
The Importance of Leadership in Fighting Corruption in Uganda

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Africa is now the world's top development problem, and the role of corruption in development has been much debated. Uganda has undertaken significant economic and political reforms over the past decade and is showing that Africa's problems are not insurmountable. But what Uganda has done is just to stop sinking. It is not yet safely afloat; the actual conditions facing the country are still miserable and the immediate future still looks bleak. The measures the government has taken were designed to arrest the sinking process, but whether they are enough to keep the country afloat and take us to dry land is another matter. We must, therefore, be modest about our achievements; otherwise we may fail to appreciate the tremendous tasks and hurdles still facing us.

The key to success in Uganda has been a leadership that has brought political stability and peace. This has made it possible to initiate and implement a series of programs and policies for the country's economy, politics, and governance that have made democracy and a constitutional order possible. As a result, there is a new constitution that incorporates a bill of rights, a political system that does not gag anyone, the rule of law, freedom of expression, and regular elections. Full-fledged political party activities have been shelved for the time being, but democracy does not depend mainly on political organizations, which come and go. Democracy depends on the rights and freedoms enshrined in a

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constitution and on how fully they are enforced and respected. In 1996 a series of elections were held: presidential elections on 9 May, parliamentary elections in June, and local government elections later in the year. By the end of 1996 Uganda could call itself a democracy, but it was not yet a developed country in any sense, despite the tremendous progress made in the last 10 years. Corruption is definitely one of the problems that impedes Uganda's rapid development.

The Roots of Corruption in Uganda

Without a short summary of the genesis of corruption in Uganda, my comments would lack reference or context. Uganda became a protected colony of the British in 1894 and gained political independence on 9 October 1962. During the colonial period, there was no possibility that the indigenous people employed in the public service could be seriously involved in corruption, as all the major decisions were made by the colonial officials. Colonialism, being based on coercion and subjugation of one people by another, was not the best school for democratic rule. Therefore, representative institutions that could criticize, exert public control, and demand accountability from public officials never developed. After independence, the new rulers took over a colonial system that was controlled by excessive use of force, and they perpetuated this colonial system rather than modifying it and making it responsive to the people. In addition, soon after independence, Uganda's leaders used the army and the police to overthrow the democratic process. The Independence Constitution was abolished and a new one was illegally promulgated, postponing elections for five years. Corruption therefore soon emerged, reflecting not merely economic greed but also the realities of political survival, since the continued support of the rulers was based on patronage, which can only be sustained by a continuous flow of favors to one's followers.

Soon after independence, many projects were initiated to fight what were considered the greatest enemies of the time: namely, poverty, ignorance, and disease. The projects required that contracts be awarded, with the attendant power to dispense favors for personal gain. Before independence, the awarding of contracts was a monopoly of colonial officials; now the holders of public office became aware of the favors they could bestow. These contracts involved the construction of roads, schools, public buildings, radio and TV stations, hotels, and so forth. The other relevant aspect of these development projects was the expansion of the public sector through the formation of numerous parastatal organizations, whose number was further increased by the expropriation of Asian properties after the expulsion of Asians in 1972 by Idi Amin.

Systems of control, accountability, and management broke down

during the periods of dictatorship and chaotic rule. Instability and insecurity of job tenure resulted from the political upheavals of the time. Corruption was also exacerbated by a population expanding while the economy contracted and standards of living deteriorated. Thus within a short time after independence, corruption permeated every sphere of public life, and the population became resigned to it as inevitable. "Man eateth where he worketh" became the cynical biblical rationalization of corruption. But, in fact, corruption extended even to eating where one did not work, through supply of "air": in other words, getting paid for goods not supplied or services not rendered.

By 1986, when the government under President Yoweri Museveni came to power, corruption was generally considered to be one of the primary problems facing the country, and the population had been yearning for a clean government for a long time. In the 1980 election manifesto of the Uganda Patriotic Movement (UPM), "clean leadership" was a primary objective, distinguishing the UPM from the other political parties contesting the elections. When the leaders of the old UPM formed a new government in 1986, the public therefore expected it would implement the principles of "clean leadership" by putting in place strong measures against corruption. In fact, point 7 of the 10-point program of the new government concerned the "elimination of corruption and misuse of power" (Museveni 1985, 64):

Africa, being a continent that is never in shortage of problems, has also the problem of corruption, particularly bribery and misuse of office to serve personal interests. Corruption is, indeed, a problem that ranks with the problems of structural distortions that we have been talking about.

We have just referred to the way in which corruption can neutralize any disease-elimination programs as the medical staff invariably ensure that government drugs are diverted for private sale. Consequently the patients get underdoses which render some of the microbes resistant to those drugs and create many chronic cases.

In development planning or trade, a cheaper option can be ignored in preference to a less efficient one, because the officials concerned see a chance of making a 10% illegal commission by adopting the less useful options. These types of decisions can cause distortions of great magnitude. Therefore, to enable the tackling of our backwardness, corruption must be eliminated once and for all.

Clearly, tackling the problem of corruption, which had assumed gigantic proportions, was a major priority in the government's program. Corruption had become the main channel of contact between public officials and those they supposedly served. It had totally undermined the rights of the people. Everything had become a privilege to be paid for; there were no rights. This mainly affected the poor and the financially weak, who make up the majority.

Corruption affected recruitment and promotion patterns, to the extent

that the best people could not be recruited at all. Employees shunned the more socially valuable activities in favor of areas in which corruption was possible. Professionally competent officials were frustrated, intimidated, and terrorized into silence. The result was a considerable brain drain of the more qualified people, who sought areas in which they could work with satisfaction, find appreciation of their skills, and preserve their personal dignity.

Deleterious Effects of Corruption

The Museveni government had other good reasons to make fighting corruption one of its main objectives. Corruption's harmful effects have been observed for a long time in Uganda and other African countries. Several of these will be summarized here.

First, corruption leads to economic waste and inefficiency because of its effects on the allocation of available resources, whether from local or external sources. Corruption causes discriminatory dispensation of government services and the distortion of the economy through misallocation and wastage of resources. The least efficient contractor with the greatest ability to bribe may receive government contracts. Corruption, therefore, lowers the general welfare of the people by raising prices, damaging the structure of production, and reducing consumption. The economies of the countries of Africa suffer unnecessarily high prices for goods and services because the prices are inflated by the corrupt activities of political leaders and bureaucrats. When corruption determines who supplies capital investment or consumer goods and services, the cost of the bribes, "commissions," or kickbacks are usually added to the prices of the goods supplied or services rendered. If the goods, works, or services are externally funded, then corruption increases the external debt burden of the country. Furthermore, these goods, works, or services may be of a lower quality or a smaller quantity than specified because of the collusion between officials and the corrupter. Corruption may also misdirect investment or goods and services sourcing toward foreign suppliers rather than local ones because the former may be more discrete or more able to pay bribes.

Second, corruption contributes to the persistence of underdevelopment and poverty in countries that are richly endowed with natural resources and with hard-working, enterprising populations. When government diverts resources to useless, nonpriority projects that are not related to the real needs of the people, it ensures that the country concerned remains underdeveloped and poor. Corruption also quite often involves the transfer or diversion of resources or services from public to private use. The diversion sometimes entails transferring funds to foreign countries, thus causing harmful leakages from the domestic

economy that further impede economic development. The fundamental needs of the people—food, shelter, health, and education—remain neglected. As a result, an artificial need for external assistance is created to make up for the corrupt, irresponsible mismanagement of locally available resources. When the external assistance received is also misused or mismanaged, the situation deteriorates further and the expected alleviation of poverty and underdevelopment is not achieved.

Third, as corruption stunts development it also exacerbates poverty. In many African countries, those who gain power for the first time are often poor, and when poor people are suddenly surrounded by the trappings and perks of power, particularly access to financial resources and the discretionary power to award contracts and favors, the resistance to corruption sometimes collapses. Having tasted the fruits of corruption, the newly corrupted rulers endeavor to make corruption systemic and self-perpetuating so that, even when a political change occurs, the new people will soon assume the legacy of those they have just replaced. In this situation, the best preventive measure is the empowerment of the ordinary people, as they are the only ones who have no stake in the continuing existence of corruption.

Fourth, corruption is an impediment to foreign investment and foreign assistance. That is why countries where corruption is endemic and institutions nonfunctional often attract only adventurers, rejects, or failures in their own societies and not the more respectable investors. All businesspeople want to make money, but they look for countries where the conditions are stable and predictable. Where everyone is grabbing, corruption cannot be calculable, and even the most money-hungry will find the situation unbearable and leave. Similarly, foreign aid will gradually be reduced until it disappears, as the donor states will not keep throwing their taxpayers' money into a bottomless pit.

Fifth, corruption distorts official decisions. The development priorities of a country may thus be neglected in favor of projects that the officials and the bribers find more personally rewarding. This is what accounts for the many projects in African countries that never got finished or that should never have been built in the first place. For example, all over Africa there are abandoned roads, factories, schools, and hospitals; there is machinery and equipment that was never installed or that does not work when installed; and there are factories and other businesses that will never be used to their optimum capacity because they were either unsuitable or far outstrip the demand for their products or services. All these unprofitable operations and transactions, which vividly testify to the harmful effects of corruption, are quite often rationalized with spurious arguments about protecting infant industries, the need for economic independence, or the national interest. It is high time that these white elephants are exposed for what they are: unfortunate mis-carriages of management induced by corruption.

Thus, corruption impairs political and economic development as well as undermining administrative effectiveness and efficiency. Corruption undermines the legitimacy of political leaders and political institutions, since it brings the leadership of a country into disrepute and contempt and makes the government less able to rely on the cooperation and support of the public. Because of this loss of confidence in the political system, the government is compelled to resort to force and coercive measures to maintain public order. Corruption is an impediment to democracy because it subverts the democratic process of elections, government administration, law enforcement, and the judiciary. The resultant political instability and social unrest hinder development and may lead to violent reactions. In Africa, virtually every change of government, whether peaceful or violent, is rationalized as necessary to get rid of corrupt governments.

The Importance of Leadership and a Strong Civil Society

The period before Uganda's current government took over was a period of decay, in which systems of accountability, rule of law, independence of the judiciary, and constitutional order had broken down. It was a period of lawlessness, in which laws were applied capriciously. Government was for a long time characterized by the arbitrary actions of political leaders, military personnel, and other public officers who engaged in unlawful arrests and detention, torture, robbery, and looting with impunity. The administration of justice, law enforcement, and the judicial process was routinely interfered with. Perhaps the most important change that has taken place since the Museveni administration came to power in 1986 has been the creation of a political environment that has facilitated the success of anticorruption activities.

The views of the new leadership regarding the evils of corruption led the administration to include the elimination of corruption and abuse of power as one of its primary objectives right from the start. This is important because corruption cannot exist without the connivance—even if only passive—of the political leadership. By tolerating or even encouraging corruption, for example, or by lacking a strong will to punish those who are corrupt within its own group, the political leadership will foster corruption, and it will become uncontrollable. The backing and the political will of the leadership are required for any anticorruption strategy to succeed.

Equally important, the new government formed by the National Resistance Movement in January 1986 introduced a democratization program that in October 1995 culminated in a new constitution, which has

entrenched the democratic order on a firm footing. There is now freedom of the press, and, as a result, corruption and other malpractices are exposed in numerous newspapers. Corrupt officials are also exposed in public meetings and memorandums addressed to government offices, especially that of the inspector general of government (IGG). Accountability and transparency within public administration have gradually been established over the past 10 years.

Accountability and transparency are central to good governance, and where they are lacking, corruption and misappropriation of public funds become rampant. Thus the important measures taken to curb corruption include the formation of the office of the IGG and the reactivation of the auditor general's office and the Public Accounts Committee of Parliament. Now that both the auditor general and the committee are active again, the accounting officers in the different ministries and departments are every now and then called before them to account for the funds entrusted to their management.

In addition, the Prevention of Corruption Act of 1970 confers on the director of public prosecutions, in conjunction with the police, powers of search, seizure, arrest, and interrogation of people suspected of corruption. The Penal Code also specifies penalties for different corruption offenses such as fraud, embezzlement, false accounting, and abuse of office. However, until the current administration took over, the law against corruption generally remained unenforced. These laws are now being implemented, and a number of officials have been charged in court with corruption.

The other necessary measure that has been put in place is the leadership code. The necessity for a leadership code in Uganda has been realized for a long time, but former regimes had a stake in the persistence of corruption and so they could not countenance its enactment. Such a code now provides for the annual declaration of income, assets, and liabilities by leaders. It details a minimum standard of behavior and conduct for leaders regarding gifts and other benefits in kind; possible conflicts of interest with respect to contracts and tenders in which a leader may have an interest; and the use or abuse of public property. The code also specifies the legal sanctions that may be taken against a leader who violates the provisions of the code. The aim of these measures is to emphasize the separation of public offices from private business interests.

The determination of the political leadership to fight corruption earned it the cooperation and support of the public, which is also essential to a successful anticorruption effort. When the people woke up and understood the dangers posed by corruption, they began to dictate the pace of the anticorruption activities. For example, in 1989, 121 civil servants were dismissed as a result of the outcry of the press and the public, which forced the cabinet and the Public Accounts Committee to act

decisively. About half of those dismissed were customs officials. Numerous senior officials have also since been dismissed or prosecuted in response to public pressure; political leaders also have been relieved of their appointments. As long as the problem of corruption persists, the public remains dissatisfied and keeps on pressing for harsher punishments for those deemed corrupt. However, the lopsided legal machinery still greatly favors the corrupt, and this therefore is the next important area to be tackled: enacting appropriate laws to reinforce the efforts against corruption.

When the Museveni administration was formed, among the first steps taken to ensure the accommodation of different views and interests was the formation of a government of national unity. This broad-based government brought in virtually all shades of political opinion, including organizations involved in armed conflict against the previous and current governments. This was done to create a climate for peace and security, without which there cannot be democracy, there cannot be respect for human rights, there cannot be good governance, and there cannot be development. Peace and security are essential for economic development, for democracy, and for healthy politics. This is why achieving them is a top priority of this government.

Also among the first steps taken was the formation of elected local government councils, from village, urban, and city levels upward to the national level. These councils and committees are democratic structures elected by the people and are not part of the central government machinery. They select and change their own governing committees without government interference. They can object to a government official, and the government will feel obliged to remove the official. Any adult citizen is eligible for office. These councils also enjoy judicial powers in some local matters, which has helped reduce the backlog of cases in the lower courts of law. There is national consensus on the value and desirability of creating these democratic structures. Even some political organizations that were initially against them have changed their views because they realized that these councils were popular among the people.¹

At the same time, other social groups within civil society have been encouraged to organize. Youth and women's organizations have sprung up in large numbers. Theater, arts, and drama groups have formed all over the country. Farmers, traders, industrialists, academics, students, and anybody that can be organized have all been encouraged to freely form their own associations. A vigorous Uganda Manufacturers' Association has been formed. The Bankers' Association is very active, and the number of banks and other financial institutions has more than

1. I have heard of some opposition from Ugandans abroad, but perhaps that is because they are not properly informed about the situation within Uganda.

doubled in a short time. Importers and exporters have organized themselves. Private human rights organizations have been formed, and they are actively exposing human rights infringements and are educating the public about their rights. Civil society is getting stronger, and therefore a sound foundation for sustainable democracy, as well as the diminution of corruption, is being laid.

The government has also embraced freedom of the press, which has led to a mushrooming of newspapers representing different views. Foreign papers, magazines, and journals freely circulate in the country. Open debate on democracy, human rights, and corruption has been taking place in the press, public meetings, schools, churches, and seminars and in clubs, bars, and other social gatherings.

Democracy cannot be simply decreed; it is a way of life in which the dignity of the individual is respected by fellow citizens and the government. But certain institutional structures, both civil and governmental, are a prerequisite for democracy to take root and thrive. This is why institution building has been taken to be one of the most important tasks in ensuring sustainable democracy and good governance. Thus, appropriate institutions to promote democracy and the type of behavior and practices that are part and parcel of a democracy have been put in place, including the Human Rights Commission, the IGG, a strengthened and more independent judiciary, and a free press.

Economic and Political Reforms

Besides the problem of rampant corruption, the Museveni government found a shattered economy and a lawless society. After independence, the economy initially thrived on coffee, cotton, tea, tobacco, copper, and tourism, but by 1986 the economy depended solely on coffee. Production in agriculture, industry, and services was very low because of lack of investment, coupled with the prevailing environment of insecurity and mismanagement. Roads, railways, and telephone services were in disrepair, and hospitals and schools lacked basic supplies. Income per capita had fallen between 1969 and 1986 by about 50 percent, and inflation was running at an annual rate of over 300 percent. The living standards of the people were very low throughout the country. This was very fertile ground for corruption; therefore, policies and strategies formulated to address the economic situation would inevitably also make the conditions less conducive to corruption.

The government responded with the following policies and strategies:

- rehabilitation of physical and social infrastructure and industrial capacity, focused on upgrading roads, railways, and industries and purchasing commercial vehicles and locomotives;

- elimination of government marketing boards, thereby allowing the introduction of producer incentives through appropriate pricing policies, the improvement of the marketing system, and increased reliance on market mechanisms;
- improved capacity utilization in industrial and agricultural processing units;
- better mobilization and allocation of public-sector resources;
- restoration of price stability and a sustainable balance of payments position;
- restoration of discipline, accountability, transparency, and efficiency in the public sector.

To implement this recovery program, the government had to address the problem of resource mobilization, in particular local and foreign financial resources. This in turn required the government to formulate policies consistent with current international economic development trends. The key reforms adopted are summarized below.

First, it was necessary to liberalize trade and foreign exchange transactions. In addition to suffering bottlenecks caused by poor infrastructure, the economy was bogged down by numerous marketing boards. Trade monopolies have since been dismantled in coffee, cotton, tea, and other products. Price subsidies have been removed, and exporters are allowed 100 percent retention of the proceeds from exports. The government also removed restrictions on the buying and selling of foreign exchange and allowed the formation of foreign exchange bureaus, thus removing the problem of accessibility to foreign exchange, which had limited commerce and industry.

Second, public enterprises had become a burden on the treasury because of their incessant need for subsidies. The government therefore decided to privatize most public enterprises, and although still in its early stages, the privatization program has made significant progress. Since its start in 1992, 36 enterprises have been privatized, 22 of them in 1995 alone. By the end of 1997, 85 percent of public enterprises will have been privatized. The privatization efforts will be further enhanced when the stock exchange becomes operational.

A third economic policy reform involved the disposition of the expropriated (nationalized) Asian properties. In its determination to protect the right to property and also to build confidence among foreign investors, the government has taken measures to resolve the issue of Asian properties expropriated by Amin. Most of the properties have been returned to their owners. For those that will not be returned, the owners will be compensated when the properties are sold. As of 10 April 1996, out of 7,226 properties that had been expropriated from Asians, 3,908

had been repossessed by previous owners, 809 had been sold, 1,181 had been found problematic (investigations are proceeding on how to handle them), and 1,328 had not yet been dealt with. It is clear, therefore, that the process of returning these properties is quite advanced, and the agency charged with managing them will soon be winding up.

Fourth, in order to overcome the problem of insufficient domestic saving, to reduce the dangerously high level of dependence on foreign assistance, and to improve the poor technological base of the country, the government enacted an Investment Code. The code eases and simplifies the regulations and procedures for investment in the economy, by both local and foreign investors. The Uganda Investment Authority (UIA) was established as a “one-stop shop” to administer the code and spare investors the problems associated with getting approvals from various ministries and agencies. The UIA has licensed new investments worth over \$1 billion, and about half of these projects are in different stages of implementation. The Investment Code is under review so that some of its negative aspects—for example, revenue losses due to tax evasion by recipients of special incentives—can be ironed out.

Fifth, a number of measures have been taken to improve the performance and managerial capacity of the civil service so that policies are implemented more effectively. The public service is being strengthened through training and by appointment and promotion on merit. Other measures have included restructuring and retrenchment, reducing the civil service from around 300,000 to about 150,000. The result should be improvement in management and real increases in salaries and wages of the remaining civil servants. Indeed, from July of this year, the government is expected to pay a “living wage,” provided that the efforts to mobilize domestic resources continue to be successful.

The final key reform involved decentralizing local government. For a long time, power and resources were concentrated within the central government. Central government officials at the district level were rarely supervised by their line ministries, and this led to corruption and a decline in the delivery of services, as well as a decay of physical infrastructure. The remedy has been decentralization of powers, responsibilities, functions, and resources from the central government to the districts to enable local governments to become more efficient, more accountable, more transparent, and more sensitive to the people’s needs. Democratic participation and control are now possible because of this devolution of power from the center to the districts. The shift in power also reduces the opportunities for corruption at the center, because in central government there are fewer officials and diminished resources.

All of these reform measures taken together have led to significant improvements in the economy. High growth rates have occurred in agriculture, industry, tourism, transportation, and communications. Inflation has been reduced from around 300 percent in 1986 to about 5 percent

currently, and the value of the Uganda shilling has been relatively stable for quite some time. GDP has been growing consistently at an average rate of 6 percent in the last 10 years. Expenditures have been targeted to key economic and social sectors, including agriculture, physical infrastructure, water, power, basic health care, and primary and secondary schools. Fiscal discipline has generally been maintained by keeping expenditures within the budget limits. Foreign exchange reserve levels are relatively healthy due mainly to the stable macroeconomic environment, which has encouraged private transfers into the country. The Uganda shilling is freely convertible, and there are no significant foreign exchange restrictions.

New Plan of Action against Corruption

Over the years the IGG has pursued an anticorruption strategy with three components: raising public awareness on the dangers and effects of corruption, preventing corruption, and receiving and investigating allegations of corruption. To enhance these efforts, a new anticorruption program covering one to three years has been worked out in conjunction with a number of other offices. The essence of this program is to strengthen and enhance ongoing efforts, not to replace them. Let me highlight some of these efforts, which correspond to the tripartite anti-corruption strategy.

The public awareness program aims at educating the public about the damage caused by corruption and making them aware of their rights to government services without paying bribes; it also is intended to make officials aware of their responsibilities to the public. This program includes seminars and workshops for ministers, senior civil servants, senior local government officials, judicial officers, the police, prosecutors, and prison officials. It also makes readily available certain publications and material providing useful information: for example, standing government orders regulating the civil service, the leadership code, and relevant statutes; training materials for schools, media, and religious institutions; and radio and TV programs, theatrical performances, posters, and so on.

The preventive measures in the program include strengthening compliance within the existing systems and simplifying management procedures by reducing red tape. Senior government officials must declare their assets, as part of the supervision and enforcement of the leadership code. Effective prosecution must be followed by publicizing the successful convictions in order to show that corruption is a risky business.

The enforcement program includes applying existing laws against the corrupt, irrespective of who they are. This requires specifying a court to handle corruption, fraud, and embezzlement cases; permitting the IGG's

staff to prosecute expeditiously cases investigated by the office; and random checking of public officials in order to ensure compliance with laws, rules, and regulations. It will also be necessary to review and strengthen laws relating to corruption, with respect to freezing, seizing, and confiscating the proceeds of corruption and fraud, and modification of the rules of evidence.

The success of these measures is predicated on the strengthening of relevant institutions and on better coordination and cooperation among the institutions. To this end, a National Coordinating Committee, led by the IGG and comprising departments and institutions involved in anti-corruption activities, has been formed to develop and implement this anticorruption strategy. The committee should make it easier for agencies involved in similar or complementary activities to cooperate more effectively. Already, a coordinating desk has been set up in the IGG's office, and several seminars to sensitize journalists on investigative methods have been organized.

In the long run, however, the best way of guaranteeing accountability and transparency is by placing government business under public control. Control is implicit in a democratic government because government is responsible to the people. The greater the involvement of the people in public affairs, the more control is exerted on government. A leader in a nondemocratic system may be personally honest, and in fact in a democracy there may be many corrupt officials, yet democracy in general is the best guarantee of accountability, transparency, and good governance.

References

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