army as a means to accumulate personal wealth through looting and plunder.

The UNLA, an undisciplined force without unity of command, could neither contain the civil strife, nor beat the fast growing guerrilla army in the "Luwero triangle". Meanwhile, a general election was scheduled for December 1985. While preparing for this general election, Obote was toppled

in a military coup in July 1985 which was a result of factional struggle within UNLA.

Throughout the second UPC government, Canadian aid continued to come but as figure four above illustrates, it did not keep the same trend but rather fluctuated. CIDA's special programmes through the NGOs accounted for a significant part of the overall aid programme. So did aid through relief agencies, though not as much in amounts, which featured in Uganda-Canada aid relations for the first time. Food aid also featured for the first time.

During the second UPC government, Canadian aid projects ranged from institutional renovation, training of health workers, apiculture, and military training, to supply of raw materials for industries especially agro-processing, transport rehabilitation and support of recovery programmes by international financial institutions. During this period, the human rights record was at an all time low and democracy a real sham, the major difference between the Amin dictatorship and the second Obote government was the absence of firing squads in the latter.

3.5 Summary

This chapter has analyzed Canadian ODA to Uganda from independence up to 1985 vis-a-vis the changing political system in Uganda. During this period Canadian development assistance to Uganda was largely bilateral and through the government to government channel. A portion of bilateral aid

has since the 1970s been disbursed through Canadian voluntary agencies or NGOs and since the 1980s, Canadian aid to Uganda has been delivered through multiple channels: Canadian institutions, multilateral agencies, international financial institutions, and international relief agencies.

As discussed earlier, the political upheaval of 1966, which ended traditional kingdoms in Uganda and led to the abrogation of the constitution, had no visible effect on Canadian aid policy to Uganda. Even the military coup in 1971 did not weaken the aid relationship. However, when the "economic war" was declared by the military government in 1972 the form of nationalisations of foreign companies, including Canadian firms, there was a drastic cutback in Canadian aid. From 1980, Canadian aid to Uganda became linked to the World Bank and IMF Structural Adjustment Programmes(SAP). The next chapter analyses Canadian aid to Uganda through channels other than CIDA, principally, the IDRC and NGOs.

CHAPTER FOUR

4.0 CANADIAN ODA TO UGANDA THROUGH NON-TRADITIONAL DISBURSEMENT CHANNELS.

This chapter analyses Canadian aid provided through non traditional channels such as: Petro-Canada International Assistance Corporation(PCIAC); Industrial Cooperation Programmes(INC); International Centre for Oceanographic Development(ICOD); International Development Research Centre(IDRC); and NGOs2. The main focus here is on IDRC and NGOs.

ICOD has not undertaken projects in Uganda and INC has had very few projects in the country. The first disbursement through INC was in 1983/84 which amounted to \$ 0.004 million. After that, there was a break and disbursements through INC only resumed in the late 1980s: \$ 0.090 million in 1987/88; \$ 0.319 million in 1988/89; and \$ 0.290 million in 1989/90³. Thus its activities in Uganda have been very limited indeed. On the other hand, Canada has disbursed project aid to Uganda in different fields through NGOs and IDRC.

4.1 The International Development Research Centre(IDRC)

IDRC is a crown corporation that was created by the Canadian Parliament in 1970. The creation of IDRC was partly precipitated by the World Bank Commission Report on International development; Partners in Development, (1969) which was chaired by former Prime Minister of Canada Lester B. Pearson. The report, among other things, pointed out that

absorption, adaptation, and development of scientific and technical knowledge was needed in the Third World, and recommended establishment of research institutes and development corporations in what was perceived as potentially rewarding fields (Tillman, 1988).

IDRC was thus formed with a mandate to promote development in the Third World. Its officially stated mission is to contribute to Third World development through research relevant to development and whose likely results can be applied in the alleviation of poverty in the Third World. Given this mandate, the IDRC has directed its research effort to problems of poverty and resource utilization in the Third World (Tillman, 1988), particularly agriculture and food sciences; health sciences; information sciences; social sciences; and engineering and earth sciences.

The IDRC is funded entirely by the Canadian government through annual allocations categorized as Official Development Assistance. Its allocations are part of the expenditure envelope for which the Secretary for External Affairs is responsible. Its budget is voted annually by Parliament, to whom it reports through the Secretary for External Affairs (IDRCa, 1990). In the financial year 1989/90, allocations to IDRC represented 3.9% of Canada's ODA allocation, an equivalent of \$ 108.5 million (IDRC, 1990).

Like other Crown corporations, IDRC operates at arms length from the government. However, a fundamental difference

from many other crown corporations is the composition of its leadership. It is run by a 21 member Board of Governors, appointed by the government of Canada through orders-in-council. Eleven of the governors must be Canadians including, the chairman and the vice chairman; seven of the governors must come from the Third World, and the remaining three from other industrialised countries (Tillman, 1988). This pattern of representation on the board is meant to promote and symbolize collaboration with the Third World because IDRC does not want to appear to be imposing Canadian values on the Third World. The term of office for the chairman is a maximum of five years, while that for the other governors cannot go beyond four years.

All the Third World countries recognised by the United Nations are eligible for IDRC projects. Thus its projects are spread throughout the Third World and it has established regional offices in East Africa, West Africa, the Middle East, Latin America, South Asia, and South East Asia, principally for easier contacts with World researchers and Third institutions. IDRC support goes primarily to Third World institutions whose staff carry out applied research and it encourages researchers to involve representatives of local communities and the national government throughout the project cycle. Involvement of these officials is not only for their awareness, but also premised on the hope that they can ultimately utilize the research results in public policy

design and implementation.

Both IDRC and CIDA share a mandate to promote development in the Third World, but IDRC is not meant to be an aid agency since it does collaborative work with the Third World rather than offering technical assistance⁴ (Tillman, 1988). IDRC funds research conducted by Third World researchers in their countries and not by Canadians. However, it helps Third World researchers to involve Canadian experts in their activities. In this case, it acts as a bridge between the research community in the Third World and their Canadian counterparts which indirectly fosters links between them.

The IDRC started projects in Uganda in 1972, and has since supported thirty six projects in various fields worth about \$ 5.9 million (IDRCa, 1990). These projects have ranged from crop and animal production improvement research, health sciences and health education, to hydrogeology, and social development research.

In Uganda, the biggest recipients of IDRC project funding have been the various schools, departments, and institutes of Makerere University, whose researchers then work in tandem with the appropriate government ministry officials depending on the type of the project. Concentration of the projects at Makerere University is hardly surprising considering the fact that it is the biggest institution of higher learning in the country with the greatest research capability. Moreover, for a long time, it has enjoyed a unique position as the only

University in the country, a position that changed only recently.

Other institutions that have received research grants from IDRC include: Serere research station for agriculture; Nsamizi training institute for social development; the Institute of Teacher Education, Kyambogo for the promotion of literacy, school-community relations, and educational innovations research; and Nakawa Forest Research station which carries out research on tree breeding, and forestry management and marketing (IDRCa, 1990). However, despite such diversity, the greatest concentration of IDRC projects in the country remains at Makerere University in collaboration with government ministries, principally, the ministries of Animal Industry and Fisheries and Agriculture and Forestry.

The bulk of IDRC projects began during the 1980's; only five projects were undertaken in the preceding decade and three have been started since 1990 (IDRCa, 1990). However, most of the projects are long term and expected to continue until 1993. IDRC funding depends mainly on the initiative of qualified researchers submitting research proposals. Once IDRC has agreed to fund a project, the only regulation on the part of the researcher is to have his or her research registered with the Uganda National Research Council. IDRC funding is also usually contingent upon the ability of researchers to involve community leaders and government officials. But apart from this requirement, IDRC funds are not tied.

In some cases, IDRC funded projects have been carried out in cooperation with other foreign donor agencies, and in most of the cases, with local funding from the government of Uganda. Notable among the foreign donor agencies are the Rockfeller Foundation, United Nations Children Fund (UNICEF), and to a lesser extent, the European Economic Community (E.E.C), the World Bank, and CIDA, which has always had good working relations with IDRC (IDRC, 1987; IDRCa, 1990).

The Rockfeller Foundation co-sponsored with IDRC the crops and animal production systems project, specifically for perennial crops research, worth \$0.25 million in 1988, and together with the EEC the health and health education rehabilitation project worth about \$1.1 million in 1989 (IDRCa, 1990). On the other hand, CIDA provided financial support for the IDRC sponsored project of International-Uganda study team to advise the government on economic policy (IDRC, 1987), while UNICEF co-sponsored with IDRC the hydrogeology project in 1990 to develop guidelines for policy formation on ground water use by Uganda. Although co-sponsored, IDRC maintained donor identity over the projects in all cases.

Some IDRC funded projects span a whole region to cover institutions in different countries, but in such a case, the projects are in the same field and carried out by similar institutions, usually universities. The rationale behind such projects was to enhance regional collaboration in training, documentation, and dissemination of research results, and to

establish educational research networks. Such projects have been undertaken for Uganda and other East African countries, as well as for Eastern and Southern African countries (IDRC^a, 1990).

As earlier indicated, IDRC projects in Uganda have been in various fields. Table five below, is a summary of aggregated projects according to different IDRC divisions that were responsible for them, and the total dollar value of the projects.

Table 5

IDRC Projects in Uganda, 1972 - 1990

Division	Number of Projects	Project Value Canadian (\$)	
Agriculture, Food & Nutrition Sciences	13	2,501,540.00	
Communications	1	44,400.00	
Cooperative Programme	1	135,350.00	
Earth & Engineering Sciences	1	195,750.00	
Health Sciences	8	1,939,842.00	
Special Programme Activities in Health Sciences	1	173,570.00	
Information Sciences	1	74,000.00	
Social Sciences	10	831,030.00	
Total for all Projects	36	5,895,482.00	

Source: IDRC Summary of IDRC Projects in Uganda Ottawa: IDRC Library, 1990.

NB. Of the 36 projects, 7 worth \$ 1,282,040.00 were completed, while 29 worth \$ 4,613,442.00 were still active as of February, 1990 when the table was compiled.

As can be seen from Table five above, the main foci of IDRC projects have been research in food production and agricultural improvement. The second largest amount was spent on research in health sciences aimed at the improvement of health and well-being of the Ugandan population, particularly community based health for the rural areas where the majority of Ugandans live. The third largest area of spending was on

social science research, principally socio-economic development research.

While IDRC made funding conditional upon the involvement of policy makers in the projects, there was no way of ensuring that the research results were actually used rather than being left on shelves to gather dust. IDRC has no mechanism for follow up since project evaluations, which are not done for every project (Tillman, 1988), are used mainly for accounting purposes rather than for effectiveness evaluations in terms of the alleviation of poverty.

More rigorous evaluations are carried out for projects with more than one phase when the purpose is to provide guidance for moving the project from one phase to the next. Nevertheless, IDRC's Communications Division disseminates results of all projects funded by IDRC to intended beneficiaries with the hope that the information can be utilized. The results are normally made available to policy makers in both the private and public sectors, as well as the NGOS (Canada, 1987; IDRCb, 1990).

The IDRC makes this information available to NGOs so that they can improve or change to more informed and appropriate approaches to Third World problems in their endeavour to promote development or deliver relief assistance.

4.2 Non Governmental Organisations(NGOs)

NGOs are a vast group of organisations that includes professional associations, churches, development and relief

agencies. There are over 150 Canadian NGOs with development programmes, but not all of them were specifically established to assist development in the Third World (Canada, 1991). In addition to their activities in the Third World, NGOs also promote development education and awareness in their communities in Canada⁵ (Canada, 1987). In the latter case, they help bring the plight of the Third World to the attention of Canadians, and in so doing, they may widen support for ODA.

Most NGOs are voluntary, non-profit organisations supposedly serving altruistic goals; they seek to benefit others rather than themselves (Broadhead et al., 1988). Nonetheless, like any other organisations, some NGOs may fall short of the ideals, but a strong "moral" rectitude is embodied in their aid activities. NGOs' source of funds are private voluntary contributions and grants from the Canadian government.

Canadian NGOs, some international NGOs(INGOs), and educational institutions receive government funding for activities in the Third World through CIDA's Special Programmes branch (Canada, 1991). The Canadian government's support for NGOs is both direct and indirect. The latter type of support is provided through tax expenditures which NGOs, as registered charities, can provide to their contributors. This support is available to NGOs regardless of their charitable objectives, effectiveness or the extent to which their activities fit into the priorities of government

(Broadhead et al., 1988). This hidden support is a substantial contribution to NGOs by the state, though it is usually not quantified and its impact in raising private contributions not fully understood.

The direct support to NGOs by the Canadian government is provided by CIDA's matching grant programme which has been operating since 1968 (Broadhead et al., 1988; Rudner, 1985). CIDA's Special Programmes Branch, matches the private contributions to NGOs on a dollar for dollar basis.

The third method of government support to NGOs is through awarding of contracts to implement government projects in the Third World. Such contracts are tendered to NGOs on a competitive basis. Though government contracting out to NGOs was already in use as early as 1978, they became a significant feature of ODA policy in 1982 when CIDA launched the country focus approach⁶ (Broadhead et al., 1988). When a NGO receives a contract to implement a government project in the Third World, it does not make a financial contribution itself, nor does it set the project priorities. Both project design and funding are entirely done by CIDA.

In such a case, the NGO acts as an intermediary for channelling CIDA funds. Thus the country focus approach in effect turns the NGOs that receive the contracts into quasi-governmental agencies for policy implementation (Rudner, 1985). Of the three main methods that the Canadian government uses to support NGOs, it is the awarding of contracts that has

attracted most criticism, particularly from the business sector who complain that NGOs unfairly compete for CIDA business (Broadhead et al., 1988). Another criticism of the approach is that it aligns NGO's activities more closely to those of CIDA and makes them more dependent on CIDA funding.

Traditionally, some of the principles guiding NGO activities in the Third World have been that their projects should remain small relative to the aid provided by governments. NGO projects are meant to accord with the needs of local communities in the recipient country (Young, 1983). Also, Canadian NGOs have in the past taken a welfare approach to aid, providing clothing, food and delivery of medical supplies and education equipment to the needy.

This welfare approach helps NGOs to get public support. In their publicity and fundraising campaigns, the NGOs present an image of compassion by highlighting the Third World's poorest and those in dire need. It is not uncommon for the NGOs to parade famine victims, homeless children, and people ravaged by disease on television, with an aid worker among them trying to help. Such graphic images may evoke a powerful response from the public.

While such graphic images may help NGOs to raise private contributions, government pronouncements support ODA disbursement through NGOs on grounds that include: involving Canadians in international development, forging partnerships with counterpart organisations in the Third World, and

providing experience and expertise in dealing with Third World problems (Canada, 1987; Canada, 1991).

Moreover, NGOs usually undertake projects which governments and their aid agencies ignore or are not equipped for, or government policy cannot permit due to Canadian content requirements. NGOs are also capable of delivering aid to areas in the recipient country where the government cannot offer direct assistance without contravention of international principles, especially in areas held by dissident groups in a country whose sovereignty Canada recognises. Besides, NGOs are perceived as efficient and flexible, able to execute projects with more speed and economy than governments, which are usually delayed in lengthy bureaucratic procedures.

Government funding for the NGOs has been increasing over the years. In financial year 1976/77, CIDA funding to NGOs as a share of total ODA was 3.9%; in 1985/86, it had more than doubled to 8%. In the same period CIDA funding as a portion of NGOs' income also rose from 40.9% to 48.6% (Broadhead et al., 1988). In financial year 1989/90, Canadian government funding to NGOs amounted to \$ 266.6 million, equivalent to 9.4% of total Canadian ODA⁸ (Canada, 1991). However, as government funding for NGOs increases, so does NGOs' dependency on such finances for a large part of their budgets. This makes NGOs financially vulnerable in case CIDA changes its funding policies and priorities.

As government funding to the NGOs, and their reliance on

government as a source of revenue increase, the ultimate question is whether this detracts from their autonomy and/or the loss of their capacity to criticize government policies. The dilemma for the NGOs is this: their stipulated strategy is to help the poor to help themselves, to meet basic needs, and to empower the Third World poor to participate in decisions that affect their lives; yet their support for ODA bilateral programmes reinforces the World Banks' Structural Adjustment Programmes whose "victims", according to some observers, are mainly the poor (CCIC, 1991). Besides, the NGOs will not be seen as distinct or alternative players in international development.

It is partly recognition of such problems that has led Canadian NGOs, especially the members of the Canadian Council for International Cooperation(CCIC)9, to reconsider their relationship with CIDA and ODA policies. The NGOs have not stopped at the national level but also attempted to influence the policies of the International Financial Institutions(IFIs), namely, the World Bank and the IMF. The NGOs have been attempting to influence the IFIs' policies through the NGO-World Bank Committee, which was formed in 1981 (CCIC, 1991). This committee, which consists representatives from both the North and the South, has since its inception been attempting to influence the IFIs' policies six major issues, namely, structural adjustment; conditionality; the environment; access to information;

popular participation; and social auditing of IFIs' projects in the Third World (CCIC, 1991).

However the IFIs, particularly the World Bank and IMF which are the main targets of NGOs' lobbying, are under no obligations to incorporate this committee's recommendations into their policies or at least to adopt some of them. On the other hand, despite the fact that the committee has little or no impact on the fundamental policies of the IFIs, it could play a role in legitimising the IFIs' policies since they can claim that their policies are developed in consultation with NGOs (CCIC, 1991). But limitations apart, the committee brings wide range of people together not only to development issues, but also to attempt to develop international development policies.

Canadian NGOs emphasize that they work as partners with local NGOs in the recipient country to implement projects at the grass roots level, often in the remotest areas in the recipient country. However, selection of a partner NGO in the Third World may be a crucial issue for the donor NGO. The consideration in such selection may be entirely dependent on whether the local NGO represents the donor NGOs's values. The suggestion of a partnership relationship also can be questioned given that the Third World NGOs depend on foreign NGOs almost entirely for their revenues. This is the situation particularly with indigenous Ugandan NGOs. Dependency on foreign funding may make them mere instruments to disburse

funds rather than real partners in the process.

Such heavy dependency on foreign aid for funding diminishes the autonomy of Ugandan NGOs to implement the type of development projects they feel necessary for their local communities. This also raises the issue of accountability; whether the local NGOs are accountable to the people they serve or their "patrons" in the West on whom they depend for revenues. One of the reasons foreign NGOs work with local groups in the Third World is to legitimise themselves in the recipient country. In Uganda it is government policy that foreign NGOs have to be in partnership with a local NGO¹⁰.

About 50% of Canadian NGOs' projects in the Third World are sponsored by church affiliated groups (Canada, 1987). In Uganda a great deal of aid is channelled through the churches by both church-related and secular NGOs (Hooper and Pirouet, 1989). In Uganda, apart from the government, it is the churches that provide a nationwide structure, particularly the Roman Catholic Church and the Church of Uganda(Anglican). These churches have a tremendous amount of resources which include land, financial institutions, private hospitals, and private schools. They are powerful hierarchically arranged bureaucracies similar to the government structure, the major difference being that the churches do not have the instruments of repression.

Canadian and other donor NGOs that disburse aid through the churches to implement grassroots development may, in the

process, inadvertently reinforce some exploitative relationships that already exist. The poor in the rural areas, whom the Canadian NGOs purport to assist, are sandwiched between the church and the state, each trying to extract as much from them, with little or no return in the form of services that can improve their material well being. These churches have gone to the extent of setting quotas of how much money each member of their congregation should pay per annum. Nonetheless, during the civil war, the churches and mission centres provided an infrastructure for relief and emergency aid for the displaced persons.

Canadian bilateral aid to Uganda through voluntary groups has been disbursed through Canadian NGOs, INGOs, International Humanitarian Assistance(IHA), and Institutional Cooperation and Development Services(ICDS). Canadian ODA to Uganda through Canadian NGOs started in 1969/70, and by 1989/90, about \$ 13.005 million had been disbursed through this channel. As can be seen from Tables three and four(chapter three) above, though ODA was disbursed through NGOs throughout the 1970s it became more significant and with substantial amounts in the aftermath of the Amin regime and during the second UPC government.

Canadian NGOs' projects in Uganda range from health, reconstruction and rehabilitation to agriculture and famine prevention (CIDA^b, 1982). They are undertaken by different NGOs prominent among which are church related groups and

African Medical Research and Education Foundation(AMREF). It is AMREF that has so far undertaken a major Canadian government ODA project in Uganda. Following the visit to Uganda and recommendation by the Canadian High Commissioner in 1981, the Canadian government decided to undertake a health training and rehabilitation project in Uganda. Consequently, the contract to execute the project was given to AMREF, a NGO, in 1983 (CIDA, 1990).

It was a bilateral project funded by the Canadian government grant worth \$ 5.585 million. The grant was divided among project components as follows: renovation - \$ 0.560 million; health worker training - \$ 0.840 million; health planning - \$ 0.510 million; project management - \$ 2.025 million; evaluations - \$ 0.240 million; contingency and risk - \$ 1.410 million (CIDA, 1990). Though AMREF was the NGO to execute the project, planning and management remained CIDA's responsibility. Project management and contingency accounted for more than 60% of the grant. The project dragged on and was completed in 1990.

Response to disasters, both natural and man made, is also incorporated in the Canadian government aid programme. The Canadian government responds to disasters through CIDA's International Humanitarian Assistance(IHA) branch (CIDA, 1985). Aid through the IHA programme is usually emergency relief for the victims of wars, earthquakes, floods, and other disasters. It is delivered through international humanitarian

agencies, of which the major recipients of Canadian funding are the International Committee of the Red Cross(ICRC) and the United Nations High Commission for Refugees(UNHCR) (CIDA, 1985). These organisations are funded on a multi-year basis but Canada also responds to their appeals in case of emergencies. However, Canada's role in these organisations does not stop at funding; it is active in their policy making.

Canadian aid to Uganda through the IHA channel started in 1980/81 and between then and 1989/90, totalled \$ 3.715 million. 13 During this period, a large number of Ugandans were affected by internal strife especially in West Nile and the "Luwero triangle" where many people were displaced from their homes and others fled the country. However, in the second half of the 1980s many of the refugees who had fled to Sudan returned to their devastated homes to begin from scratch and part of the relief aid was to help resettle returnees. Similarly, after the 1982 expulsions of the Rwandese from South Western Uganda, Canadian relief aid was part of the assistance Uganda received to help them and the others affected by the evictions.

Other branches of CIDA may also get involved international humanitarian assistance depending on the stage of response which may be relief, rehabilitation reconstruction. It is normally the multilateral programmes branch that gets involved and gives funding support through organisations such as the United Nations Children's

Fund(UNICEF), World Health Organisation(WHO), and World Food Programme(WFP). The Canadian government, through the country focus programme, has since 1981, committed \$ 13,489,600 and actually disbursed \$ 9,880,223 to Uganda through UNICEF for rural water supply and community health care projects (CIDA^a, 1991)¹⁴.

Another non-governmental channel that Canada uses to disburse ODA funds to the Third World is the Institutional Cooperation and Development Services(ICDS). ICDS is one of CIDA's branches whose allocations are categorised as special programmes. It was established in 1980 to fund Canadian non-profit institutions, mainly educational institutions and professional associations, for provision of expertise and technical assistance to counterpart organisations in the Third World (Rudner, 1985).

Canada first disbursed aid to Uganda through ICDS in 1980, and between then and 1990 a total of \$ 2.361 million¹⁵ has been supplied. ODA to Uganda through ICDS is mainly used to fund Canadian Universities' cooperative programmes with Makerere University. Such programmes range from training of graduate students for staff development, to financing of new academic and research programmes at Makerere University. Other Ugandan institutions that have had similar projects funded through ICDS include the Uganda College of Commerce and Uganda Technical College in cooperation with Grant McEwan, Keyano and Fairview Colleges of Alberta; and Uganda Teachers Federation

in Cooperation with the Canadian Federation of Teachers $(CIDA^b, 1982)$.

Another non-governmental instrument Canada uses to disburse ODA to the Third World is the INGO channel. The INGO programme was established in 1975 to enable Canada to participate in development activities of INGOS (Canada, 1991). Many of the INGOS such as the International Committee of the Red Cross have regional offices in Canada, other donor countries, and the Third World. Funding to the INGOS is rationalised by the government as a means of strengthening local and regional development capabilities in the Third World. The main areas of concentration include demography, the environment, human rights, and involvement of women in decision making (Rudner, 1985; Canada, 1991). However, ODA to Uganda through this channel has been minimal; it has been used only twice, 1984/85 and 1985/86 and for both years totalled \$ 0.253 million¹⁶.

Besides use of Canadian and INGOs as instruments to disburse ODA to Uganda, funding may be provided directly to indigenous NGOs. It is the local NGOs that are more aware of the problems and could deliver the programs better; they would probably need technical assistance and expertise in some projects. However, Canadian NGOs may not like the idea of CIDA funding directly the NGOs in the Third World. They see it as undermining or even cutting off their relationships and partnerships built over a long period of time. Nonetheless,

through the Mission Administered Fund(MAF), also known as Canada Fund, the Canadian government can fund some projects directly through indigenous NGOs.

MAF is used to finance small projects, usually initiated by indigenous NGOs. MAF is an annual fund administered by the Canadian mission in the recipient country, in the case of Uganda, the Canadian High Commission in Nairobi (CIDAb, 1982). Through MAF, Uganda has received a total of about \$ 2.138 million since 1985 when it was first used (CIDAa, 1991)¹⁷. However, MAF may not fund projects whose value is more than \$ 0.050 million (CIDAb, 1982).

There are many foreign NGOs operating in Uganda, almost from all donor countries. On the other hand, the indigenous NGOs have been few in number, usually Church-related and local affiliates of major international NGOs such as ICRC. However, since 1986, many new NGOs have been formed. The sudden emergence of local voluntary groups engaged in development oriented activities could be partly attributed to the awareness by the Ugandan populace gained through Resistance Councils and Resistance Committees(RC)¹⁸; increased hardships; realisation that the government cannot effectively solve both local and national problems; or compassion.

Development Network of Indigenous Voluntary Associations(DENIVA), a Ugandan equivalent of CCIC, was formed in 1988 by twenty-one NGOs, but by the end of 1991 its membership had grown to over one hundred and ten NGOs¹⁹. Most

of Ugandan NGOs are engaged in such activities as health education, literacy programmes, gender related issues, and agriculture.

DENIVA, on behalf of its members, plays an advocacy role to the government, and also tries to build partnerships between Ugandan NGOs and INGOs so that they can work together to achieve sustainable development. With most of Ugandan NGOs still in their "infancy", DENIVA, has been mainly occupied with training programmes aimed at strengthening management and leadership capacity of indigenous NGOs. In this endeavour, foreign NGOs including the Foundation for International Training(FIT) of Canada, have been supportive. Since 1988, CIDA has made cash and equipment contributions to DENIVA worth about \$ 0.3 million²⁰.

Indigenous NGOs also receive funding from the Ugandan government through the Programme for Alleviation of Poverty and Social Costs of Adjustment(PAPSCA). PAPSCA was established by the Ugandan government to help individuals, especially former government employees, laid off as a result of SAP. SAPs have become a condition for foreign financing not only by IFIs but also some bilateral donors including Canada. However, PAPSCA does not deal with the fundamental problems caused by SAPs; it is only an ameliorative programme to ease political pressure on the government to deal with economic hardships faced by some "victims" of the World Bank and IMF imposed economic reforms.

Apart from provision of emergency relief, Canadian NGOs have a role to play in international development. Through their volunteer programmes, they can provide technical assistance to the Third World. In fiscal year 1989/90, CIDA allocated \$ 41 million to NGOs to place one thousand long term volunteers and about two hundred and forty short term volunteer consultants, many of whom retired professionals, in the Third World (CIDA, 1991). However, NGOs should participate in international development as distinctive or alternative players rather than semi-official agencies of their governments.

Part of NGOs' strength is derived from their flexibility, commitment and willingness of their staff. Their willingness to publicise not only the plight of the Third World people but also to speak against aid policies of both donor governments and multilateral organisations that deepen poverty in the Third World, is yet another source of strength. In publicising Third World conditions, NGOs do not stop at economic problems but talk about political as well as human rights violations in the Third World. It has been observed that NGOs played a leading role in informing the world about the gross human rights violations in Uganda during Amin's regime and Obote's second regime, when government and UN agencies kept quiet (Hooper and Pirouet, 1989). Thus NGOs operating in Uganda can disseminate an unbiased assessment of the situation in the country.

However, Ugandan NGOs' dependency on foreign NGOs and government agencies for funding may affect their autonomy and lead them to alter their philosophy and orientation to development. Their locally initiated programmes may have to be altered in order to fit the financiers' values. On the other hand, the Church-related NGOs which are well established and able to raise a significant part of their revenues locally, are enmeshed in the intricacies of the church bureaucracy, which is deeply entrenched and non-responsive²¹. This may lead to delays and misallocation of the aid funds.

On the other hand, NGOs should move from project approach to programme approach in order to ensure long term and sustainable development. Otherwise, once they pull out of a project, it may barely last six months due to lack of financing. Nonetheless, NGOs have secured a place in international development, and are likely to remain one of the instruments for the disbursement of Canadian ODA.

4.3 Summary

This chapter has discussed Canadian ODA to Uganda through channels other than the traditional bilateral government to government, or multilateral through international organisations. ODA through non traditional channels is, however, still in the broad category of direct flows from country to country. IDRC and CIDA are both statutory public corporations and share the same mandate, but IDRC deals with Third World institutions rather than directly with the

national government in the recipient country as is the case with CIDA. The number of IDRC projects in a recipient country, are partly dependent on the availability of informed and qualified Third World researchers to initiate the process.

Other than the requirement to involve policy makers in the research, IDRC funding is not tied. However, IDRC lacks a mechanism for follow up to assess the extent to which its projects serve to alleviate poverty, which is the stated goal of IDRC spending.

This chapter, has also discussed the Canadian government's relationship with NGOs and the official principles upon which the government bases its support for NGOs' activities in the Third World. They include: ability to forge partnerships, experience and expertise, flexibility, efficiency and effectiveness. However, there is a likelihood of NGOs being turned into pseudo-governmental agencies for policy implementation, especially in the case where government contracts out to them since when a NGO gets a contract to implement a government project in the Third World, the NGO loses both autonomy and flexibility as the priorities, planning and the direction of the project are entirely the responsibility of the funding agency: CIDA. Besides, NGOs' continued dependency on government funding is likely to compromise their principles and methods of action, and eventually efficiency and effectiveness.

Indigenous Ugandan NGOs, most of which sprang up in the

aftermath of the Amin regime, and have increased during the National Resistance Movement(NRM) government since 1986, are faced with the two major problems of inadequate leadership and management skills, and insufficient funds. The latter condition makes them vulnerable to fluctuations in foreign funding and potentially to co-optation to Western models of development.

On the other hand, the churches and their affiliated NGOs are capable of raising a substantial part of their revenues internally, but project implementation has been known to become bogged down in bureaucracy. Finally, Canadian NGOs' need to shift from project to programme approach in order to realise sustainable development out of their assistance activities in Uganda.

CHAPTER FIVE

5.0 RECENT CANADIAN ODA TO UGANDA: 1985-1990.

The present chapter analyses recent Canadian aid policy in Uganda and the relationship to the changed political system in the country. Current CIDA programming, particularly the balance of payments support programme, will also be reviewed.

5.1 The Okello Interlude

After the overthrow of the UPC government in July 1985, the country descended into deeper chaos. The military Junta that seized power was unable to establish control over the whole country. As indicated earlier, the July coup was largely the result of a factional struggle within UPC on the one hand and UNLA the other. Intense guerrilla pressure, particularly from the National Resistance Army (NRA) led by Yoweri Museveni, was also a contributing factor to unrest. Guerrilla activity played a big role in widening the split within UNLA, particularly between its two major ethnic factions, the Langi and the Acholi.

Although tensions between these two factions had already started to build, the death in December, 1983, of David Oyite-Ojok, a Langi and Chief of Staff of UNLA, brought the tensions to the surface. After his death, President Obote was confronted with the choice of a new Chief of Staff which he delayed for eight months. Finally, he bypassed senior Acholi officers and appointed Smith Opon-Acak who was junior to them. The rationale for this appointment was that Opon-Acak was a

Langi and Obote's kinsman (Walker, 1989; Hooper and Pirouet, 1989).

Despite Obote's attempts to calm the tensions by the unprecedented promotion of about two hundred Acholi officers, the tensions remained. The Acholi complained that the Langi enjoyed the fruits of power while the Acholi were required to bear the brunt of guerrilla fire on the battle fields in the "Luwero Triangle". Moreover, their frequent defeats by the NRA accentuated their demoralisation.

The July coup brought General Tito Okello Lutwa to power. Tito Okello was a former member of the Military Commission which took power after the overthrow of Binaisa in 1980, and former Chief of Defence Forces in the Obote government.

Tito Okello Lutwa was an ageing officer with un-blemished military career, but with no political experience. There was no euphoria when the coup was announced. This was partly because, despite lack of resistance from Obote loyalists, within two hours the capital city was subjected to an orgy of looting by UNLA soldiers, in which some civilians also joined. The looting went on for three days until the coup leaders, Basilio Olara Okello(not related to Tito Okello) and Tito Okello Lutwa, arrived in the city from the North where Lutwa had taken refuge shortly before the coup. Okello Lutwa exercised a brief control over the undisciplined army and released political prisoners. He also promised an election in twelve months.

The Okello Lutwa group staged the coup to gain power and supposedly to restore peace (Mamdani, 1988). Lutwa quickly formed a Military Council, and presented a general amnesty to all armed groups formerly fighting the Obote government and offered to share power with both politically organised and militarily organised groups. The DP leadership including the DP leader, former leader of opposition in the second UPC government, Paul Semogerere, joined the Okello Junta. So did Paulo Muwanga, former vice president in the overthrown Obote government. Although the Okello Junta was willing to work with all organised groups, the coup left the country divided among different warlords. However, all guerrilla groups except NRA came out of the bush and joined the Okello Junta.

Nonetheless, tensions quickly developed within the military Junta, especially between the Acholi faction of UNLA and the West Nile based groups including the Uganda National Rescue Front(UNRF) largely composed of former Idi Amin soldiers. The former Amin soldiers became uncontrollable in Kampala and at the same time proved to be ineffective fighters on the front line against Museveni's NRA which refused to join the Military Council and remained committed to armed struggle. During the Lutwa regime, Kampala, the capital city, resembled Beirut; different armed factions controlled different areas of the city. It was against this volatile background that peace talks, mediated by President Daniel Arap Moi of Kenya, to persuade Museveni to come out of the bush and join the ruling

Military Council, started in Nairobi in August, 1985.

During the peace talks, the fragile Okello Junta could not achieve a common position. The DP clique led by Semogerere, and President Tito Okello with his clique wanted reconciliation with NRA, but the West Nile clique of former Amin soldiers represented at the talks by Gad Wilson Toko(former Chief of the air force in the Amin government), refused any compromise. The Toko clique had even insisted on allowing all exiles, including, Amin to return.

The peace accord was achieved in December 1985, but it did not signify any real agreement. Rather, what happened was that the Okello and Semogerere cliques caved in to NRA demands to pre-empt a coup against Tito Okello led by Gad Wilson Toko, Isac Lumago(last Chief of Staff of Idi Amin), and Amin Onzi(not related to Idi Amin) (Walker, 1989).

Meanwhile, during the peace talks, NRA continued to gain ground in Western and Southern Uganda. Boosted by massive UNLA desertions and increased recruitment, NRA changed tactics from guerrilla to conventional warfare. The NRA besieged the two major military barracks in Masaka and Mbarara, where the soldiers were eventually forced to surrender when they ran out of food. When the peace accord was signed in December, 1985, the NRA controlled the whole of Western and a large part of Southern Uganda. Lack of control over these areas by the Okello regime deprived the central government of some cash crops, mainly coffee, which were an important source of

foreign exchange.

After the pomp and ceremony at the signing of the peace accord in Nairobi, instead of taking on his allotted seat on the Military Council in Kampala, Museveni went back to Western Uganda to launch a final assault on Kampala. Museveni claimed that law and order had broken down in Uganda and that the country was being run by criminals. Insisting that there was no power to share other than blame, NRA soldiers closed in on Kampala and took control of the city on January 26, 1986. UNLA troops fled to the North wreaking havoc as they retreated. On January 29, 1986, Yoweri Museveni was sworn in as President of Uganda.

The Okello interlude was short and preoccupied with internal strife so that it did not put any economic programme in place. Besides, the Military Council and its delegation at the peace talks were under pressure from Kenya, Tanzania and the West to come to terms with NRA (Hooper and Pirouet, 1989). So, from the time of the coup to its overthrow in January, 1986, the Okello Junta was seeking means to stay in power; it did not have time to initiate international projects. Other than its drive for power, and Obote's uncompromising attitude towards the guerrillas whose UNLA victims were largely the Acholi, the Okello group did not reject the Obote government's economic or foreign policies. After the coup, there was no qualitative change in these policies.

These internal events did not affect Canadian ODA to

Uganda. Projects that were already underway continued. In fiscal year 1985/86, Uganda received about \$ 20.7 million in Canadian ODA, more than 80% of which was channelled through multilateral organisations, including International the Financial Institutions(IFIs) and the World Food Programme(WFP). In fact, about 65% of total Canadian ODA to Uganda for 1985/86, was channelled through IFIs¹. This shift to multilateral channels did not reflect a Canadian reaction to the Okello coup, but rather it reflected the increased significance of IFIs in determining the economic policies of Uganda.

Canadian ODA was meant to support the World Bank and IMF orchestrated recovery programme of the Obote government which covered the period 1983 to 1985. By the time of the coup, the Obote government was so reliant on IFIs that they had to approve of the level of government spending, otherwise no new loans or aid would flow (Carroll, 1989). The World Bank and IMF exercised so much leverage that they had become de facto "trustees" of the country's economy.

Such increased use of the IFIs and other multilateral channels to disburse Canadian ODA to Uganda was a major shift in Canadian aid policy to the country. Other than a total of \$ 0.890 million in food aid disbursed through the WFP in 1983/84 and 1984/85 (see table 4 above), this was the first major disbursement of Canadian ODA to Uganda through the multilateral channel. Unlike Canadian ODA in the aftermath of

the Amin regime, which was linked to the World Bank recovery programme but still bilateral, the 1985/86 disbursement was almost entirely multilateral. The fact that 65% of the aid was disbursed through the IFIs also reflected the significance of their role in Canadian ODA policy to Uganda.

5.2 The National Resistance Movement(NRM) government

On coming to power, Museveni declared in his installation speech that the National Resistance Movement's (NRM)² coming to power was a fundamental change and not merely a change of guards. The government's objectives were declared to be those in the Ten-Point Programme of the NRM, including: the establishment of a democratic form of government; ensuring security throughout the country; national unity; respect for human rights; elimination of corruption in public institutions and organisations; and development of an independent, integrated and self-sustaining national economy (Boyd, 1989).

Museveni announced formation of a national army, promised a new constitution within two years and a return to a democratic order. His government, he declared, would be interim for four years, after which a democratic election would be held. Despite these exalted promises, he also suspended all political party activities. Despite the country's recent history of violence, brutality and human rights abuses, the Museveni government was able to establish peace and security in areas that came under its control in the West, South and South-East. In the North, it faced insurgency

from groups comprised largely of former UNLA soldiers. Unlike after the overthrow of Amin in 1979 and during the Okello Lutwa coup in 1985, Kampala city escaped the orgy of looting during the NRA takeover. This was attributed to the strict discipline of the NRA troops.

In March 1986, about a month after coming to power, a meeting between NRM government officials and representatives of donor countries and organisations was held in Kampala. At the meeting, the NRM government presented a US \$ 160 million emergency and rehabilitation plan whose main objective was to repair the damage from the civil war (Carroll, 1989). This meeting did not lead to an aid package. Instead, even some projects approved during the Obote government, such as rehabilitation and expansion of Owen falls dam to increase hydro electric power production, were not allowed to proceed because the World Bank withheld the funds as a sign of disapproval of Museveni's economic policies. Similarly, the International Development Association(IDA), an affiliate of the World Bank, suspended disbursement of part of its already committed funds (Carroll, 1989).

Western countries followed the lead of the IFIs in holding back aid and loans. This action was attributed to the government's lack of clear economic policies (IDRC, 1987; Carroll, 1989). But other commentators explained the action as a reaction to the government's intention to establish a "planned economy" (Legum and Doro, 1989). In summary, despite

the NRM's quick accomplishments in restoration of security, law and order which was hailed by the donor countries, they held back on aid or loans to the government.

The Canadian team of experts commissioned by President Museveni to study the economy in June 1986, was particularly bewildered why humanitarian assistance, which could be justified in its own terms without reference to the broader government economic policy, was not forthcoming despite the existence of a relief and rehabilitation plan to meet needs which were obvious (IDRC, 1987).

The launching of the Ugandan-Canadian economic study team, assembled by IDRC and financially sponsored by CIDA, was viewed by the Western donor countries as a step in the right direction. Still, aid from Western donor countries, including Canada, did not flow until Uganda reached agreement with the IFIs, particularly the IMF and the World Bank. Talks between these institutions and the NRM government had begun early in 1987 and led to agreement in May, 1987 on a Structural Adjustment Programme(SAP) and a three year rehabilitation programme. With a SAP in place, the IMF announced it would provide US \$ 70 million while the World Bank agreed to provide US \$ 100 million to help the implementation of the plan (Carroll, 1989).

Both the NRM government's recovery plan and the SAP with IFIs received approval from donor countries and the business community. After entering into structural adjustment

agreements with the NRM government, the IFIs signalled the Western donor community that Museveni, like his predecessors, had come aboard with full trust of the IMF and the World Bank as "captains" of Uganda's economic policy. A month later, in June 1987, the Western donors consultative group, the so-called "Paris Club" (Development Assistance Committee [DAC]) of which Canada was a member, met in Paris to discuss aid and credits to Uganda, and the rescheduling of the country's debts incurred under the previous regimes (Carroll, 1989).

In December 1987, the Canadian government signed an agreement with the Ugandan government stipulating the terms upon which Canadian ODA to Uganda would be based (CIDA^a, 1987). The agreement was largely based on Uganda's SAP with the World Bank and IMF and emphasized that Canada's support was contingent upon compliance with the SAP. CIDA rationalised its support of the SAP as representing approval of sound economic policies being pursued in Uganda (CIDA^a, 1987).

The agreement between Canada and Uganda reiterated some of the World Bank and IMF's SAP conditions, such as: privatisation of public enterprises, the adoption of Open General Licensing(OGL)³, reduction of the size of the civil service and government spending, and return or sale of properties expropriated during the Amin government (CIDA^a, 1987). With this agreement in place, Canada provided Uganda with a line of credit worth \$ 15 million over a three year period commencing 1987/88, with the funds 100 percent tied to

Canadian procurement (CIDAa, 1987).

The terms of this financial support clearly specified that, if the IDA/IMF review mission became dissatisfied with the progress of the recovery programme being pursued by the NRM government, Canada would stop disbursement of funds. In short, Uganda's receipt of Canadian ODA was solely dependent upon the Museveni government's faithful pursuit of the SAP as prescribed by the World Bank and IMF. While disbursement of Canadian funds was contingent on World Bank approval, CIDA maintained responsibility and final authority over the type of commodities to be purchased for the project. Under the project, Uganda received human and veterinary pharmaceuticals, and some equipment to help rehabilitation of the transport sector (CIDA^a, 1987).

In the meantime, Museveni was also trying to come to grips with the local political situation, and attempting to fulfil the stated objectives of NRA/NRM. On the issue of national unity, the NRM formed what it called a broad-based government. Formation of this coalition government was an attempt by NRM to forge a united front in which contending forces and groups would be reconciled under individuals from all former guerrilla groups and the banned political parties were included in this broad-based government.

To implement this "united" front, ministerial and other posts were distributed on the basis of recognised

groups(political and military) and ethnic representation rather than allegiance to the NRM's political or economic programmes. Among the political parties, it was mainly DP that joined the NRM government (Legum and Doro, 1989).

With respect to the army, all former guerrilla groups opposed to the Obote government and some remnants of UNLA were incorporated into the ranks of NRA. In the end, NRA became the "national" army and contained elements from all the former armies in Uganda including former members of Uganda Army(UA) who had backed the Amin regime (Legum and Doro, 1989; Gertzel, 1990). However, the discipline of NRA soldiers gradually deteriorated, especially in areas of insurgency in the North and Eastern parts of the country. In its attempts to crush the recalcitrant rebellion in these areas, the NRA operations have been likened to those of UNLA in the "Luwero Triangle" during the Obote government (Legum and Doro, 1989; International, 1991).

The NRM government inherited a legacy of gross human rights violations, particularly from the time of the Amin regime and the second UPC government. Anxious to prove itself better than its predecessors, the NRM government appointed a commission of inquiry to investigate human rights abuses, and set up an Inspectorate General of Government to investigate maladministration and corruption in government and public corporations. The Commission of Inquiry into Human Rights Violations(CIHRV) and the Inspectorate General of

Government(IGG) were both established in 1986 (Carver, 1990). The CIHRV had a mandate to investigate human rights violations since independence(1962) until 1986 when the NRA seized power, while the IGG which, is a permanent institution, was empowered to investigate abuses committed since NRM came to power.

While the role of the IGG has been likened to that of the ombudsman, the IGG has broader functions. According to the legislation, the functions of the IGG include: inquiry into allegations of human rights abuses such as arbitrary killings, arrests, detentions, torture and the denial of trial; to investigate the conduct of law enforcement agencies and find out whether they respect the rule of law; to detect and prevent corruption; and to investigate maladministration and abuse of office (Carver, 1990). The IGG reports to the president on every case and is also required to submit a summary of its reports to the legislature every six months.

Despite the symbolic impact of the creation of these institutions, they did not represent solutions to human rights abuses and corruption within Uganda. The fact that the IGG directly to reports the president precluded it investigating presidential wrongdoing. Moreover, the head of the inspectorate holds office at the pleasure of the president. Even in cases where the president could instruct the Attorney General to take legal action against corrupt public officials on the basis of the IGG's findings, such instruction would inevitably be subject to political

considerations. Thus in practice, press reports continue to indicate that corruption by public officials is still rampant (Uganda Confidential, December, 1991 and January, 1992).

President Museveni had promised to establish a democratic form of government when he took office. He subsequently established Resistance Councils and Resistance Committees(RC) as basic structures for the promised popular democracy (Boyd, 1989; Legum and Doro, 1989). The RC system is a hierarchically arranged network of councils and committees stretching from the National Resistance Council(NRC) or Parliament on top, down to the village as a base. Figure five below is a diagrammatic presentation of the RC model.

Figure 5: National Resistance Movement: The Structure for Resistance Councils and Committees.

NATIONAL RESISTANCE COUNCIL (National Legislative body or Parliament)

District Executive Committee (consists of nine officials elected from the District Council)

RCV

DISTRICT COUNCIL

(consists of two representatives from each Sub-County and a woman representative from each county).

1

COUNTY COUNCIL

(consists of all members of the Sub-County resistance committees in that county)

RCIV

Sub-County Executive Committee (Nine officials elected from the Sub-county council).

SUB-COUNTY COUNCIL (consists of All members of the Parish Resistance RCIII Committees in that Sub-County).

Parish Executive Committee (Nine officials elected from the Parish Council).

PARISH COUNCIL (consists of all members of village RCs in that Parish).

RCII

Village Executive Committee (Nine officials elected from the Village Council)

VILLAGE COUNCIL

(consists of all residents in the Village, above the age of 18 years)

RCI

Source: Boyd, Rosalind (1989).

As can be seen from Figure five above, it is only the village executive committee that is directly elected by universal adult suffrage. The other executive committees up the hierarchy and the NRC are indirectly elected. On the other hand, the NRC is not elected by the district executive committee(RC V) as the diagram implies. Representatives to the NRC(Members of Parliament) are elected at county level by subcounties' executive committees(RC III) and Parishes' executive committees(RC III) in that county. Thus each county acts as a constituency with one representative in the NRC indirectly elected by RC II and RC III acting as electoral college. However, until 1989 when a general election was held, the NRC was comprised of eighty members all appointed by the president.

As noted on the diagram, each executive committee or Resistance Committee is comprised of nine officials. These officials are collectively responsible for the operation of their respective councils but individually charged with different specific duties. The nine seats on each committee include: Defence, Education, Rehabilitation, Information, and a mandatory one for a woman responsible for women's affairs. The elected committees and councils have both judicial and political powers (Boyd, 1989). The RC model was a continuation of the organisational structure developed by NRA during the guerrilla war.

The NRM/NRA, however, maintained that the RC system enhanced participatory and grass roots democracy as opposed to conventional parliamentary democracy which they claimed was elitist. Thus the competitors for the NRC and other seats were not allowed to campaign. The candidates only give a brief account of themselves on the election day after which members of the council in the case of lower RCs, and the electoral college in case of representatives to the NRC, line up behind a candidate of their choice. The NRC members(MPs) elect a president. In 1989, Yoweri Museveni did not have a competitor.

The RCs, especially in the villages, acted countervailing institutions to the traditional chieftainship, established during colonialism and perpetuated by the regimes prior to NRM. In the villages 5 , the chiefs acted as sources of the law, its arbiter and executor, but with the introduction of RCs, this dictatorship was cracked (Mamdani, 1988). With the introduction of RCs the chief could be held accountable. On the other hand, participation by members of the village councils, which can pass their own by-laws in their locality, was in effect an empowerment of citizens to participate in decisions that affect them locally in their areas residence.

However, the RC system, praised by NRM as participatory democracy does not mean that the will of the people or the majority for that matter, is always respected particularly with regard to choice of legislators in the NRC. This is

partly because the president has the prerogative to appoint some members of the NRC, including those to fill the seats reserved for NRA soldiers. For example, after the general election in 1989 in which two hundred and ten representatives were elected to the NRC, another sixty eight were appointed by the president. To the bewilderment of many, some candidates rejected during the elections were not only appointed to the NRC but made Cabinet Ministers as well. Therefore, although the RC model ensures participation and serves communication channel to the centre, it is paternalistic. Moreover, in the RC model there is no room for political parties. It leads to central control in which the NRM acts as both the custodian and guardian of democracy.

On the foreign front, as earlier indicated, when the NRM government entered into a structural adjustment agreement with the World Bank and IMF, its aid relationship with donor countries improved, and the projects delayed by the World Bank were resumed. In the case of Canadian ODA to Uganda, the multilateral channel surpassed bilateral support for the first time since Museveni came to power. Bilateral aid was still provided through NGOs, international relief agencies and direct government to government support. Table 6 below demonstrates the increased relative importance of multilateral channels, particularly the IFIs, in Canadian ODA to Uganda. Figure 6 is a graphical representation of trends in total Canadian ODA to the country from 1985/86 to 1989/90.

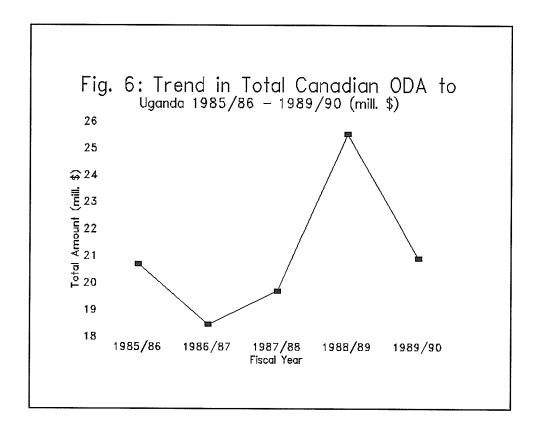
Table 6
Canadian ODA to Uganda 1985/86 - 1989/90 (million Canadian dollars)

Fiscal Year	Govt. to Govt ^{.a}	NGO ^b	IHA	IFI ^c	Multi- lateral	Total Amount	% change
1985/86	1.287	0.854	0.050	13.630	4.856	20.677	407.91
1986/87	2.399	1.488	0.361	9.980	4.207	18.435	-10.84
1987/88	7.852	0.840	0.040	5.780	5.165	19.677	6.74
1988/89	9.379	1.092	1.067	7.330	6.640	25.508	29.63
1989/90	6.710	1.251	0.140	6.370	6.400	20.871	-18.18

Source: Author's Calculations based on figures from CIDA's ODA Historical Data for Uganda, 1959/60 - 1989/90.

Notes: a. Includes disbursements through provincial governments, IDRC and INC(Industrial Cooperation). The same source indicates ODA through IDRC only for the years starting from 1982/83. However, Table 5 indicates all amounts disbursed through IDRC.

- b. Includes aid through ICDS, Food Aid by NGOs, and MAF(Canada fund).
- c. IFI stands for International Financial Institutions. These include the IMF, World Bank and its affiliates mainly IDA. ODA through IFIs is also officially categorised as multilateral.



As can be seen from table six above, a significant amount of Canadian ODA to Uganda during this period was disbursed through the IFIs. The Multilateral channel in general, which was first used in the last two years of the Obote government, (see table four above) has been used since the NRM government came to power to disburse more aid funds than the bilateral mechanisms.

Despite the brief hiatus in economic policy when Museveni came to power⁶, which led to slow downs of both bilateral and multilateral development assistance, when his government accepted SAP conditions, as Figure six above demonstrates, there was an increase in total Canadian ODA to the country. The shift from bilateral to increased emphasis on multilateral

aid reflected Canada's move to align its aid policies with those of IFIs and to add weight to their push for internal economic reforms in the country. It also reflected the importance of structural adjustment emphasized in the 1987 foreign aid policy statement issued by the Mulroney government (Canada, 1987). CIDA was, and still is, part of consultative group that meets once a year to review Uganda's economic plan. Thus in recent years, Canada's ODA programming in Uganda has not been conceived independently on the basis of Uganda's needs, but rather was influenced to a significant extent by the World Bank and IMF led consortium of Western donors. The official explanation for this arrangement is to avoid donor conflict and duplication. But ostensibly, harmonisation of approach through the World Bank and IMF ensures that the recipient government does not diverge from donor requirements in case of policy disagreement, particularly imposed economic reforms.

Canadian bilateral aid to Uganda since 1985 has continued to be largely directed at health services including training of health workers, and health education through AMREF and UNICEF, and small projects through NGOs whose activities range from supply of equipment and rehabilitation to training of women. However, the biggest part of Canadian ODA to the country has been to support the SAP under the auspices of the World Bank. After entering into agreement with Uganda in 1987, CIDA entered into another agreement with the World Bank in

1988 to provide ODA to Uganda in the form of balance of payments support as part of its effort to help the structural adjustment programme in the country. Under this arrangement, the World Bank administers the funds but CIDA maintains final authority over procurement and the type of commodities.

The balance of payments support is basically a line of credit where Canadian ODA funds are tied 100% to procurement of Canadian goods. Unlike lines of credit offered by the Export Development Corporation(EDC) where the funds are normally on a loan basis, the CIDA funds amount to a grant. What distinguishes the balance of payments support from any other tied grant is the fact that the procured goods are sold in Uganda and the revenue goes to the Ugandan government's general account. The rationale for the balance of payments programme, according to CIDA, is to help the Ugandan government implement the on-going SAP in the country.

Through the balance of payments support programme, Uganda received Canadian goods worth \$ 15 million in 1988 and more goods worth \$ 10 million in 1991. The commodities in the 1991 project consisted of human and veterinary drugs for the ministries of Health, and Animal Industries. In the context of economic reforms in the recipient countries, Canada has been pushing for increased involvement of the private sector in its aid programme. It was for this reason that Canada launched "antenna offices" in Southern Africa and the Caribbean to promote contacts with the private sector (Canada, 1987).

These facilities are aimed at forging linkages between Canadian businesses and those in the Third World which can be enhanced in the context of aid. Moreover, it was observed that Canadian corporations lacked a competitive edge in African and other Third World markets (Carty and Smith, 1981). Government incentives may not only encourage but actually enable Canadian exporters to penetrate these markets. It was in this wider context of commercial interests that CIDA sponsored trade missions of various Canadian companies to explore business opportunities with both the Ugandan government and private entrepreneurs (Uganda, 1991).

In 1991, the "Paris Club" and multilateral donors pledged US \$ 800 million in grants and loans to Uganda for the period 1991/92 which was interpreted by the NRM government as a strong support for the programme of structural reforms in the country's economy (Uganda, 1991). It has become apparent that the NRM government is prepared to pursue faithfully the economic reforms as prescribed by the IFIs in order to attract both bilateral and multilateral grants and loans. These SAPs, however, in effect keep Uganda's economy primary export oriented and a threshold of international finance which raises the doubt whether the declared policy of building an independent, integrated and self-sustaining national economy will not remain on paper and mere government rhetoric.

Critics have pointed out that the SAP being pursued by the NRM government is not different from one under the UPC government (Mamdani, 1988), which according to some observers, had actually failed by the time the UPC government was overthrown (Carroll, 1989; IDRC, 1987; Chango-Macho, 1985). Other observers (Hooper and Pirouet, 1989), have argued that the austerity measures of the SAP in Uganda threaten the democratic reforms ushered in when the NRA seized power in 1986. Nonetheless, Canada's aid programme in the country is firmly premised on these economic reforms.

The balance of payments programme plays well into Canada's export promotion interests. Though it is categorised as multilateral assistance, Canada ensures through CIDA that the supply contracts go to Canadian companies. It is for this reason that aid for the balance of payments support to Uganda is 100% tied and contracts not open for competition by non-Canadian firms as would normally be the case with multilateral projects.

With regard to economic policy, the NRM's faithful pursuit of SAPs will continue to facilitate aid and loans from IFIs and the West including Canada. But the wider question of internal politics remains unsettled. President Museveni's justification for banning political parties was that they were sectarian. This was indeed a gross characterisation based on the assumption that there were no good elements in these parties. Nonetheless, it would be equally wrong to assume that

there were no sectarian elements in NRA/NRM. Although the NRM government has been attempting to ameliorate Southern domination by co-opting some Northerners in the broad-based government, the question of freedom of political association and the staging of free elections to directly elect leaders, especially representatives to the national assembly is still unsolved.

After more than six years of the NRM in power, Uganda still lacks a constitution. What was described in 1986 by Museveni as an interim four-year government, has now been extended to 1995. Insurgency in the North continues with various groups opposed to the Museveni government (Gertzel, 1990; Walker, 1989).

Although the NRM government compares favourably with previous regimes on the question of human rights violations, its human rights record is not exemplary. It has been accused of falsely charging political opponents with treason as a way of keeping them in detention, since under Ugandan law a treason charge precludes granting of bail for four hundred and eighty days (Amnesty International, 1991). While acknowledging improvement, Amnesty International nonetheless concludes that major human rights violations have occurred and continue to occur under the NRM government (Amnesty International, 1991). Both the political and economic reforms promised when Museveni came to power in 1986 have yet to be seen.

Nonetheless, it is economic policies being pursued by the Ugandan government rather than the political crises or magnitude of atrocities committed by the regime, that have in the past determined whether the regime could get aid or loans from the West. The Okello coup which overthrew democratically elected government, did not affect Canadian aid to the country because the Okello Junta was prepared to maintain the Obote governments' economic policies which had already won approval from Canada and other Western countries. But above all, the Okello government did not oppose or question the IMF stabilisation and World Bank recovery programmes, which had brought much misery to Ugandans (Chango-Macho, 1985).

On the other hand, when Museveni came to power, despite establishment of peace, security and an improvement in human rights observance, the West including Canada would not give loans or aid to his government. This was because he questioned the economic policies of the Obote government and denounced SAPs as partly responsible for the country's economic malaise. It was not until Museveni signed and agreed to implement a SAP with the World Bank and IMF that his government won approval for loans and grants from the West including Canada.

Moreover, when Canada signed its own agreement with the Ugandan government, it was based closely upon the SAPs already in place between the NRM government and the IFIs. On the other hand, the balance of payments support programme as it is being

implemented, ensures enhancement of Canada's commercial interests. The next chapter will sum up major political events in Uganda and how Canada has responded in terms of its ODA policy to the country. A statement on future Canadian ODA policy to the Uganda will also be presented.

6.0 CONCLUSION

Development assistance to the South has existed for at least four decades, but Third World countries especially in Sub-Saharan Africa and Latin America continue to decline and the economic outlook for these countries is grimmer than ever. Financial flows from the North to the South in form of loans or grants have not been able to improve the situation. Instead, there are now net flows from the South to the North. The result has been deepening poverty and misery for the majority in the Third World countries. Most of the Third World countries, including Uganda, inherited colonial economic systems which have been largely maintained. Foreign aid to these countries has mainly helped the recipient countries to rehabilitate the colonial economic systems.

Most Third World economies depend almost entirely on export of primary commodities, loans and foreign aid as sources of foreign exchange while importing the bulk of consumer goods and industrial raw materials for the little manufacturing that exits in the South. However, especially since the 1970s, the Third World has experienced unfavourable terms of trade for their primary exports. At the same time, there were slow rates of growth in the developed economies particularly in the second half of the 1970s which resulted in slower expansion of demand for the primary imports from the South. These factors, coupled with increased imports by the

South and high interest rate policies adopted in the North were partly responsible for the emergence of the Third World debt crisis in the 1980s.

The economic problems in the South, however, have negative effects on the North as well. As indicated in chapter one, over the decade of the 1980s, the economic down-turn in the South cost Canada more than \$ 24 billion and 180,000 jobs in lost exports. Projections are that Canada will lose another 139,000 jobs in the 1990s unless the economic decline in the Third World is reversed. Thus from the financial standpoint, even the North stands to lose from economic problems in the South. Development assistance has thus far not been able to reverse the negative trend in the South.

This study set out to examine the relationships between domestic political and economic events in Uganda and Canadian aid policy to the country. While it is difficult to establish absolute cause-effect relationships between these issues, this study has provided plausible evidence that Canadian aid policy to Uganda was conditioned more by domestic concerns in Canada and the economic policies pursued by the Ugandan Government than by the political and human rights policies pursued in the recipient country.

Development assistance emerged during the advent of two major world issues, namely, "decolonisation" and the cold war. Both of these issues had impact on post-war aid policies. As discussed in chapter two, Canada's aid programme was

originally motivated mainly by cold war politics rather than compassion to alleviate poverty in the Asian countries. Economic self-interest was also an underlying motivation of Canada's post-war aid policies. The newly independent countries provided opportunities for new markets and foreign aid acted as a strategic instrument to establish political relationships and to facilitate entry into Third World markets formerly monopolised by the colonising power. From the beginning, Canada required at least 80% Canadian content in any commodities purchased with aid funds and this requirement affected both project design and procurement practices. It may even have ended up distorting the economic priorities of the recipient country. Canada's aid programme grew rapidly in the 1960s and by the end of the decade had become a permanent feature of foreign policy. The permanency of the aid programme was confirmed by the creation of CIDA in 1968 as the main organisation to deliver aid programmes. As discussed in chapter two, CIDA had more than one aim, among them the creation in the Third World of attitudes favourable to the West, the enhancement of Canada's influence in recipient countries and the boosting of Canada's position in the Western alliance. Despite government pronouncements which emphasized humanitarianism and Third World development as objectives of the aid programme, there was actually a fusion of objectives. Foreign aid, a single instrument, was hoped to achieve Canada's objectives as well as those of the Third World. But

Canada's interests were not necessarily coincidental to those of the recipient countries. Consequently, donor priorities prevailed over those of recipients.

Canadian commitment to development assistance continued in the 1970s. When the Trudeau government issued a foreign policy pronouncement, Foreign Policy for Canadians in 1970, foreign aid received serious attention in the document. As indicated in chapter two, in 1975 the Canadian government issued its first comprehensive foreign aid policy statement which emphasized social and economic development as the primary goal of Canadian ODA. At the same time it insisted that foreign aid should be sensitive and relevant to other Canadian objectives.

The 1975 goals were, however, reversed in the late 1970s. Foreign aid was not only cutback but even the emphasis in government rhetoric shifted from Third World development objectives to the economic benefits Canada could derive. The policy shift and increased commercialisation of aid were partly due to economic difficulties in Canada. By mid-1978, the Canadian government had redefined its relations with the Third World to become primarily economic in purpose.

Henceforth, the emphasis was placed on relations with a few relatively wealthy developing countries where commercial opportunities for Canadian companies were present. A further call to commercialise aid came in a 1979 government report. As discussed in chapter two, this report recommended reduction of

multilateral aid on grounds that Canadian companies were not securing multilateral contracts proportionate to Canada's contributions to multilateral organisations. It further called for an increase in tied aid and harnessing of aid in the service of trade. The harnessing of aid in the service of trade meant a functional linkage between CIDA and EDC and subsequently, parallel financing of projects by CIDA and EDC using aid funds became the pattern. The primary concern of this policy was to increase Canadian exports.

However, in 1980, notwithstanding the commercialisation of aid which continued, Canada emerged as a spokesman for the Third World and champion of international development largely because of Prime Minister Trudeau's personal diplomacy efforts on behalf of developing countries. During this renewed momentum the Canadian government committed itself in 1982 to meet the United Nations' target of 0.7% of GNP devoted to foreign aid by 1990. In fact, the target was not met; the percentage stood at just 0.45% in 1990.

Two other significant developments during the early 1980s were a prime ministerial announcement in 1983 linking Canadian aid to positive human rights record and the creation of an aid/trade fund in 1984. The former policy was not executed, while the latter was implemented through parallel and cofinancing arrangements between CIDA and EDC out of aid funds. Formation of the aid/trade fund formalised the harnessing of aid and trade policies. It was an overt expression that the

primary interest in aid was boosting of Canadian exports rather than Third World development and it also dispelled any illusions that foreign aid was charity.

In summary, 1984 was a turning point in Canadian foreign aid policy. The amount of aid was reduced twice in the same year. The same year also marked the final abandonment of the goals that had been espoused in the 1975 foreign aid strategy which at least on paper, gave priority to Third World problems. After 1984, foreign aid emerged virtually as an instrument of foreign policy to complement diplomatic and international trade relations. By mid-1980s the focus was on integration of aid and trade. In a clear departure from the previous approach that extended aid to a wide variety of the Third World countries, the Conservative government of Prime Minister Brian Mulroney, introduced three distinct categories of recipient eligibility for Canadian bilateral aid.

As discussed in chapter two, in the three tier system, 75% of bilateral aid went to category one which consisted of about top 20 recipient countries, 20% to category two which comprised of most middle income developing countries and 5% to category three which comprised of Third World countries where Canada was interested in maintaining an aid presence. Officially, the categorisation criteria were based on level of development, absorptive capacity, commercial and political considerations of interest to Canada. Though the determinants seem diverse, the percentage of distribution among recipients

and the type of programming for each category presupposes that economic considerations were paramount. Category one are "high" income wealthy countries in the South with commercial opportunities for Canadian exporters. In fact the categorisation echoed the 1978 government conclusion to concentrate aid in a few countries. The contradiction, however, is that the desire to concentrate the aid is coupled with one to have an aid presence all over the Third World.

Thus Canada's aid reaches at least 119 countries as compared for instance to Sweden with a similar aid budget but with aid projects in only 18 recipient countries. The result is that as Canada attempts a global reach, its limited aid budget may be so diffused as to have limited impact in the recipient countries. The main motivation for such diversity is Canada's desire to appear as both an international diplomat and helper at the same time. Spreading the aid support around also necessitates a larger administrative apparatus for CIDA.

As indicated in chapter two, after a series of Parliamentary reports critical of CIDA and the aid policy, the government issued the latest aid policy in 1987 in the publication, Sharing Our Future. The cornerstone of the new aid policy was the ODA charter which set forth the principles and guidelines of Canada's aid programme. The charter pledged to put poverty first and development priorities to prevail over other foreign policy goals in the aid programme. In the same policy statement, the government announced abolition of

eligibility categorisation. It also included implementation of World Bank and IMF Structural Adjustment Programmes(SAP) as one of the conditions for receipt of Canadian ODA by Third World countries. However, SAPs are known to aggravate the poverty situation in recipient countries. The contradiction is that the government purports to fight poverty, yet it has made SAPs and the attendant package of conditionalities, a basis of its ODA policy. Neo-colonial economies like Uganda need structural change rather than structural adjustment.

In the 1987 policy statement, the government also emphasized the role of the private sector in its aid programme, and as noted in chapter five, it has since established offices in the Third World to make business contacts which can be enhanced in the context of aid. The government also formally put forward respect for human rights in the recipient country as one of the determinants of Canadian ODA. It pledged that Canadian aid would not be used to legitimise repressive regimes in the Third World, which presupposes that it might instead be used as a lever for "positive" political change in the Third World.

Domestic politics in Canada also influence foreign aid policy. In chapter two, it was shown that during the 1970s, the struggle between Ottawa and Quebec led to a shift in Canadian aid policy, the consequence of which was to increase focus and amounts of aid to Francophone Third World countries particularly those in West Africa. Using the aid "carrot",

among other instruments, Ottawa was able to block recognition of Quebec's aspirations for independence by recipients of Canadian ODA.

As mentioned in chapter two, denial of a separate seat for Quebec at the 1980 "la Francophie" heads of government summit, resulted in failure of the meeting, and irked by the failure and its implications, the Canadian Prime Minister went on a persuasion tour to West Africa in which aid played a very important role. Much as it was a struggle between Ottawa and Quebec, it was also a struggle between Canada and France since France had been supportive of Quebec's aspirations.

Canada's membership in both "la Francophonie" and the Commonwealth bear considerably on its aid policy because of cultural and diplomatic reasons. Britain's intransigence in opposing sanctions against apartheid in South Africa, and Canada's support for the sanctions brought Canada closer to the Third World members in the Commonwealth and partly helped Canada to emerge as a leader in the organisation. In both the Commonwealth and "la Francophonie", Canada is in a unique position since Third World members do not harbour animosity against it as a former colonial master. It is thus in a position to mediate between Third World members and their former colonisers in case of disputes. As mentioned in chapter two, this was the case when Tanzania severed diplomatic relations with Britain in 1965.

As shown in chapter one, it was common membership in the Commonwealth that prompted the first Canadian aid package to Uganda prior to independence. This historical linkage through the Commonwealth has contributed to the maintenance of aid relationship. The main strategy for the economic development of Uganda was established by the former colonial masters. On the eve of independence, the strategy was reinforced by the World Bank and adopted by Ugandan politicians who took over government in 1962. Uganda has since depended on export of primary agricultural products, principally coffee, foreign aid and loans to finance its development. In the aftermath of independence, development assistance acted as a strategic instrument for entry by the donor countries and their private business corporations.

During the first decade after independence, the Ugandan government faithfully followed the World Bank blueprint for economic development and increased production of agricultural raw materials for export while importing consumer goods. The weakness of the strategy was experienced in 1969 when coffee prices plummeted on the world market. The government found itself in a precarious situation; there was shortage of foreign exchange to import consumer goods. The consequence was soaring prices which coupled with unemployment to make the situation even worse. As discussed in chapter three, it was partly these economic problems that forced the government to attempt to reform the colonial economic system. The Move to

the left, the Nakivubo pronouncement and the monetary reforms were aimed at correcting imbalances in the economy. Although the reforms were presumably in Uganda's interest they touched the nerve of foreign interests in the country. Before implementing the reforms, the government was overthrown in a military coup in 1971.

As figures one and two above illustrate, despite the political crisis in the mid-1960s, Canadian aid to Uganda kept an upward trend. The violent overthrow of the constitution and the violations of human rights did not affect Canadian aid to Uganda. Internal domestic political struggles did not in any way threaten foreign economic interests since it was apparent that no matter which faction emerged victorious, it would follow the same economic policies which maintained the colonial economic system.

In the first decade after independence, Canadian aid to Uganda was largely small projects under SCAAP, with the main activities occurring in the fields of education and mining. As was shown in chapter three, Canadian ODA in mining and geological survey was driven largely by Canadian economic interests and commercial spinoffs involved. It was a Canadian company that controlled the biggest mining venture in the country. On the other hand, though it was not easy to point to specific Canadian interests in education aid, the spread of Canadian influence could be cited as one of them. By the end of the first decade after independence, the focus of secondary

school syllabus, especially in geography had shifted from British to North American studies particularly Canada. This shift could be attributed to Canadian aid in education which included provision of Canadian educators and training of Ugandan teachers.

As discussed in chapter three, the French language education project of 1968, was an example of Canadian domestic factors influencing aid to Uganda. Intended to portray Canada's bicultural and bilingual character abroad, the project was abandoned in 1969 when the OAU decided to establish an inter-African linguistics bureau in Uganda. Development of indigenous African languages for pan-African use supposedly would displace both English and French as major languages of interstate communication in Africa. Canadian interests in the project took priority over Ugandan interests which were not only communication in big fora such as the OAU but bilateral communication with immediate neighbours such as Zaire and Rwanda with whom commerce was expanding.

As indicated earlier, the military coup in 1971 and the attendant massacres did not affect Canada-Uganda aid relations. The foreign supporters of the coup hoped Idi Amin would protect their interests and reverse economic reforms initiated by Obote before he was overthrown. As long as Amin did not touch Western interests, human rights violations and repression of Ugandans by his regime were not a concern of Western governments including Canada.

On the other hand, in 1972 when he declared the "economic war", which meant expulsion of Asians, reaction from the West was quick. As described in chapter three, Asians had dominated commerce in Uganda as a matter of colonial policy and after independence functioned as agents of British monopolies. As shown by table three above, when a Canadian mining monopoly was nationalised in 1973, Canadian aid to Uganda dropped precipitously. Although there was no evidence to connect the two incidents, the drop seems to be more than a coincidence. Moreover, the drop and the consequent negative trend in Canadian aid to Uganda were consistent with the pattern of the drop in aid from DAC countries after declaration of the economic war and nationalisation of foreign monopolies.

The amounts of Canadian aid to Uganda were not restored to pre-economic war levels until Amin was overthrown, but as table three demonstrated, the aid relationship was actually severed despite the brutality and human never violations by the Amin regime. Even direct government to government aid continued. Some Western countries particularly Britain and USA, resorted to covert collaboration with the dictatorial regime and trained and equipped his soldiers even when diplomatic relations were already severed. In both cases, however, the interests were economic and cold war politics with no regard for development or the human rights of millions of Ugandans who lived under the Amin dictatorship. British interests particularly were economic because when

manufacturing collapsed in Uganda in the mid 1970s, the country became a market for the Kenya-based British manufacturing and distributing companies.

When Amin did not live up to the expectations of servility as was thought by the architects of his coup, Western propaganda, particularly the British press, turned around and started portraying the brutality of his regime as a home-grown affair. The once praised "conquering hero" was then presented to the public as a brutal murderer. Western propaganda even went to the extent of portraying Amin as an anthropological oddity shown in movies as a cannibal. This was however, largely hypocritical. Although he was presented to the public as bad, as shown in chapter three, behind the scenes, trade with the West, particularly, the USA, helped to maintain his torture machine.

The outside world's perception of Amin and the horror stories from Uganda prompted the influx of Western NGOs after the fall of his regime. There was quick reaction from Canadian NGOs, which as already indicated in chapters three and four, were supported by the Canadian government. However, government support for NGOs particularly the contracting out method, in effect turns the NGOs into quasi-governmental agencies for policy implementation. This is because when a NGO gets a contract to implement a government project, control, direction and funding remain entirely CIDA's responsibility. As shown in chapter four, when AMREF got the contract to implement a

health project in Uganda in 1983, both planning and management remained CIDA's responsibility. Although procurement was not officially tied, less than 40% of the grant was actually spent in Uganda.

In the aftermath of the Amin regime, Canadian bilateral aid to Uganda was linked to the World Bank programmes in the country. Canadian ODA to Uganda during this period, 1980-1985, played a supportive role to the IMF and World Bank programmes in the country. As discussed in chapters three and five, by the time of Obote's second overthrow, these programmes had failed and the economic situation had also deteriorated. Nonetheless, faithful pursuit of these institutions' prescribed policies helped his government acquire Western aid.

As discussed in chapter three, before coming to power again, Obote had virtually mortgaged Uganda's interests to Britain in return for British support. During his government, although the worst human rights violations were committed, Western governments hedged off the problems and continued to give aid to the regime. As for Britain, it stood by the Obote regime till the bitter end.

In 1982, Canada joined the Commonwealth military training team in Uganda. The most horrendous atrocities by the army(UNLA) were committed during the time Canada was involved in its training. Although Canada withdrew from the project in 1984, there was no evidence that it was in protest of human rights abuses in the country, and the Canadian government is

not known to have condemned the atrocities. Instead, as noted in chapter three, the only change in Canadian aid policy to Uganda was to channel part of its ODA to relief agencies to help the displaced people.

Parallels can be drawn between three incidents of human rights abuses that involved mass expulsions and Canada's reaction in terms of its aid policy to Uganda. As discussed in chapter three, the expulsion of workers of Kenyan origin in 1969, did not affect Canada-Uganda aid relations; in 1972 when Asians were expelled, Western countries including Canada reacted and Canadian aid to Uganda dropped; but in 1982 when the so-called Rwandese refugees were evicted, there was no official reaction to this blatant harassment of citizens by the government simply because they did not support the political party in power. The 1969 and 1982 expulsions did not draw foreign reaction because they were internal political problems that did not threaten Western economic interests in the country but the 1972 expulsion of Asians generated reaction because it had bearing on foreign interests, in fact it signified an attempt to end foreign domination of Uganda's economy.

Despite the human rights abuses and atrocities during the second UPC government, Uganda was considered a democracy by Western countries. As discussed in chapter three, in 1984 at the height of atrocities, European democratic parties held an international conference in Kampala to mark the return of

democracy in Uganda. This signified how little they were concerned not only with what was happening in the country but also the principle of democracy in Uganda as long as their interests were not at stake. On the other hand, the fact that DP which lent credence to the democratic process in the country reversed their threat to boycott Parliament in 1980 after being urged by their foreign financiers, was yet an indication of how Ugandan politicians were prepared to let foreign interests prevail over Ugandan interests in the country.

During the second Obote government, it was the NGOs that were willing to expose its record but as indicated in chapter three, the 1984 US Congressional hearings on human rights violations in Uganda exposed the atrocities even further. It was, however, not clear what motivated the USA to publicly criticize the Obote regime. When the Obote government was once again overthrown by the army in 1985, there was apparently no outside instigation or involvement. The Lutwa coup was a result of internal power struggles. It did not signify any qualitative change in economic or foreign policy. The coup and the chaos that ensued did not have any apparent impact on Canadian aid to the country. The Canadian ODA package meant to support the World Bank recovery programme continued as earlier scheduled under the Obote government. These developments were reviewed in Chapters Three and Five.

The channelling of Canadian ODA through International Financial Institutions(IFI) during the Okello Lutwa Junta was not a sign of approval or disapproval of the Junta, but rather reflected the importance of the IFIs to Uganda's economic destiny. By the time of Obote's overthrow, the IFIs had become de facto "trustees" of the country's economy. The Lutwa Junta received Western aid, including from Canada, partly because it went along with IMF and World Bank prescribed economic policies in spite of the hardships entailed for the country.

In contrast, when Museveni came to power in 1986, and blamed the World Bank and IMF prescribed economic policies for aggravating the country's economic problems, there was a break in aid from the West, including Canada, and even humanitarian assistance was dropped. Despite quick accomplishments in establishment of peace and security and a better human rights record, Canada and other Western countries held back aid or loans to his government until they were sure of what economic policies his government intended to pursue. It was not until his government signed and agreed to implement the World Bank and IMF SAPs that both bilateral and multilateral aid from Canada and other Western countries started to flow again. The slow downs and halt in aid were not to protest political or human rights abuses, but to express disapproval of Museveni's economic policies.

In December, 1987, Canada signed an ODA agreement with Uganda which was based on the SAP Uganda had already signed with the IMF and World Bank five months earlier. As noted in chapter five, the agreement made it clear that Uganda's receipt of both multilateral and bilateral Canadian ODA was solely dependent on the Museveni government's faithful implementation of the IMF and World Bank SAPs. In short, the SAP became a condition of Canadian aid to Uganda as well. As indicated in chapter five, this condition and the shift in Canadian aid policy signified the importance of IFIs in Uganda's economic policy and also their role in Canadian ODA policy.

The Museveni government has since pursued the SAPs which have helped it get Canadian and other Western Nonetheless, as indicated in chapter five, similar programmes in the country in the early 1980s failed and deepened the poverty and misery of the majority of Ugandans. Since similar conditions pertain in the country, only time will tell whether these policies will succeed; one sure thing, however, is that the national debt is accumulating at a very fast rate. As indicated in chapter one, the debt has more than doubled in two years, from US \$ 1.2 billion at the end of 1989 to US \$ 2.5 billion at the end of 1991. The dilemma for the NRM government is how to develop the declared independent, and self-sustaining national integrated economy while implementing the World Bank and IMF SAPs. Moreover, these

institutions have been inimical to structural changes in the Third World economies.

Since 1987, Canadian aid policy in Uganda has been vividly influenced by other Western donors particularly the IFIs and CIDA has been part of the consultative group that reviews Uganda's economic plan every year. Although the move to align Canada's ODA policy with those of other donors is supposedly meant to avoid duplication and donor conflict, in reality it also ensures compliance by Uganda with aid conditionalities and the economic reforms imposed through SAP, since such donor cooperation means no room for manoeuvre by the Ugandan government. Besides, Uganda also needs approval by the IMF to borrow from private and public financial markets in the West.

Though Canada's ODA policy in Uganda has been aligned to those of other Western donors, domestic economic interests still feature in its aid to the country. It is because of such interests that the balance of payments support project, officially categorised as multilateral aid is 100% tied to Canadian procurement and non-Canadian firms are not eligible to compete for the supply contracts. Canada's main interest in the project is to boost exports.

Since the beginning of Canadian aid to Uganda, it has only received project aid which presupposes tight donor control and lack of freedom to set priorities by the recipient. Uganda has no flexibility in planning and

allocation of aid funds to suit its public policies and development needs. As indicated in chapter two, with regard to project aid, though donor priorities may not necessarily be appropriate or in the best interest of the recipient, they have to prevail or no aid will flow at all. The conclusion from these facts is that in any official aid package Uganda has received from Canada, there must have been a Canadian interest.

NGOs have secured a place in international development, and as indicated in chapter four, receive Canadian government support in various forms. However, to achieve sustainable development out of their activities in the Third World, they need to shift from project approach to programme approach and to institute a follow-up method. Indigenous Ugandan NGOs' inability to raise resources internally impinges on their autonomy, flexibility and makes them vulnerable to vagaries in foreign funding which also raises the issue of whether they are accountable to Ugandans or their foreign financiers. As for the IDRC, unless it institutes a follow-up mechanism, the good and seemingly well intentioned research may end up not being applied to alleviate poverty, the stipulated goal of its projects in the Third World.

The shift in Canadian aid policy towards Francophone countries in the 1970s, the persistence of tied aid policy, the French language project in Uganda in 1968 and the manner in which the balance of payments support project is being

implemented in Uganda are examples of national self-interest operating in Canada's aid programme. In all these cases, the policy was driven by domestic concerns in Canada. On the other hand, the political crisis in Uganda in the mid-1960s, the Amin coup in 1971, the Okello Lutwa coup in 1985, and the persistent human rights abuses during the second Obote government did not affect Canadian aid to the country. But the war" "economic declared in 1972 and the attendant nationalisations among which Canadian companies were affected, and the NRM government's initial refusal to go along with World Bank and IMF prescribed economic policies in 1986, affected Canadian ODA to Uganda.

Therefore, Canadian aid to Uganda was driven more by Uganda's economic policy than by its political and human rights problems. Canadian domestic concerns, especially export promotion, also affects Canadian aid policy in Uganda. Although there may be a humanitarian element in Canada's aid programme, government rhetoric which emphasizes it together with Third World development as primary goals are hard to justify vis-a-vis what actually pertains in practice.

As shown in this study, the initial impetus in Canada's aid programme was to forestall communist influence in the Third World, which has now disappeared. The end of the cold war has, however, increased the number of aid recipients, yet aid budgets are under strain in the few remaining donor countries and may not survive financial cuts. Besides, "flows"

from the North to the South may be displaced by flows from West to East.

On the other hand, as the world moves closer to being globalised, the major concern for all industrialised economies is competitiveness in world markets. Whereas the developed countries are racing for markets and forming trading blocs, the Third World particularly in Sub-Saharan Africa is being clogged with SAPs which have actually done little but rehabilitate colonial economies. But as shown in this study, the economic problems in the South affect the prosperity of the North as well. The notion of interdependence between the North and the South should go beyond the gestures of charity by the North and deal with the policies that maintain the relationships that keep the Third World disadvantaged.

With the demise of communism and apartheid under seige, Canada seems poised to vigorously push for human rights observance in the Third World as a condition of its ODA. SAPs have also been made a condition of Canadian ODA to the Third World.

Despite the initial negative attitude towards the current government in Uganda, Canadian ODA to the country has actually increased in total amounts since 1987. At the same time Canadian ODA policy in Uganda has been firmly premised on SAPs prescribed by the World Bank and IMF. As long as the Ugandan government faithfully implements the SAPs, notwithstanding the misery they may cause, and the declared fundamental change,

Canadian ODA to the country will continue. However, the political situation in Uganda is still far from settled and only time will tell whether political and human rights problems will become a major consideration in Canadian ODA policy to Uganda.

Notes

Chapter One

- 1. All the former republics of the Soviet Union, now independent states, are asking for aid. On January 22, 1992, an international conference was held in Washington D.C, to discuss coordination of aid to the fifteen countries that have emerged after the collapse of the Soviet Union. Moreover, all former Eastern bloc countries in Eastern Europe are similarly asking for aid.
- 2. However these absolute figures, usually represent the budget allocation or committed funds, and do not necessarily mean that all these funds were actually disbursed or received by the aid recipient countries.
- 3. The current Canadian Official Development Assistance or foreign aid policy is stipulated in a government publication titled Sharing Our Future, 1987.
- 4. See Appendix One for their location within Uganda. However, among the Batoro, there are other distinct ethnic groups namely the Bamba and the Bakonjo, who though still Bantu, would not like to be classified as Batoro. On the other hand in Eastern Uganda, there are other small Bantu ethnic groups who include the Samia and Bagwere, though they live in Bukedi which is dominated by the Nilotic Luos. Also among the Banyankole, is the minority Bahima pastoralists who are Hamites. Different political organisations of the major ethnic groups on the eve of British imperialism in Uganda is discussed in Chapter Three.
- 5. These percentages have been put differently by different authors; Mamdani (1984) puts it at 52% from export earnings, and 48% from foreign sources; Clark (1966) puts it at 60% from external sources; while according to Gitelson (1975), 40% of the funds were to come from external sources.
- 6. This situation is referred to as neo-colonialism, a terminology coined by Kwame Nkrumah, the first president of Ghana; meaning that though the former colonies got political independence, economically they remained dependent. It is a new form of colonialism, specifically; economic colonialism.

Chapter Two

- 1. For example, CIDA cannot grant a contract worth more than \$100,000 without ministerial approval. Moreover its expenditures are also controlled by the Treasury Board, yet tenders and supply of equipment are done in conjunction with the Supply and Services Department. Above all it is not CIDA that decides amounts of aid or the recipient country.
- 2. Though CIDA is the main organisation charged with disbursement of foreign aid and implementation of foreign aid policy, it is not the only one. Others include; Petro-Canada International Assistance Corporation (PCIAC), International Development Research Centre (IDRC), and Industrial Cooperation Programme. However, this study will deal with CIDA and IDRC since they are the organisations with aid activities in Uganda.
- 3. In simple terms aid policy is what government decides to do or not to do with regard to transfer of resources to the Third World countries on concessional terms.
- 4. Among the authors who take this approach are; Anglin, 1954; Reuber, 1958; Fatouros and Kelson, 1964; Spicer, 1966; Triantis, 1971; Dudley and Montmarquette, 1978; Morrison, 1980.
- 5. Among the critical authors are; Carty and Smith, 1981; Pratt, 1983; Freeman, 1985; Adams and Solomon, 1985; Fromm and Hull, 1981; Gillies, 1988.
- 6. National interest is a controversial concept. It is often used by government and politicians to justify their policies and actions, and could be variously interpreted by different people. But for the purposes of this study, it will be taken to mean that benefits thereof accrue to the Canadian state, government, or nationals.
- This however, is not to preclude the possibility that some benefits from foreign aid may accrue to the Third World recipient country or some of its nationals. This is even acknowledged by some of the harshest critics of foreign aid, such as Hayter (1972) and Nossal (1988).
- 7. The government has a policy of matching the dollars raised by NGOs through voluntary contributions. Many of the NGOs involved in international development have come together under one umbrella organisation C.C.I.C [Canadian Council for International Cooperation] which acts as a strong lobby on behalf of NGOs. C.C.I.C has now extended its lobbying beyond the Federal government to international multilateral organisations particulary the World Bank in an effort to foster change in development assistance policies.

- 8. The 0.7% of GNP aid target was passed in the United Nations following the Pearson report on international development in 1969. Canada supported the concept in 1970, moreover this international commission was headed by a former Prime Minister of Canada.
- 9. The category of Least Developed Countries[LLDCs], was established in 1971 by the United Nations in a resolution calling for special measures to be taken to assist these countries. According to CIDA (1984) LLDCs are countries with GDP per capita of less or equal to US\$350, with a share of manufacturing less than 10% of total production.
- 10. The largest Canadian parallel financing project is the Chamera hydro-electric dam in India at an estimated cost of \$650 million, of which \$403 million is from EDC and \$217 from CIDA's million is bilateral funds. concessional component in the package helped a consortium of Canadian firms; SNC and Marine Industries of Quebec, Acres and Canadian General Electric of Ontario, to undercut an Austrian firm which was their principal rival for the project. This is an example of how aid and export promotion policies have been harnessed in the service of trade. The agreement for this project was signed in Ottawa in 1984.
- 11. CIDA has set up information centres across the country to assist the business community acquire information on commercial opportunities and contracts in the Third World.
- 12. Despite public pressure, the Treasury Board report remained confidential from 1976 till 1984 when it was declassified.
- 13. This parliamentary committee was comprised of Senators and members of the House of Commons, on Canada's international relations. Its report is popularly referred to as the Simard-Hockin Report.
- 14. SAP in the Third World is indeed a priority of Canadian aid. In an interview in June 1991, a senior CIDA official confirmed that a SAP with either the World Bank or the IMF is considered a "seal of approval" for Uganda to receive Canadian bilateral aid.
- 15. Source of the amounts of aid is CIDA's, ODA historical data for Uganda 1959/60-1989/90.
- 16. Although it is not officially mentioned in the government policy and not particularised to a single country, a high ranking CIDA official, in an interview in June 1991, said that common membership in the Commonwealth and the symbolism attached is why Uganda persistently receives aid especially

small projects aid. In other words, the motivation is not Uganda's needs but the symbolism attached to this common membership in the Commonwealth.

Chapter Three

- 1. Uganda is a product of British imperialism. It is a heterogenous state made up of different nationalities which were bounded together inside one border by force. However, this should not create a false impression that before colonialism these nationalities had a harmonious co-existence. They had differences which the imperialists took advantage of. Technically Uganda was a Protectorate, however as used in this study there is no conceptual difference between protectorate administration or government and colonial administration or government.
- 2. The methods used by the British to conquer different nationalities will not be discussed in detail, suffice it to note that they played one nationality against another, and where resistance proved too severe, they brought in an alien force from other British colonies. The first British (Europeans for that matter) came to Uganda in 1862, then in the second half of the 1870s came the Christian Missionaries. However, Uganda was not formally declared a British Protectorate until 1894 when the Union Jack was raised.
- 3. The term nationality as used here refers to ethnic groups that had already developed state power unlike tribes or segmentary societies which had not yet coalesced. The distinction between tribe and nationality was in their level of political and social development; whereas the latter was differentiated along class lines the former was not. The differentiation of different ethnic groups in Uganda on the eve of colonialism is explained by Mamdani (1976 and 1983).
- 4. Buganda refers to the territory while Baganda refers to the people who occupied that territory. Baganda is plural and Muganda is singular while Luganda is their language.
- 5. Buganda was the centre and headquarters of colonial administration in Uganda. Consequently all national institutions were located there and up to now it's where Kampala, the capital of Uganda is located.
- 6. Kabaka is a Luganda word meaning king, all the rulers of Buganda kingdom carried the title Kabaka before their names.
- 7. These are the two counties of Buyaga and Bugangaizi which were transferred to Buganda from Bunyoro in the 1890s as a reward to Buganda for the role it played in conquering Bunyoro and establishment of British rule there. These counties are commonly referred to as the lost counties. They were of particular historical significance to the kingdom of Bunyoro and the Banyoro people because they contain the burial sites for the kings of Bunyoro. However, despite several petitions

to the Colonial Secretary throughout colonial rule, their requests to transfer them back were always ignored.

- 8. Moise Tshombe was a secessionist who wanted Katanga(now Shaba) province to break away from the rest of Zaire and be an independent state. So the rebels fighting him were considered to be nationalists; at least this was the rationalisation by the intervening foreign countries namely, Tanzania, Zambia, and Uganda. But to Uganda, this secession even had higher stakes since it would have set a precedent for Buganda which had demanded outright independence even during colonial rule.
- 9. Under the 1962 constitution, these kingdoms had retained their traditional autonomy with their kings and legislatures. In a bid not to make them appear special to other districts, Obote had created constitutional heads in the districts equivalent in status to the kings. However, the difference was that the kings commanded traditional authority which the constitutional heads who had been appointed by the UPC government did not have.
- 10. The negotiations for the ice plant had however, started some years back.
- 11. Up till 1969, Uganda did not have a central bank or national currency. The whole of East Africa, ie, Kenya, Tanzania and Uganda had the same currency and the supply of money was controlled by the East African Currency Board which had been established by the British in 1919. Since then, for every shilling of legal tender issued by the currency board, a shilling worth of gold had to be deposited with Bank of England. This mechanism was debilitating since it ensured that an investible surplus was unavailable for local investment in Uganda.
- 12. The Colonial army, Kings African Rifles(K.A.R), remained intact on independence; the only change was the name from K.A.R. to Uganda Army(UA). Moreover, the Obote government perpetuated the colonial recruitment pattern.
- 13. In all, 18 points were issued to justify the coup. They were largely antitheses of the policies of the Obote government including the 1969 socialist policies and expulsion of Kenyan workers. For a complete list of the 18 points, see Karugire (1980).
- 14. The body of the late Kabaka Mutesa II who was exiled in 1966, and died in England in 1969, was brought back for traditional Baganda ceremonial burial at Kasubi(a Kampala suburb); a burial site for the Kings of Buganda.
- 15. Amin comes from a small tribe in West Nile known as Kakwa

who were split by the artificial boundaries; some became part of Sudan; Zaire; and others Uganda. However, most of them were detribalised during the colonial rule as a result of their service in colonial armies. Some settled in central Uganda but remained distinct, they were Moslems which was not common among other ethnic groups. They are referred to as Nubians and by the time of overthrow of Amin, they formed the bulk of Amin's army.

- 16. Before the military takeover, regional administration was divided into four regions, namely, Eastern, Northern, Western and Buganda regions, headed by regional commissioners to whom district commissioners who headed the districts within the regions were responsible. Both Regional and District Commissioners were civil servants appointed by the Public Service Commission.
- 17. Firing squads, which became a common occurrence, were rationalised by the regime as a deterrent to those contemplating resistance or collaboration with anti-government elements.
- 18. The Islamic University was opened in 1988 and is now functional but the mosque is said to have had architectural problems and is due to be pulled down. Moreover after the departure of Amin, its construction stopped allegedly for financial reasons.
- 19. The OAU summit is held once a year and is attended by heads of government. It used to be held on rotation basis and the leader of the hosting country would be the Chairman until the next summit. Rotation of the Summit in African capitals was stopped when it was Libya's turn but by the alledged consipiracy of some foreign countries, the quorum could not be realised for the Tripoli meeting. Consequently, though it is still an annual event with rotation of the Chairmen, the Summit is held at the headquarters in Addis Ababa every year.
- 20. "The Amin regime's incessant brutality and systematic murders" have been written about by many, among whom; Gwyn, 1977; Martin, 1974; The Meladys, 1977; Kyemba, 1977. The Amin government was born out of repression and blood which continued throughout the entire life of the regime. Amin came to power by the gun and it is the very instrument he used to stay there.
- 21. David Oyite-Ojok was the field commander of KM during the Liberation war, Tito Okello was its overall commander. In fact, KM was more or less a military wing of UPC.
- 22. He, among others used to refer to Oyite-Ojok and Tito Okello as his commanders.

- 23. This information and figures are from CIDA's "Corporate Memory", and End of Project Report of IBRD Second Reconstruction Credit 1983-84, under whose auspices Canada gave Uganda a grant of up to \$ 5 million.
- 24. CP is an updated version of KY, its election platform was restoration of kingdoms in Uganda.
- 25. The name UNLA, acquired during the war, was maintained during the second UPC government. UNLA became the "National Army".
- 26. All the three are some of the districts curved out of the former Buganda kingdom and were the main bases for guerrilla activities. The three districts were referred to as the "Luwero Triangle" during the UPC government. See appendix two.
- 27. Hooper and Pirouet (1989), estimate that about 800,000 people were displaced from their homes during the UPC government. In the same report, they indicate that by the end of 1978, official Ugandan refugees were less than 10,000. It should be noted however, that those displaced in districts with international boundaries fled to neighbouring countries particularly in West Nile and Karamoja regions, while those in the "Luwero triangle" were put in camps within the country.
- 28. Technically, the refugees were those who arrived after 1959 escaping political persecution in Rwanda and Burundi. The rest who had become naturalised citizens started coming to Uganda as labourers since the 1920s. The British colonial government had since then encouraged immigration from the densely populated Rwanda to boost the labour force in Uganda.
- 29. The Bahima are one of the two major ethnic groups in Ankole district. During the kingdom era, the Bahima were the ruling group while the Bairu were their subjects. On the other hand, the Bakiga(people from Kigezi), started to emigrate to Ankole en masse in 1946 as part of the colonial administration policy to ease population pressure on Kigezi.

Chapter Four

- 1. In this context, non-traditional channels for foreign aid disbursement refers to other channels besides the government to government channel and the multilateral channel. However, disbursement through Non-traditional channels still fall in the broad category of bilateral aid. As earlier indicated, among the non traditional channels, we shall discuss the IDRC and NGOs; the rationale is that it is these two channels that have had projects or disbursed Canadian ODA to Uganda.
- 2. It should be borne in mind that ODA disbursements through NGOs are only supplementary to NGOs' budgets. Nonetheless, such grants may form a significant part of a NGO's budget. CIDA has a branch to deal specifically with NGOs, and disbursements through NGOs are officially classified as Special Programmes.
- 3. Source of these figures is CIDA's ODA historical data for Uganda obtained from CIDA's Corporate Memory Division at CIDA headquarters; Hull Quebec, in June 1991.
- 4.Despite the claim that IDRC is not an aid agency, its operations in the Third World are consistent with our earlier(chapter one) definition of foreign aid. Besides, discussion of its projects in Uganda helps to bring out an overall picture of Canadian aid efforts in Uganda.
- 5. In this study, we focus on their activities in the Third World, particularly their assistance in Uganda.
- 6. Country Focus is a bilateral mechanism whereby CIDA's government to government budget can be made available to NGOs and Non-Governmental Institutions whose activities are aligned to CIDA's priorities for its bilateral programme in a specific recipient country (Canada, 1987, p. 30). It is a form of contracting-out.
- 7. The welfare approach is not unique to Canadian NGOs; it applies to NGOs in other donor countries as well. This approach is still an integral part of NGOs' activities in the Third World but it is gradually being changed, especially where relief or emergency aid is not necessary. NGOs' activities in the Third World can be broadly categorised as having gone through three different stages; (a) the stage of missionary work in which assistance was predicated on a desire to spread religious convictions; (b) the welfare approach stage where poverty and suffering seem to have been the motivating factors and aid directed to individuals; (c) a development oriented approach where aid is directed at communities or groups rather than individuals. It is in the latter stage where NGOs' rhetoric started to extol "help for

- self help". However, there is no fine line between these approaches, in fact, the welfare approach is dominant in virtually all the NGOs' assistance policies. Nonetheless NGOs are getting more complex in their aid activities.
- 8. The amount for 1989/90 includes funding to both Canadian and international NGOs.
- 9. CCIC is an umbrella organisation for Canadian NGOs and has a membership of 130 NGOs. However, it does not control or direct its members' activities, but offers a forum where member NGOs can share ideas and information. It nonetheless plays some coordination role and lobbies the Federal government and international multilateral organisations involved in international development on behalf of member NGOs. It also acts as a link between Canadian NGOs and those in other donor countries.
- 10. Information about Ugandan government policy on NGOs was obtained from an interview with the Ugandan High Commissioner to Canada in June 1991, by the author.
- 11. Other exploitative methods by the churches especially in relationships with peasants in the countryside particularly the Roman Catholic Church and the Church of Uganda include; compulsory tithe, working for the church once a day per week or paying an equivalent of a days' wage every week, spending about six months working for the church during catechism, and gifts(usually cash) to the church every Sunday which are not compulsory but obligatory. Besides this, they also have to devote one day a week working for the government. On top of this, they have to pay a graduated poll tax and other taxes to the government. The fact that the peasant is left with only four days a week to work for himself is an impediment. Yet, for instance, the hospitals owned by the churches are too expensive for the ordinary peasants.
- 12. The figures are author's calculation based on CIDA's ODA historical data for Uganda 1959/60 1989/90.
- 13. Source of figures same as note 12 above.
- 14. The committed funds refers to those approved by the Canadian government while the disbursed funds refers to those received by Uganda as of June 1991. The disparity between the committed and disbursed funds is due to the fact that some projects are long term and implemented in phases and expected to go on until 1993, while in others, the actual amount spent was less than the approved budget. The difference is the author's calculation based on information from the quoted CIDA's Corporate Memory for bilateral projects in Uganda.

- 15. Source of figures same as note 12 above.
- 16. Source of figures same as note 15 above.
- 17. The total amount disbursed is the author's calculation based on data from the cited CIDA's Corporate Memory. The same data also indicates that \$ 0.300 million had been approved for 1991/92 but none of the approved funds was yet disbursed as of June 1991 when the document was obtained, so it is not included in the total ODA received by Uganda through MAF. ODA to Uganda through MAF is officially classified as country focus, the type of aid described in note 6 above.
- 18. The Resistance Councils and Committees(RC) system was instituted by the National Resistance Movement when it came to power in 1986. The RC system is explained in detail in the next chapter, for the moment, suffice it to note that it is a form of "democracy" that enables Ugandans to participate in decisions on matters that affect them locally in their communities.
- 19. This information was obtained from a public lecture titled; "Elimination Of Poverty in the Developing World with an emphasis on Uganda", delivered by the Chief Executive Officer of DENIVA on October 28, 1991 at the University of Manitoba.
- 20. Data obtained from an interview with the Chief Executive Officer of DENIVA, in November 1991.
- 21. The hierarchical structure of the Church of Uganda was one of the problems cited by the African Development Coordinator of Primate's World Relief and Development Fund(PWRDF), a NGO affiliated to the Anglican Church of Canada, in a questionnaire response in June 1991.

Chapter Five

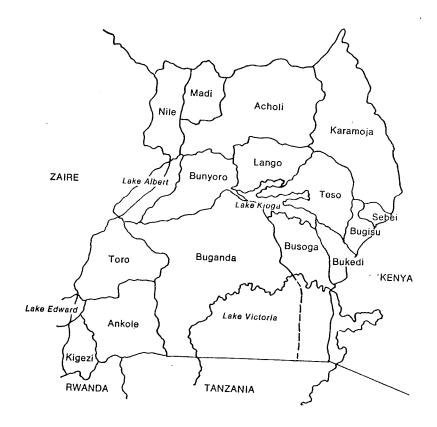
- 1. The percentages are the author's calculations based on CIDA's ODA Historical data for Uganda.
- 2. The National Resistance Movement(NRM) is the political wing of the National Resistance Army(NRA). The NRM was formed during the guerrilla war, but it mainly played an outside coordination and resource raising role. Its first chairman was former president of Uganda, Yusuf Lule. However, when Lule died, Yoweri Museveni became both commander of NRA and chairman of NRM. Thus it was NRA/NRM which took power when the Okello Junta was overthrown.
- 3. Open General Licensing(OGL) is a requirement that Uganda should not refuse to issue import licences to companies or traders who import goods not considered necessary for the development of the country. With the country's meagre foreign exchange, the Central Bank allocates it to importers on the basis of their categorisation by the government; consumer or producer goods, priority or non-priority goods. But with OGL, one who imports tractors or industrial raw materials is treated "equally" with one who imports whisky or wigs. In otherwords, with OGL, importers of capital goods would get the same access to foreign exchange as those who import luxurious consumer goods. Without an OGL, the Uganda government would not be eligible for credits from commercial banks.
- 4. There are no opposition parties in Parliament, yet a big number of them were appointed by President Museveni himself. Those appointed included soldiers who occupy the seats reserved for NRA.
- 5. In this context, the word village refers to the rural areas. With the introduction of the RC model, even cities are divided into different villages; basically, about every fifty homes constitute an administrative unit or village council.
- 6. The break in economic policy was basically a refusal by the NRM government to go along with economic guidelines of the IMF and World Bank put in place during the Obote government, and Museveni's attempt to reduce use of the scarce foreign currency especially US dollars, when importing. This would be done by negotiating barter deals where Ugandan goods would be exchanged for foreign goods without direct use of the dollar although it would still be used as a measure of value. Moreover, during his installation speech, Museveni had denounced the IMF/World Bank policies and pointed out that they were partly responsible for aggravating the country's economic problems. It has to be noted however, that it was not only Canada but almost all OECD(Organisation for Economic Cooperation and Development) members who would not give

bilateral grants or loans as long as the NRM government's economic policies differed significantly from those prescribed by the IMF and World Bank. However, Canada further emphasized this point in its agreement with Uganda, though Uganda had already entered into Structural Adjustment Programmes with these institutions.

- 7. This information is from an interview with the Director of CIDA programmes in Uganda, in June, 1991.
- 8. Information about the balance of payments support programme was acquired from correspondence with the Director of CIDA programmes in Uganda, reference H1220-942, October 4, 1991.
- 9. Source of information same as note number 8 above.

Appendix One.

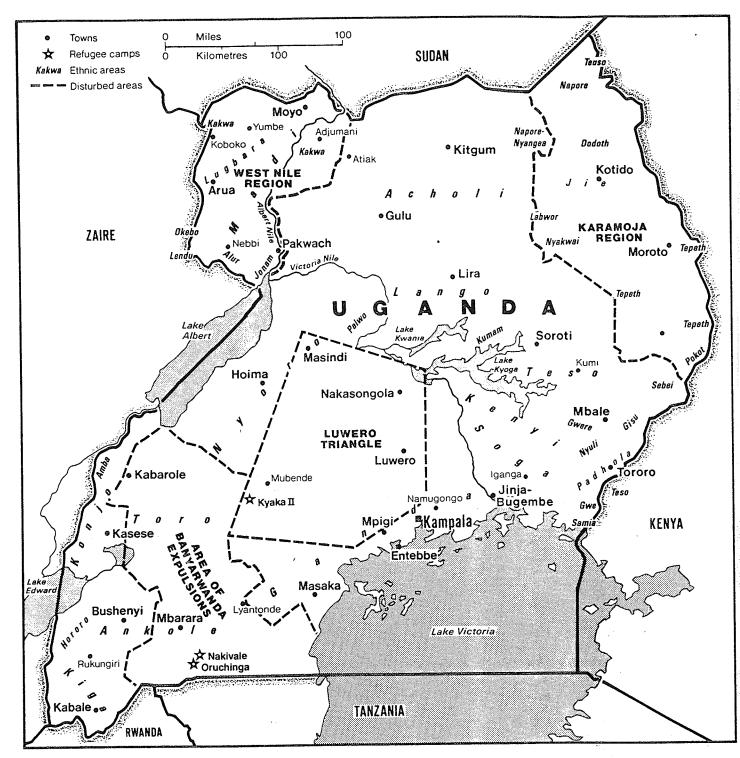
Map of Uganda



Source: Mamdani M., 1976.

Note: These districts have since been sub-divided and as of today there are at least thirty three districts in Uganda. Even the old names have been changed.

Appendix Two



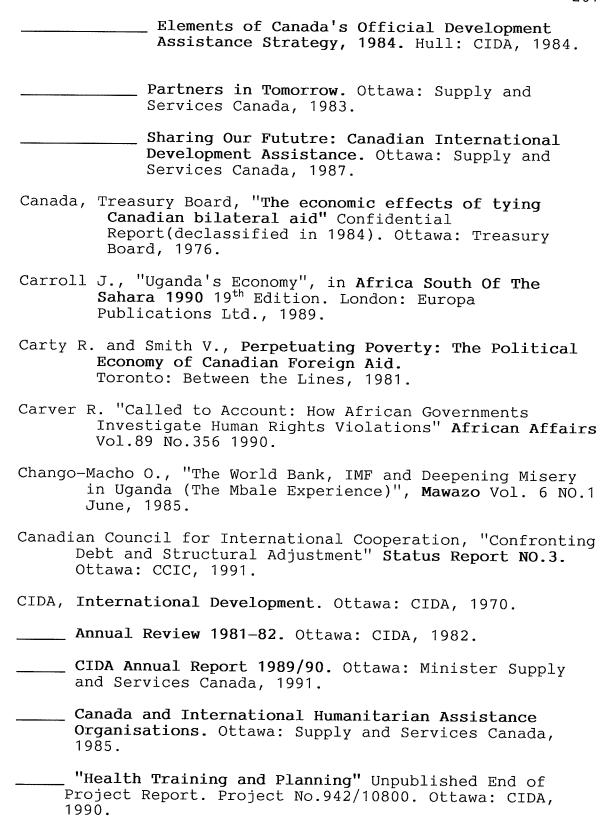
Source: Hooper and Pirouet, 1989.

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