Uganda under President Museveni: This is 'an IMF success story'?

by Linda de Hoyos

"I have never blamed the whites for colonizing Africa; I have never blamed these whites for taking slaves. If you are stupid, you should be taken a slave."

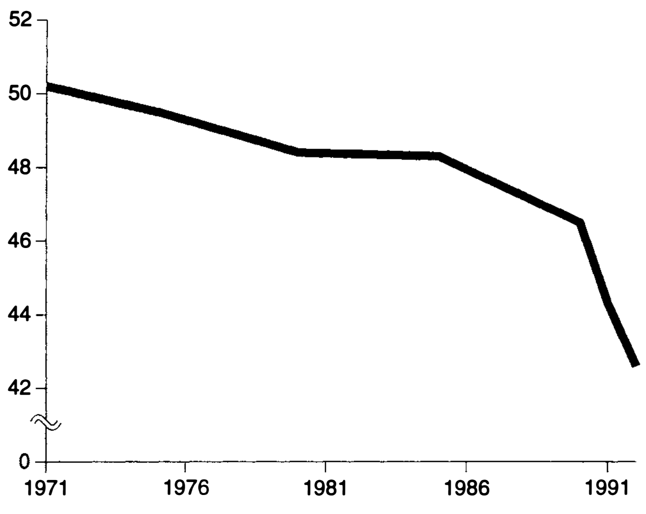
—Ugandan President Yoweri Museveni to *Atlantic Monthly*

Ugandan President Yoweri Museveni has been hailed by the western press as the man who has put Uganda back on its feet. He was called the "darling of western donors" in an article in the September issue of *Atlantic Monthly;* paeaned as "the most able administrator in Africa" by one British newsletter on Africa; and described by a British expert on East Africa as "definitely the blue-eyed darling of the British government in Africa today." The approval from London is personally delivered to Museveni by Lynda Chalker (Lady Die), Minister of Overseas Development, during her frequent excursions to Kampala.

Museveni, the *Atlantic Monthly* article declares, since coming to power in 1986, has turned "Uganda, of all places," into a "model of tranquility." Museveni himself, avers the magazine, believes that his economic program is the key to the country's stability. "It is," writes the *Monthly's* correspondent Bill Berkeley, "a virtual textbook of the International Monetary Fund's structural adjustment program: free markets, a convertible currency, an independent central bank, selling off state-owned companies, tight budget, and downsizing the civil service and the army." In fact, Uganda has been heralded in the western press as "the IMF success story."

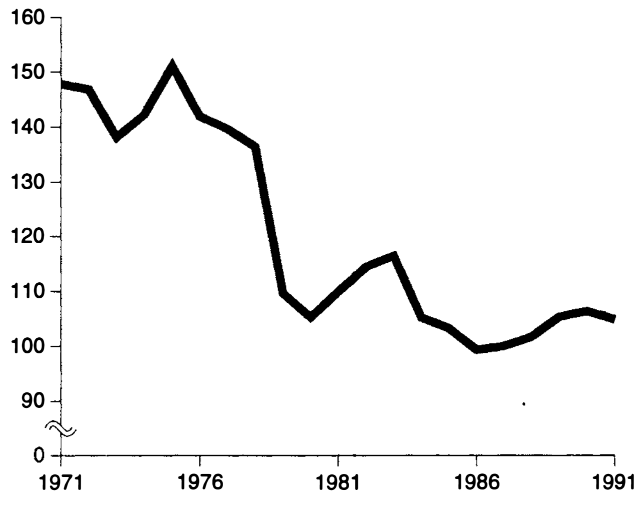
Yet, a look at the actual statistics registered even by such agencies as the World Bank and the United Nations shows that amidst this supposed tranquility and success, *life expectancy in Uganda continues to zoom downward.* Life expectancy, the most accurate reflection of mortality rates across all ages, now stands at 42.6 years in Uganda, among the lowest in all of Africa (**Figure 1**). Although the AIDS epidemic, which has hit Uganda hard, is definitely partially responsible for this downward trend, *no other country with*

FIGURE 1
Life expectancy at birth
(age in years)



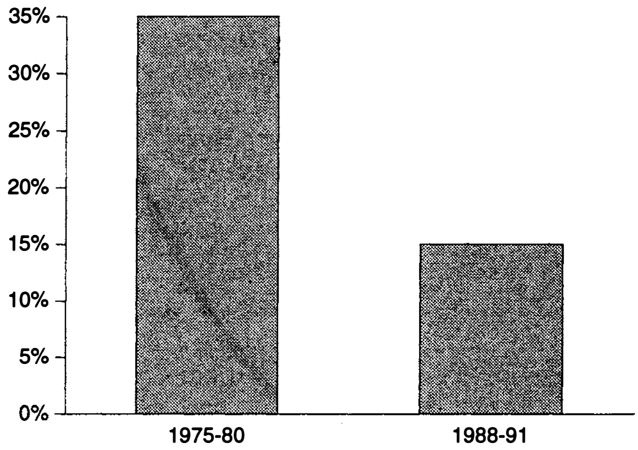
Source: World Bank.

FIGURE 2
Food production per capita
(index 1987 = 100)



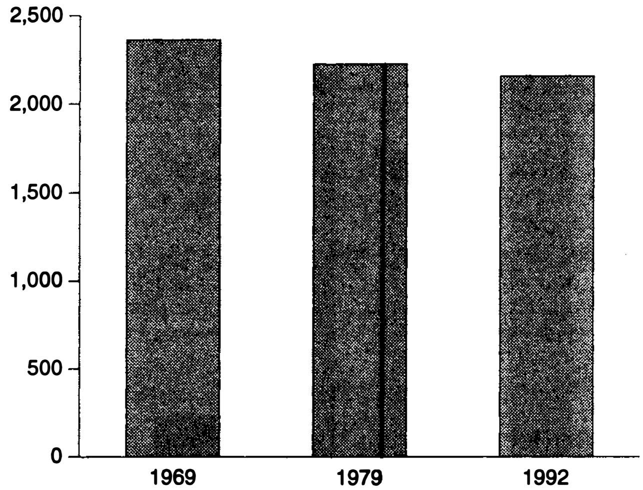
Source: World Bank.

FIGURE 3
Population with access to safe water
(percent of total population)



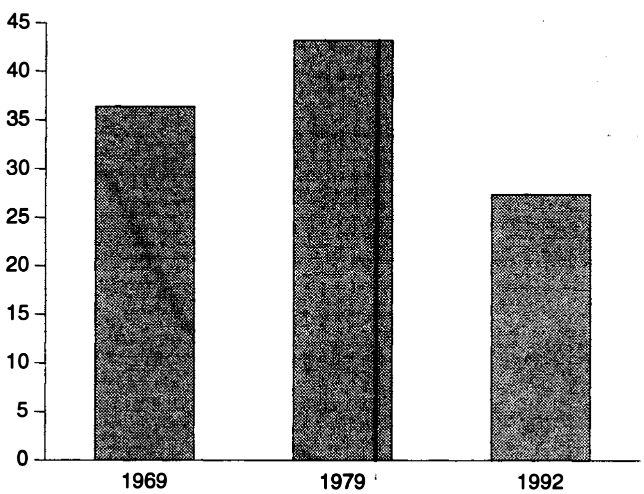
Source: UNDP.

FIGURE 4
Daily caloric supply per person
(calories per day)



Source: World Bank.

FIGURE 5
Annual energy consumption per capita
(kilograms oil equivalent)



Source: World Bank.

comparable HIV infection levels—Kenya, Zaire, Zambia, Central African Republic, or Burundi—registers any decline in life expectancy. Only Rwanda, in civil war since 1990, showed a tenth of a percentage decrease in life expectancy in the 1990s, nothing like the collapse that has continued in Museveni's Uganda.

Food production per capita (**Figure 2**), while showing a slight uptick from the collapse of the Idi Amin regime and subsequent war years, also is beginning to fall again, as per capita caloric supply is slowly but steadily falling. **Figure 3** shows that only 15% of Ugandans today have access to safe water, as opposed to 35% in 1975-80. Only the Central African Republic, in all of Africa, has a lower percentage of its population with access to safe water (12%). There is no indication that Museveni's success has brought any improvement in this area. As Minister of State for Finance Matthew Rukikaire notes, "Social sectors tend to suffer."

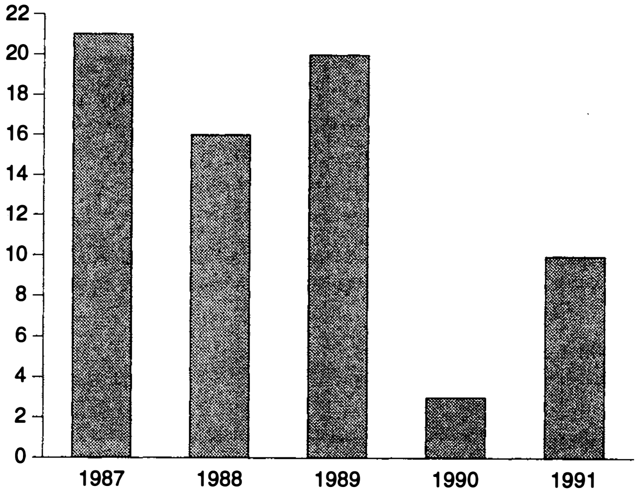
Annual energy consumption per capita (**Figure 5**) also shows that after eight years in power, Museveni has brought no rebound in this area since the collapse in consumption during the war years.

Museveni's 'achievement'

The increasing immiseration of Uganda's 16.8 million people is the direct result of the "IMF success." Museveni's "achievement" lies in his ability to enforce harsh austerity on the population, and enhance the flow of resources out of the country. Statistics on financial flows tell the story. The mirror reflection of the life-expectancy graph is the graph of consumer price inflation, which continued its zoom upward under Museveni (**Figure 7**). Ditto for the value of the dollar relative to the Ugandan shilling. The shilling has been steadily devalued, while at the same time, the terms of trade of Uganda's chief export, coffee, have fallen precipitously.

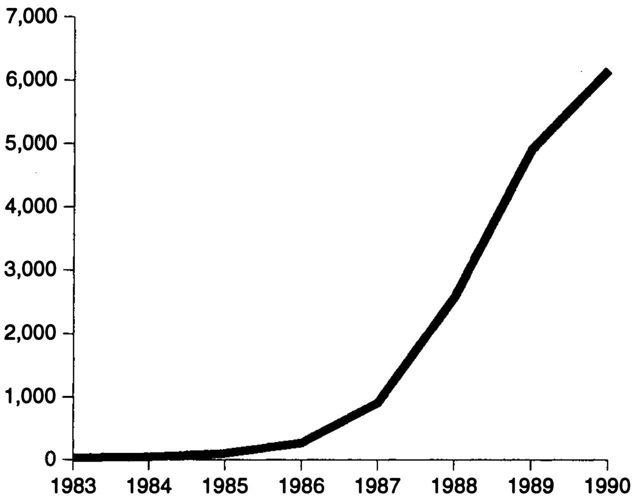
Museveni's ruthless pursuit of the approval of his owners is further demonstrated in **Table 1**. Uganda's paid debt service from 1986 to 1992 totals the debt owed in 1986—despite the fact that the collapse in terms of trade had nearly doubled

FIGURE 6
Road freight in Uganda
(million ton-kilometers)



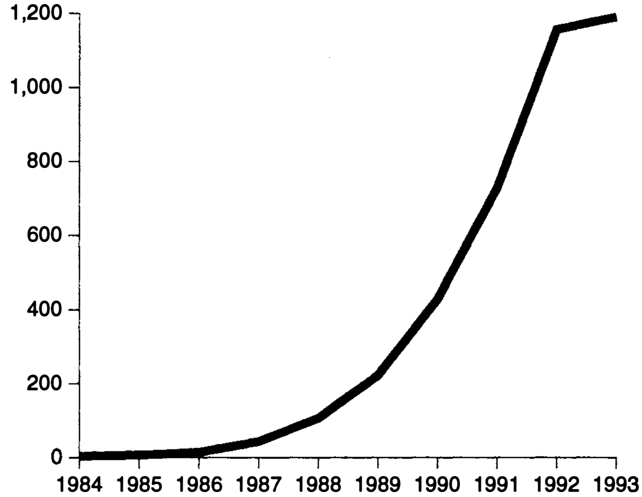
Source: Uganda Ministry of Planning and Development.

FIGURE 7
Consumer prices inflation index
(index 1985 = 100)



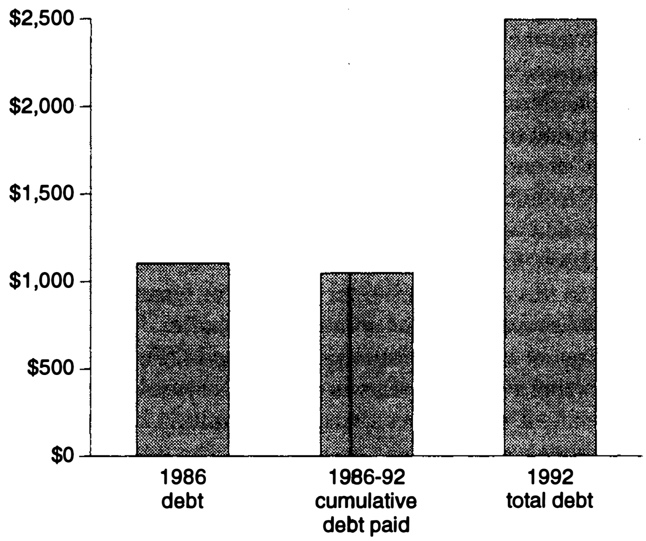
Source: International Monetary Fund.

FIGURE 8
Uganda's currency exchange rate
(Uganda shilling per U.S. dollar)



Source: *Economist* Intelligence Unit.

FIGURE 9
Summary of Uganda's debt
(million U.S. dollars)



Source: World Bank.

the actual cost to the economy of paying that debt. Yet, today, Uganda's debt is close to $3 billion, having climbed upward steadily since Museveni came to power.

According to the U.N.'s *Africa Recovery*, in 1993-94, Uganda is projected to pay out 60% of its export earnings in debt service. This is after the donors had rewarded Museveni with debt cancellations and reschedulings and an 88% write-down of Uganda's commercial debt. "Without this relief, Uganda's debt service ratio would exceed 100%," reports *Africa Recovery*.

TABLE 1
Total debt and debt payments

Year	Total outstanding debt (US$ millions)	Debt paid (US$ millions)	Debt-service/ export eanings ratio
1986	1,105	166	41.8
1987	1,595	159	43.6
1988	1,629	196	62.6
1989	1,917	171	62.0
1990	2,231	127	57.2
1991	2,352	139	70.6
1992	2,495	81	41.0

Museveni launched his IMF program in May 1987, which initiated steep devaluations of the Ugandan shilling, a tighter fiscal policy, slashing of government expenditure, and liberalization of trade. As per IMF instructions, Uganda places no restrictions on foreign exchange flows out of the country or similar transactions.

Museveni's policy has been to leave the producing population—the more than 80% of the population that lives in the countryside—to cope with the destruction of the country since Idi Amin's ascent to power in 1972. His urban target has been the civil service, which has been steadily reduced, despite the fact that the government admitted that civil service pay falls 10% short of subsistence levels.

Simultaneously, Museveni has rolled out the red carpet for British, Belgian, and French corporations to "invest" in Uganda. This has been accomplished under the rubric of "privatization." Museveni invited back to Uganda the Asian Madhvani group, handing over to the group its old Nile Breweries. This is the first big group of Asian businesses to return to Uganda, after they were kicked out by Idi Amin.

Museveni has brought back the colonial plantations as well. British American Tobacco Corp. repossessed its former plantation properties in 1993. The Mehta and Madhvani groups have been invited back to rehabilitate their former Kakira and Lugazi sugar estates. A huge vanilla plantation north of Kampala has been established with a Chinese company, Seico, and a private Ugandan investor. This plantation policy requires land expropriation. According to one Ugandan source, the government has recently passed a measure that any uncultivated land can be taken over by the first comer. Since the AIDS epidemic has forced reduction in production in many areas due to lack of manpower, families cannot maintain cultivation. Now, the uncultivated land is up for grabs.

In the commercial sector, under a five-year privatization plan, Museveni intends to hand over 46 state-owned enterprises. Already, he has turned over nationalized properties formerly belonging to Prince Karim Aga Khan. Hotels once owned by the government are being sold off: The Lake Victoria Hotel near Entebbe has been taken over by the British-based Windsor Holdings. Lonrho has been bidding to buy out the government's 49% stake in the Lint Marketing Board, which monopolizes the country's garment manufacturing.

While handing over the country's industries to foreign "investors," Museveni has also brought British civil servants directly into the government. Under Museveni, the British post-colonial formula for "indirect rule" is slipping back into "just about direct" rule. Personnel placements have been made by the British Overseas Development Ministry under Chalker, according to one British banker. "They virtually run the ministries. That is how you get things done." For instance, Britisher Martin Hogg is the "deputy" director of the Ugandan Investment Authority; James Cartwright is the "adviser" to the finance ministry's Export Policy Analysis and Development Unit.

Marcher lord for East Africa

In exchange for his handing Uganda back to such entities as Windsor Holdings, Museveni has been given the franchise as the marcher lord for East Africa. While the "social sector" is starved of funds, Museveni has poured millions into the military, his only political base of support. In 1986, when he took power, his National Resistance Army was comprised of 20,000 men. Museveni increased that to over 120,000 men. A foreign-financed demobilization of some 50,000 men in 1992 was a hoax for a clean-up operation that would not run the danger of creating a military backlash against Museveni. Donor countries, reported *Africa Recovery*, "estimate that at least 30% of those demobilized are HIV-positive, with others ill or otherwise 'socially maladjusted.' "

In addition, since 1990, Museveni's Uganda has armed and financed the Rwandan Patriotic Front, whose leaders were to a man top officers of Museveni's National Resistance Army. At the point that Museveni sent RPF leader Paul Kagame, now vice president and defense minister of the Kigali government in Rwanda, to Fort Leavenworth, Kansas, for strategic military training, Uganda's military was eating up 48% of all government expenditure, reported *Africa Analysis*, even though Museveni faced insurgency in only two districts.

Museveni has also been heavily involved in arms procurement, not only for his own forces. In August 1992, Museveni's private secretary, Innocent Bisangwa-Mbuguje, and the Ugandan ambassador to the United States were arrested for illegally attempting to buy 400 TOW anti-tank missiles and 34 TOW launchers for $18 million. In this case, the weapons were believed to be bound for the Sudan People's Liberation Army of John Garang, for use against the Sudan government. As the Rwandan debacle shows, Museveni's antics in this field have only escalated—backed 100% by Lady Lynda Chalker. Recent reports that Museveni is now arming "Zairean rebels" should not be taken lightly, as Museveni aims for the next British target: Zaire.