

# Applicability of Financial Inclusion Theories and Rural Development Theories in the Implementation of the Parish Development Model (PDM) in Uganda

Nakayiso Eseza

Department of Finance and Accounting, Faculty of Business and Management, Kampala International University  
Email: [eseza.nakayiso@studwc.kiu.ac.ug](mailto:eseza.nakayiso@studwc.kiu.ac.ug)

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## ABSTRACT

This article provides guidance on how to implement the Parish Development Model, which was launched in February 2022 as the government's multi-sectorial strategy to achieve socioeconomic transformation by converting 39% of Ugandan households from the subsistence economy to the money economy. Uganda, often known as the Pearl of Africa, has seen national development plans incorporate Vision 2040 goals, and it is now undertaking its third National Development Plan. To complete the 2040 vision cycle, three further identical projects must be done. President Yoweri Kaguta Museveni highlighted Financial Inclusion as one of the 17 implementation strategies, since Uganda's monetary poverty rate (the proportion of the population earning less than US\$1.04 per day) has increased over the preceding nine years, from 19.7% in 2012/13 to 21.4% in 2016/17. Despite an average annual economic growth rate of 4.7%, the number of underprivileged individuals rose to 8.7 million in 2019/20 from 6.6 million in 2012/13. As a consequence, the Parish Development Model was implemented in rural regions to eliminate poverty. Financial inclusion and rural development principles can help to assist this economic growth plan. As a result, this study investigates how these principles have acted as guides for effective parish development model implementation, as well as recommendations to ensure that they are consistent with rural people's long-term aspirations.

**Keywords:** Financial inclusion and Rural Development theories, Parish Development Model

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## INTRODUCTION

Financial inclusion means the availability and equitable distribution of financial services. It is a method of obtaining relevant, inexpensive, and timely financial products and services for individuals and enterprises [1]. These include banking, lending, equity, and insurance products. Financial inclusion theories propose explanations for observed financial inclusion behaviors. Individuals cannot be denied formal financial services because they are deemed public goods. Everybody will have free access to fundamental banking services. Financial inclusion refers to the ease with which all members of a community may obtain essential financial services. Individuals and businesses that practice financial inclusion have access to relevant and competitively priced financial goods and services that meet their needs in an ethical and long-term way. It stresses how concepts and perspectives on financial inclusion may be grouped into theories in order to allow meaningful discussions in the literature. Basic Resource Theory, System Theory, Power Structure Theory, and

Growth Center Theory are some of the concepts that drive rural development [2].

The Parish Development Model is a government strategy or approach for organizing and delivering public and private sector interventions at the parish level, which serves as the most basic level of economic planning. The government has recently established organizations and methods for planning, budgeting, and providing public services based on the parish development model. Parishioners will select development priorities in line with national objectives. In the Model, the PARISH serves as the focal point for multi-sectorial community development, planning, execution, oversight, and responsibility. Parish is the lowest level of reference for intervention strategy, finance, and execution of socioeconomic development [1].

President Yoweri Kaguta Museveni of Uganda, who took power in 1986, has set lofty economic targets for his country. He plans to improve the country's annual GDP growth rate to at least 7% by 2040, up from 5.1% in 2022, utilizing the newly established Parish

Development Model[2]. Madina Guloba, a development economist, has challenged the new planning paradigm. It is a bottom-up budgeting technique that seeks to take national development planning to the people. Article 176 of Uganda's constitution encourages decentralization "to ensure people's participation and democratic control in decision-making." The Ugandan Local Government Act establishes two administrative sub-county units: parishes and village. Uganda has 10,694 parishes with populations ranging from 450 to 30,000 people[2]. The parish development model has been used by the government to create new organizations and techniques for planning, budgeting, and providing public services. Parishioners must establish development goals that are consistent with national plans [1].The notion is that by enabling individuals at the lowest administrative levels to identify and allocate resources for their specific social needs, development would benefit the most vulnerable. The strategy's main goal is to strengthen the decentralization process, raise household income, and create local responsibility[1].

#### **Uganda and Planning its Development**

The finance, planning, and economic development ministries, as well as the National Planning Authority, have now consolidated their planning. Uganda is now implementing its third national development plan, which alludes to Vision 2040's goals. To complete the 2040 vision cycle, three further identical activities must be undertaken. Uganda implemented development plans similar to the parish model both before and after independence, which served as the foundation for local government administration and were supported by village leaders [3]. Parishes kept track of everyone in their community. In terms of food security, household income, and public health, they established national health, education, and welfare programmes. This information would be forwarded to the national register on a regular basis through the sub-counties. Over time, the federal government has utilized this data to develop poverty-relief initiatives. However, poverty is getting worse, according to the most recent National Household Survey [3].

Uganda's monetary poverty rate increased from 19.7% in 2012/13 to 21.4% in 2016/17 (the percentage of the population earning less than US\$1.04 per day). The number of poor persons has increased from 6.6 million in 2012/13 to 8.7 million in 2019/20. Despite a decade of average GDP growth of 4.7%. The parish model is being recommended as a strategy to achieve the third national development plan's target of reducing poverty by 18.5% and income disparity by 0.37[1].The parish model is built on seven pillars, all of which are in line with the third national development plan (NDPIII). They are as follows[1]:

1. Production, storage, processing, and marketing: The government intends to set up digital platforms at the parish level for the distribution of e-vouchers, e-extension, and e-certification, among other agricultural supply services.
  2. Infrastructure and Economic Services: In this case, parish-level services will be supplied by public and private sector organizations. Drinkable water, food stores, power hook-ups, community access roads, and free internet connection are a few examples.
  3. Financial inclusion - Increasing access to financial services for informal economy participants. Financial inclusion benefits the vast majority of individuals in remote communities.
  4. Social services including communication, transportation, safe water access, education, and primary healthcare.
  5. Changing perspectives and tackling challenges that extend across all areas, such as gender, the environment, and disabilities.
  6. Parish Based Management Information System: A comprehensive system for community profiling, data collecting, analysis, tabulation, storage, and distribution.
- Management and governance of the model [1].

Three of the seven pillars—production, storage, processing, and marketing—as well as financial inclusion, according to the President, require urgent attention. Thus, the PDM is a government initiative that offers a range of services and consists of [1];

- ❖ The Model recommends developing infrastructure and processes to enhance the processing and marketing of Ugandan agricultural goods.
- ❖ Collecting data on households countrywide to guide government actions.
- ❖ Through commodity clusters, farmers will work together at the parish level to increase productivity and production, leading to sustainable agricultural output. They will also have access to financial education, corporate management training, and agricultural extension services.
- ❖ Develop infrastructure for agricultural processing and commercialization in Uganda.  
Promote participatory planning among local communities to identify and eliminate structural impediments to economic progress.
- ❖ Developing and implementing Action Plans to address vulnerability among adolescents,

women, and persons with disabilities at the grassroots level, including cooperation from disadvantaged interest groups. Coffee, cotton, cocoa, cassava, tea, vegetable oils (including oil palm), maize, rice, sugar cane, fish, dairy, beef, bananas, beans, avocado, shea nuts, cashew nuts, and macadamia [3].

The PDM is associated with the NDPIII's five strategic objectives, which are as follows[1]:

- i) Maximize value addition in key growth opportunities.
- ii) Increase the private sector's capacity to stimulate development and generate jobs.
- iii) Combine and enhance the amount and quality of productive infrastructure.
- iv) Promote population productivity and well-being.
- v) Increase the state's role in directing and encouraging growth [1]. Farmers will receive agricultural extension services as well as financial and business management training.

#### **Principles that underpin the Parish Development Model**

To address issues such as poor quality inputs and output, a lack of reliable information and advice for producers, connectivity to commodity and financial markets, post-harvesting, and diseconomies of scale in savings, production, marketing, and extension services, Ugandans involved in the subsistence economy must be organized to have access to high-quality inputs, specialized technical assistance, guaranteed markets, subsidized credit, and other resources[4].

Market orientation: The PDM must stimulate market-based measures that reinforce value chains, incentivize competition, efficiency, and innovation, and reduce the need for government assistance over time [2]. Parish Development Model, if adequately managed via planning, proper processes, and monitoring, has the potential to ensure the objective of financial inclusion by 2040. Because they have the capability to improve and establish standards for all parishes in the country, the planning and implementation committee should seek the direction and applicability of theories of rural development and financial inclusion. As a result, if the government evaluates these theories and works on their flaws, they may be used as the Model is implemented in all parishes, which include; Dissatisfaction theory, vulnerable group theory, systems theory, community echelon theory, public good and service theory, special agent theory, collaborative intervention theory, financial literacy, Systems theory, Growth center theory, Basic Resource theory, Power structure theory, Vulnerable theory of financial inclusion, Diffusion theory of rural development, and Empowerment theory.

#### **The dissatisfaction theory of financial inclusion**

According to the dissatisfaction hypothesis of financial inclusion, the primary focus of a nation's financial inclusion policies and activities should be on people who were previously registered in the official financial sector but left because they were unhappy with regulatory limits[5]. According to this perspective, those who have left the official financial system should benefit from legislation and activities promoting financial inclusion before other community segments who have not yet participated are included. After being introduced, people may lose their satisfaction for a number of reasons, including financial fraud, debit/credit card fraud, financial theft, lengthy wait times for cash withdrawals from depositors, payments that take too long to clear, expensive transaction fees, exorbitant bank fees, and more[4].

The notion of financial inclusion dissatisfaction has various advantages. First and foremost, this theory focuses on the question of 'voluntary financial exclusion', whereas other theories do not. It lowers voluntary financial exclusion by encouraging those who have left the formal financial system out of unhappiness to return[5]. Second, this premise simplifies the identification of economically disadvantaged individuals in the population. Because their personal information is held by financial institutions, formerly enrolled members of the public may be readily found and encouraged to return to the formal financial system. Reaching out to already enrolled individuals, such as the rural population, makes attaining financial inclusion simpler than reaching out to segments of the public that have never used the official financial system. Third, because it is heavily reliant on interpersonal persuasive features and competencies, increasing financial inclusion does not need the use of public funds[5].

This theory's drawbacks include the fact that it does not prioritize financial inclusion for all society groups, as seen by the fact that people who have never had a job in the formal financial sector are not allowed. Second, it ignores impoverished people who reside in rural areas without access to formal financial institutions. Third, the dissatisfaction hypothesis postulates that financial exclusion results from consumers' discontent with the formal financial sector's interaction standards. This could not always be the case, though, as people might decide to withdraw from the formal financial system for a variety of reasons, including moral or religious beliefs[6]. Finally, if the social culture is heavily based on the formal financial sector, those who are dissatisfied with it may have few options except to continue working there. Most rural farmers were unsatisfied with the Ugandan government's projects because they felt excluded from the government's many efforts, including Emyooga. However, because

each member receives the funds directly on their own account, they have been integrated into the current Parish Development Model programs. The market systems approach to financial inclusion takes into account all facets of the market system. To remove obstacles that keep the poor out, market actors must be pushed to take action.

### **Community Echelon Theory of Financial Inclusion**

According to the Community Echelon Theory, community leaders ought to encourage financial inclusion among those who are not well off. The community echelon theory of financial inclusion has one main benefit: leaders within the community may influence members to make decisions that are in their best interests. The idea of a communal echelon is not without problems [2]. According to one theory, the influence of immoral and self-serving communal leaders will eventually be re-established. Second, community leaders may make rash judgments that are detrimental to the public if they succumb to pressure from corporate financial innovations. Community leaders may make judgments that are detrimental to the well-being of community members because of their credibility, even when those decisions may not be in the members' best interests [7].

Third, People in the community who work in the formal financial sector could be worried about the corporation but are reluctant to talk to their local leaders about it. People are less inclined to stick with the formal banking system for a prolonged length of time the more terror they experience. Severe agency issues including fraud, nepotism, and corruption can also arise. Finally, it is challenging to identify the most effective leadership style for persuading community members to rethink entering the formal financial sector due to the wide variety of styles that exist. In this case, the NDP III was able to contact parish leaders and register vulnerable persons, the bulk of whom are employed in agriculture [1]. These rural populations have been registered and are now part of the state's efforts. Proper registration and identification have been completed by their leaders, and rural farmers have been able to obtain funds from their community leaders.

### **Public service theory of financial inclusion**

According to the public service theory of financial inclusion, it is the government's public duty to facilitate financial inclusion, as demanded by the populace [7]. This point of view holds that financial inclusion should be accessible to all people, including those who are financially excluded, via government-run public institutions. According to this perspective, the only way the government can attain financial inclusion is by providing access to acceptable financial services and products and integrating the whole population into the established financial system. Public service is a highly important concept.

According to one theory, financial inclusion can occur if the government decides to take charge of it. Second, it is possible for the government to encourage financial inclusion since it is in charge of the nation's financial, economic, and social institutions. Public banks can be established by the government in the most remote parts of the nation in order to reach the excluded [8].

Public confidence increases when the government takes full responsibility for financial inclusion through public institutions. People believe that all policies and initiatives would be beneficial to everyone when the government fully takes on responsibility for financial inclusion [6]. The following are some of the public service theory's weaknesses. To begin with, it forbids the private sector from carrying out initiatives related to financial inclusion. Second, it makes the assumption that taxpayers will cover the cost of financial inclusion even in the unlikely case that tax income is insufficient to fund meaningful initiatives. Third, by holding public institutions accountable for financial inclusion, the public service theory method has the ability to impact social politics [6]. In good times, the state can offer basic financial services to loyal inhabitants; however, if individuals choose to revolt against the state, the state may no longer supply these services. Using the Parish Development Model, the Ugandan government employs financial institutions such as Centenary Bank, DFCU, and other particular entrusted financial institutions to release funds to individual rural farmers through their accounts [4].

### **Special agent theory of financial inclusion**

The special agent theory of financial inclusion states that complicated problems and procedural details pertaining to the demographics, geography, or makeup of the community may make it difficult to provide financial inclusion to those who are excluded [6]. Therefore, in order to give financial inclusion to individuals of marginalized populations, specialist agents are required. According to this method, the special agent must meet the following requirements: (i) possessing a high level of competence and specialization; (ii) comprehending the distinctive features of the excluded community; (iii) identifying opportunities for growth via creativity, understanding the existing informal financial system in the places where the excluded population dwells, and (iv) creating a plan for merging the local financial system with the official financial sector [6]. It is recognized that the special agent has exceptional knowledge, skill, and capacity to provide formal financial services and products to those who are unable to interact with the official financial system. According to this theory, the principle has a special agent link. The principal is usually the federal government, a foreign government, or a foreign organization, whereas the

special agent is usually a local bank, non-bank institution, or other special institutions established specially to promote financial inclusion. There are several advantages to the special agent hypothesis of financial inclusion. The first step is to expand financial inclusion across the country by employing specialist agents. By leveraging skilled middlemen to promote financial inclusion across the country, the government can focus on more urgent internal concerns[5].

Second, special agents are highly trusted to give financial inclusion to those who are excluded. Experts and capable people work together with other specialized groups to achieve the common goal of advancing financial inclusion as special agents. Third, the pay for the special agent is specified, and the goals for financial inclusion are unambiguous. There is no ambiguity since the special agent is committed to achieving the goal and is aware of the demands and compensation associated with their work [6]. Lastly, the connection is unaffected by the basic principal-agent issues in agency theory since the special agent deals with people rather than money. The idea of financial inclusion through special agents has serious flaws. To begin with, if the government is acting as the principle, it may assign one of its own agencies the job of special agent, therefore taking on the dual responsibilities of principal and agent[6].

The special agency's objective of increasing financial inclusion would be compromised by this. The government shouldn't act as both a principal and a special agent in the public sector since government agencies are by nature inefficient. Additionally, if the government does not provide the agreed-upon funding to assist financial inclusion projects, a private special agent will leave a financial inclusion project if they are not fairly compensated. In order to implement the Parish Development Model, the government is working with certain financial institutions such as Centenary Bank, which was previously known as Centenary Rural Development Bank, and DFCU. This ensured system transparency and financial inclusion for all rural farmers.

#### **Financial literacy theory of financial inclusion**

According to the financial literacy hypothesis, the best approach to attain financial inclusion is to increase people's level of financial literacy through education. According to this viewpoint, financial literacy promotes involvement in the established financial system [2]. "Financial literacy" has a specified definition. One advantage of financial literacy is that it enables people to learn about the many financial services and products that are accessible to them. People will be willing to create a bank account and enter the formal financial sector once they are aware of the financial goods and services available that might enhance their well-being. Secondly, increased financial literacy enables

customers to get more formal financial services, like mortgages and investments. Third, financial literacy may help people become more financially independent and secure by teaching them how to distinguish between needs and desires, build and follow a budget, save enough money for on-time bill payment, and plan for retirement. Lastly, governments with limited public funds or tax revenue to fund financial inclusion operations may choose to adopt financial literacy as a national financial inclusion strategy because it does not require a significant amount of public financing to educate the public on how to use financial services[6].

There are certain drawbacks to the idea of financial literacy, which are covered below. Firstly, it gives 'willingness' more weight than 'capacity' when it comes to participating in the official financial system. People's willingness to participate in the formal financial system can be increased by financial literacy instruction, but this does not necessarily translate into an increase in their "capacity" to do so—that is, their ability to have enough money to carry out one or more transactions. This implies that, despite having financial knowledge, persons without money (i.e., 'capacity') are unable to fully engage in the financial system. The financial literacy hypothesis suggests that financial inclusion may be achieved via educational activities that raise citizens' financial literacy. The government has engaged district, parish, and village officials to teach rural farmers on the need of financial education. The majority of these farmers avoided financial inclusion initiatives due to their lack of knowledge and higher degrees of financial illiteracy. With a rise in financial literacy among the young and elderly, and as one of the requirements for the Parish Development Model's effectiveness, knowledge among rural farmers has grown, resulting in better financial management results[6].

#### **Collaborative Intervention Theory of Financial Inclusion**

There are certain drawbacks to the idea of financial literacy, which are covered below. Firstly, it gives 'willingness' more weight than 'capacity' when it comes to participating in the official financial system[7]. People's willingness to participate in the formal financial system can be increased by financial literacy instruction, but this does not necessarily translate into an increase in their "capacity" to do so—that is, their ability to have enough money to carry out one or more transactions. This implies that, despite having financial knowledge, persons without money (i.e., 'capacity') are unable to fully engage in the financial system. One, it is difficult to determine how many partners are required to fulfil the goal of financial inclusion. Second, some participants may cease working on the project, leaving only a small group of committed partners to complete it. Third,

having a greater number of collaborators does not guarantee a higher possibility of financial inclusion [5]. The notion of collaborative intervention implies that a variety of stakeholders, including the government, local government, parish leaders, and village leaders, should work together to achieve financial inclusion. These many stakeholders were successful in organizing their populations and determining the most effective approach to achieving financial inclusion. The Parish Development Model has demonstrated to be one of the most successful strategies of including all stakeholders since it includes all vulnerable persons. This has made it easy for farmers to register and participate in all of the country's development activities [9].

#### **Public good theory of financial inclusion**

The public good theory of financial inclusion entails offering formal financial services to all persons and ensuring unrestricted access to money benefit everyone. People should not be restricted from using or using financial services because they benefit the public. Everyone will have free access to vital financial services [6]. Everyone gains from being a part of the formal financial system as no one's access to financial services restricts the access of others. This perspective emphasizes that financial inclusion benefits everyone and leaves no one out. Any individual or small business that opens a formal bank account may be eligible for free debit cards, according to the public benefit idea. They can also use ATMs to make fee-free transactions. Since providing financial services is an essential part of operating a bank, financial service providers, especially financial institutions, will also be held responsible for paying for it [6].

In addition, financial institutions can be eligible for government subsidies to help them with the costs associated with offering free financial services. Better still, the government could simply deposit a one-time lump sum of money into everyone's bank account in order to receive the free payments; all that was required was the official account. This implies that those who are unable to make ends meet or pay their debts on a micro level will have the chance to become economically empowered when financial inclusion is viewed as a public benefit [2]. This approach has two benefits. First, the public good argument states that financial inclusion benefits everyone, regardless of wealth or social status. This suggests that everyone benefits from financial inclusion—the wealthy and the poor, as well as those who are included and excluded in the financial system. Second, since investors would anticipate a premium for private capital, which is prohibitively expensive when leveraged to achieve financial inclusion objectives, public money would be needed instead of private investment to achieve financial inclusion as a public benefit. Thirdly, it assigns the government the

responsibility of advancing financial inclusion as a public benefit. Finally, the public good theory of financial inclusion holds that members of the private sector oppose financial inclusion [5].

Four things go wrong with the public good hypothesis. First and foremost, it is incorrect to see financial inclusion as a public benefit while ignoring the root reasons of financial exclusion. Second, if financial inclusion is deemed a public good that requires public assistance, funding for other important public projects may be diverted. Third, financial inclusion is defined under the public good idea as a "public benefit" that financial service users obtain at no cost. Even if financial inclusion is supported by the government and offered to end users at no cost, its level may not be long-term sustainable when it is seen as a public good. Fourth, since banks and other financial institutions are mostly financed by private rather than public capital, it may be harder to provide the public good notion of financial inclusion in developing and emerging nations [5]. Since the Parish Development Model made public funds accessible, most farmers have been able to use them to expand their businesses and fields. Financial inclusion has been a motivating element for funding under the Parish Development Model.

#### **Vulnerable group theory of financial inclusion**

The vulnerable group theory of financial inclusion contends that a country's financial inclusion programs should prioritize its most vulnerable citizens, including the elderly, the underprivileged, women, and the young [2]. It makes sense to include those who are vulnerable in the official financial system since they are frequently the ones who suffer the most from financial crises and economic downturns. Adding G2P social cash transfers to the official accounts of women, young people, and the elderly is one strategy to improve the financial inclusion of disadvantaged groups. These groups will be encouraged to participate in the official financial system and create formal accounts as a result [6].

According to philosophy, financial inclusion efforts should target the most vulnerable members of society, and cooperatives use this strategy to expressly target women, who are the group most at risk. The vulnerable group hypothesis has certain advantages for promoting financial inclusion. First, by concentrating on disadvantaged groups and integrating them into the formal financial system, the approach seeks to reduce financial exclusion. Second, this notion simplifies the identification of the population's financially excluded individuals. The degree of vulnerability, when combined with other demographic factors such as age, gender, and income level, can help identify the population's most susceptible people. Third, rather than aiming for universal financial inclusion, it could be more economical to focus on the most marginalized groups

in society. There are several problems with the vulnerable group notion [6].

For starters, the technique does not encourage everyone in the population to contribute monetarily. Second, it ignores those who are not part of the current financial system and hence not exposed. Even those who are not in danger require access to the official financial system. Third, it indicates that males are not as susceptible as women. This concept is important since women and men struggle for equal opportunities in today's society. As a result, stigmatizing women as members of impoverished groups at the cost of males may have unforeseen repercussions for how these groups participate in society and the economy [7]. Men may become less respectful of women as a result of it. In conclusion, prioritizing vulnerable individuals when promoting financial inclusion might potentially lead to increased social inequality in the event that policies are crafted to privilege these individuals over others, and economic inequality in the event that these individuals have more access to financial services than others [6]. The Parish Development Model has offered financial help to men and women who are deemed vulnerable, such as the poor and elderly. They were able to use this money to increase dairy, poultry, and agricultural output, and it was transferred from the government to the people through their personal accounts.

#### **Basic Resource Theory**

The basic resource theory was created by Edith Penrose in 1959. It is predicated on the vital natural resources or environmental aspects of a certain region. According to the hypothesis, the availability, quantity, and quality of vital natural resources determine how a particular area develops [9]. The use of these natural resources increases revenue and jobs in these areas and attracts investment capital. A region's capacity to produce natural resources is essential to the area's overall growth. People's quality of life is enhanced in communities when this valuable asset is present. Compared to those living in areas with less natural resources, people living in this region often earn more money and grow more quickly. Because of this, the parish development model has made it possible to cultivate food and cash crops like matooke, sweet potatoes, and maize on productive agricultural land. It has also made water bodies like the Bukakata landing site, a valuable natural resource for fishing, available. The government will provide funding to support rural development in rural regions since certain places have natural resources [7].

#### **Systems Theory**

Ecological systems theory is a comprehensive theory that stresses interactions between "living entities" as well as "between entities and other aspects of their environment." Following the introduction of systems

theory by physicist Ludwig von Bertalanffy in the 1940s, W. Ross Ashby and George Bateson improved it. This approach may be applied to community development directly or indirectly through the environment, as the developer needs to first assess the environment and its surrounds in order to create successfully [9]. This idea may also be useful in other domains, such as ecological psychology and general systems theory. A system is an intricate configuration of elements or pieces that constantly creates, changes, and recreates a pattern of interaction, action, and meaning. The many parts of a rural community must be united under a single system in order to see substantial growth. Rural communities' function as autonomous systems. For the rural community to prosper, leadership, groups, and individuals must collaborate as a system of interaction toward action [7]. Many community or organization workers deal with small groups and formal organizations; systems theory is utilized to investigate these contexts. Early issues including community nature, components, friction, and boundaries are addressed by systems theory. It is particularly helpful in addressing the intricate "wheels within wheels" feature of the numerous networks and formal organizational relationships that community workers deal with, both horizontally across the community structure and vertically, taking neighborhood to community relationships, for an area like rural areas where they work and build together [7].

Among the many purposes and advantages of systems theory are: a. it permits an in-depth analysis of goals and offers methods for guaranteeing their effectiveness in addition to standards for choosing goals. b. It contrasts the results of potentialities for cost, risk, and feasibility. c. It adds to the previous point by defining new goals and objectives. Systems theory is applied to project design, implementation, and assessment in rural development. It also makes long-term viability possible [9]. The government may use parish and village systems to provide funding to all rural populations thanks to the system theory. The efficient and effective delivery of services would benefit all parish and village communities if the government could streamline these procedures and ensure that they function properly [10].

#### **Power Structure Theory**

Power delivery is crucial for rural development. The power structure outlines how power is created, structured, and developed. Many people have been drawn to the study of power dynamics and decision-making, particularly in tiny communities. Power is a dynamic entity, particularly in situations where establishing a power structure has proved difficult [2]. It was found that power is a multifaceted concept that can be distributed unevenly among those who are referred to as "power figures." Communities vary widely in the degree to which their leaders are the

same people when it comes to social services, government, the economy, and education, or whether these domains have relatively different power structures. He believes that there are several sorts of power, and that persons with influence in real-world community concerns are not necessarily regarded as power figures. According to power structure theory, there is always "slack" in the power structure, new power structures can emerge at any time, and power cannot be understood statically. For instance, new members of the power hierarchy are introduced through the creation of leadership-driven organizations. Because rural communities are planned and constructed with the assistance of good leadership, the Power theory is critical. Furthermore, it builds parish and community trust, allowing for better financial inclusion services [9].

#### **Growth Centre Theory**

There are several sorts of power, and that persons with influence in real-world community concerns are not necessarily regarded as power figures. According to power structure theory, there is always "slack" in the power structure, new power structures can emerge at any time, and power cannot be understood statically [2]. For instance, new members of the power hierarchy are introduced through the creation of leadership-driven organizations. Because rural communities are planned and constructed with the assistance of good leadership, the Power theory is critical. Additionally, it strengthens parish and village trust, which enables improved financial inclusion services [11]. With increasing distance from the urban center city, the spatial incidence of economic growth was seen to change. The potential expansion of a region along an axis linking two cities is determined by the degree of interaction between them. Thus, an area's capacity for growth is determined in part by the level of contact between the development core and the surrounding region.

According to [11], the dispersion approach might lead to more food being produced for the urban industrial market. Encouragement of growth is essential because most tasks are carried out in groups. The dispersion technique may result in more food being produced for the urban industrial market. Because the majority of work are completed in groups, progress must be encouraged. This includes increased industrial raw material output for processing companies, job possibilities for any excess rural labor produced by agricultural automation within the expansion region, and cash remittances from migrant workers to rural areas.

#### **Empowerment Theory**

The concept of personal growth and improvement in self-definition that arises from the development of

The ambitious Parish Development Model (PDM) plan has the ability to lower the population's poverty

skills and abilities is known as empowerment theory [12]. Relevance, proficiency, autonomy, and influence are all essential elements to take into account. Empowerment is a theoretical paradigm that covers the process and effects of gaining control and influence over decisions that affect one's life, organizational performance, and community quality. It also represents a value orientation for community service. Another definition of empowerment is the mix of personal characteristics, initiative, and pre-existing support networks used to effect change. Empowerment theory provides principles and a structure for organizing our knowledge, which helps to expand the idea beyond political manipulation [12]. Using this strategy, community development may be accomplished by letting residents create their own neighbourhood. This idea may be used by the leaders of the rural community to grow their parishes through the financial inclusion of the Parish Development Model. The literature on community and empowerment makes two fundamental assumptions. First of all, everyone is capable of becoming powerful. Second, it is believed that empowered individuals unite to work toward a common objective, forming empowered communities. This theory's problem is that it covers so many abilities that it is hard to determine the actual success rate of initiatives based on empowerment theory. Community leaders can be employed by the government to guarantee that all members of the community are included and empowered [12].

#### **Diffusion Model theory of Rural Development**

Productivity disparities amongst rural farmers in the same economic and geographic region are explained by this rural development model. The model suggests that differences in farmers' use of technology like tractors, fertilizer, improved crop types, and other chemical inputs are responsible for these discrepancies [7]. The idea's proponents believe that innovations will spread, closing the productivity gap. Better communication networks might act as a bridge to transfer technological innovations from developed to developing nations, such as Uganda. In many regions, the diffusion technique has led to higher input yields in agriculture. As a result, among other advances for rural farmers, extension services, experimental farmers, and demonstration stations have been implemented. Over the years, the productivity of our rural farmers has remained very low. However, the spread of innovative technology, which has led to the development of new crop varieties and enhanced agricultural methods, would alleviate the issue of low productivity [7].

### **CONCLUSION**

rate. The Model's emphasis on the disadvantaged demonstrates its commitment to inclusive and pro-

poor development. Delivering affirmative action for special interest groups—women, youth, the elderly, and individuals with disabilities—via the PDM is a comprehensive, intentional, and rigorous process. Therefore, by 2040, the Parish Development Model will be able to accomplish the NDP III objectives when combined with other models, technologies, and planning and execution approaches. Uganda's attempts to eradicate poverty, however, will remain unfinished unless the government makes accountability and transparency prerequisites for approving the Parish Development Model and optimizing its execution.

### **Recommendations**

The Parish Development Model may be adopted and executed in Uganda using the ideas outlined above. This requires a solid understanding of rural regions and the protocols established in each parish. Village leaders may help parish leaders with this. To enhance implementation, consider the following:

Implementing a parish development model in Uganda using power structure theory entails understanding existing power dynamics within communities and leveraging them to facilitate development initiatives such as Power Mapping to conduct a thorough analysis of the power dynamics within the parish, identifying key stakeholders, influencers, and decision-makers at various levels[13]. There is need to Engage with local leaders, particularly traditional authorities, religious leaders, and elected officials, to ensure their involvement in the development process. Provide training and capacity-building initiatives to enable community members, particularly those from marginalized groups, to actively participate in the development process, such as leadership training, skill development, and education programs. Power structure theory can shed light on the root causes of conflicts and help identify resolution strategies; Sustainable Development ensures that development initiatives are long-term and address the needs of the entire community, particularly the most vulnerable groups. This might entail implementing projects in healthcare, education, agriculture, infrastructure, and economic empowerment, as well as monitoring and evaluating results. By incorporating power structure theory into the parish development model, you may harness existing power dynamics to achieve inclusive and sustainable development in Uganda.

Financial inclusion theory defines the vulnerable as women, the elderly, the impoverished, and anybody else who needs help to improve their financial circumstances. This theory has been put to use in cases where low-income individuals or the impoverished in rural areas have banded together and registered to take advantage of government initiatives. Financial inclusion under the Parish Development Model benefits everyone, demonstrating the public good and public service

principles [10]. This has been made possible by putting in place systems that make it easy for any community to obtain goods and services. In order for the PDM to achieve its goal of financial inclusion by 2040, a few recommendations need to be taken into account. During the previous legislative recess in August 2023, members of parliament laid the foundation in their individual towns and worked diligently to find weaknesses in the Parish Development Model. Implementing a parish development model in Uganda using financial inclusion theory involves leveraging financial services and resources to empower communities and promote economic growth. These include Implementing educational programs to enhance financial literacy and awareness within the community like workshops, training sessions, and awareness campaigns to teach basic financial concepts, budgeting, saving, and prudent borrowing. Also Facilitate access to formal financial services by promoting the establishment of banking institutions, microfinance organizations, or savings and credit cooperatives (SACCOs) within the parish. Encourage partnerships with existing financial institutions to expand their reach to underserved areas like Centenary bank. Provide microfinance loans, grants, or subsidies to support small businesses and entrepreneurial activities within the community[13]. These groups can serve as a platform for collective savings, lending, and investment, promoting financial resilience and social cohesion. Continuously monitor the impact of financial inclusion initiatives on the economic well-being of the community. Track key indicators such as access to financial services, savings rates, loan repayment rates, business growth, and poverty reduction. By integrating financial inclusion theory into the parish development model, you can empower communities to overcome financial barriers, unlock economic potential, and achieve sustainable development in Uganda.

The public good theory recommends doing a comprehensive needs assessment to analyze the parish's aims and problems, as well as involving community members through surveys, focus groups, and discussions to learn about their wishes and ambitions[14]. This is because public goods and services are essential to the community's health and development. This includes infrastructure such as roads, schools, healthcare facilities, clean water, sanitation systems, and recreational places. Prioritize and coordinate development initiatives while keeping community involvement and participatory decision-making procedures in mind. Create community committees or councils to oversee project development and implementation, with members from diverse sectors of society. Mobilize resources from government agencies, non-governmental organizations (NGOs), private sector partners, and

foreign donors to help the parish improve public goods and services. Collect data on essential elements such as service access, infrastructure quality, social cohesion, and general community satisfaction to evaluate progress and provide recommendations for future initiatives[15]. By incorporating the public good idea into the parish development model, you may create inclusive and sustainable development that benefits the entire community, fosters social cohesion, and enhances quality of life in Uganda.

Some individuals are unaware of their parishes or town administrations and have never participated in their operations. To guarantee that all inhabitants benefit fairly, the government should appoint competent teams to oversee planning and implementation in each region. Some parishes may not apply the notions of public service and public welfare appropriately. This is because individuals are loyal to their political affiliations, some people deliberately feel left out, and most programs in Uganda—such as the Entandikwa Initiative—are meant to be political projects that are deployed during election seasons [16]. Due to the large political split, these are occasionally misunderstood as re-election strategies. Technocrats in the Namutumba region purposefully stopped a number of parishes from getting the initiative's advantages due to bank account difficulties. These ideas emphasize the importance of the government ensuring that the populace is appropriately represented while providing a public benefit or service to all. As a result, it is critical to involve the people in equitable development while constructing the Parish Development model to have Effective monitoring of funds granted under Uganda's parish development

model to ensure transparency, accountability, and project success[4]. To put these theories into effect, the parish development model must include explicit rules and mechanisms for allocating and using funds. It Requires project implementers to give frequent and transparent financial reports outlining how funds are disbursed and used, make financial reports available to the general public through community meetings, online platforms, and local media outlets and have Regular monitoring visits to project locations are also required to assess progress, verify expenditures, and ensure that project goals and criteria are being met. Engage community members, local leaders, and independent monitors in monitoring activities to increase accountability. Utilize technology to enable real-time tracking and reporting on project progress and expenditures[5]. Implement digital platforms, smartphone apps, or SMS-based systems that allow stakeholders to track money transfers, project milestones, and outcomes. It is vital to empower local oversight committees or project management teams to monitor money disbursements, examine financial documents, and address any anomalies or errors. Provide training and capacity-building support to improve their efficacy. Implement accountability and consequences for noncompliance with financial standards and rules. Hold individuals and organizations responsible for theft of funds by legal and disciplinary action, where warranted. By following these rules, the parish development model may guarantee that funds are effectively handled and used for community benefit, fostering trust, confidence, and sustainability in Uganda's development efforts.

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**CITE AS: Nakayiso Eseza (2024). Applicability of Financial Inclusion Theories and Rural Development Theories in the Implementation of the Parish Development Model (PDM) in Uganda. INOSR ARTS AND HUMANITIES 10(2):1-11. <https://doi.org/10.59298/INOSRAH/2024/102.1111>**