



## RESOURCE ALLOCATION AS A STRATEGY FOR POVERTY ALLEVIATION IN UGANDA: A CASE OF IGARA AND SHEEMA COUNTIES IN BUSHENYI DISTRICT

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**Abstract.** This study was designed to explore resource allocation as a strategy for poverty alleviation using the counties of Igara and Sheema in Bushenyi District as a study case. The study targeted 382 residents, 52 officials; 40 development partners (Non Governmental Organizations) and 12 District sector heads. A research design was employed. The findings revealed that the policies used during resource allocation include the Local Government Act 1997, Universal Primary Education, Primary Health Care, National Agricultural Advisory Services, The National Budget and Operations Maintenance Policy. It was concluded that there exists resource allocation and it has a relationship with poverty alleviation. Also the conduct of some officials involved in resource allocation is unprofessional. To enable informed decisions in resource allocation, the paper recommends that extensive studies be conducted to determine the nature of poverty and consultations made with locals in determining policy. Corrupt officials in the process of resource allocation should be identified and disciplined to deter others.

**Keywords:** Resource allocation policies, Conduct of officials, Poverty alleviation

## 1 Introduction

The failure of many poor economies to increase their production of basic goods and services (resources) and their inability to eliminate absolute poverty are important subjects today. These two often come together in those circumstances where large groups of people find themselves disenfranchised from the resources allocation mechanisms characterizing the economy (Dasgupta 1993).

Uganda is one of the poorest countries in the world. The trends in aggregate per capita growth rates indicate not only that Ugandans are poor but that poverty has increased over the last 20 years. Average per capita income levels conceal the extent and depth of this poverty since Uganda suffers from a skewed distribution of income (Okurut et al. 2002). At the macro level, however, Uganda has registered a positive macro-economic performance ever since the adoption of the Structural Adjustment Programmes (SAPS).

Western region, Bushenyi (inclusive) is the least poor region in Uganda (Okurut et al. 2002). The same study also shows that among urban house-holds western region has the highest percentage (34.4%) falling below poverty line. Stuntedness in Bushenyi is the highest in the country. There is also an increase in the gap between the rich and poor suggesting a skewed distribution of wealth. According to the 1999 poverty mapping by Uganda Bureau of Statistics, the proportion of the population in Igara and Sheema counties living below the poverty line was 20 percent. Where as the population below the poverty line in 2002 for Igara and Sheema counties was below 15 percent.

The underlying causes of poverty included poor nutrition, ignorance, illiteracy, low incomes, limited credit facilities as well as inadequate and inappropriate credit schemes. The effects of poverty included poor health and poor living environment (Bushenyi Local Government: 2008). These all suggest differences in resources ownership as well as an anomaly in resource allocation and utilization. There is therefore need to determine whether resource allocation as used today can be used as a strategy for alleviating poverty.

## 2 Methodology

The study employed the survey research design. Questionnaires were administered to 409 respondents; 382 households were chosen out of 76000 households in Igara and Sheema, 12 sector heads of Bushenyi District and 40 District Development Partners. Purposive sampling was used to select the 12 sector heads. Systematic sampling was used to select the 40 development partners. To select the 382 households, first stratified sampling was employed to ensure both counties understudy were represented. The rotary method was used to identify the sample sub-counties of Kitagata and Kyeizooba. The counties of Igara and Sheema have 80 parishes. The idea proposed by Sarantakos (1998) of the rule of the thumb (10%) was used to arrive at the right sample size of 8 parishes. Thus the 14 parishes of Kitagata and Kyeizooba were subjected to the rotary method and the 8 parishes of; Kyarushakara, Kasana West, Kasana East, Muhito, Rutooma, Nyamiyaga, Karaaro and Kitagata were chosen.

A semi-structured questionnaire was employed and documentary analysis used. Data from questionnaires were scrutinized, codes attached to the alternative answers given and entered into the computer. This was followed by the generation of tables and percentages using SPSS13 (Statistical Package for Social Sciences). These helped to analyze the merging trends in the study. Data analysis was carried out at two stages; Univariate and Bivariate. The univariate level focused upon the assessment of the distributional properties of the socio-economic characteristics of the respondents. It was used to serve two broad properties: description of the variables and preparations for bivariate analysis. The format of analysis of output included frequency distributions for the main variables. Bivariate analysis explored associations between the dependent (poverty alleviation) and independent (resource allocation) variables. Cross tabulations were carried out to ascertain associations using Fishers test. Relationships between the dependent and independent variables were established at 99% confidence level. Fishers exact test is used when one or more cells has an expected frequency of five or less.

### 3 Findings

#### 3.1 Resource Allocation Guidelines

On the friendliness of the 2007/2008 budget the results showed as many as 61.4% of the respondents did not find it friendly. The increase in duties on petrol and diesel may have increased fears of increased prices and hence cost of living. Only 15.7% of the respondents felt safer as a result of Local Defense Forces. Equal numbers of respondents (30.7%) were in concert that Local Councils have put power into people's hands and elected leaders have led to better service provision. The appreciation of decentralization and local governance is probably slow since its merits are also slow and people are usually resistant to change.

**Table 3.1: Response on policies of resource allocation**

Policy guidelines	N	Response		
		Yes	No	Don't know
Previous 2007/08 budget was people friendly	365	15.3%	61.4%	23.3%
Local councils put power in people's hands	365	30.7%	54.0%	15.3%
Elected leaders led better service provision	365	30.7%	53.7%	15.6%
LDU led to increase in security	365	15.7%	69.0%	15.3%

**Source: Primary data**

### Conduct In Resource Allocation

Table 3.1 shows that (38.6%) of respondents did not know if money for development was at times used for other things. The same number (38.6%) did not know whether village bank officials give loans without asking or accepting personal favours. On the other hand 7.7% of the respondents believed that village bank officials give loans without asking or accepting personal favours. The same number 7.7% agreed that UPE and USE are free. It was found out that 61.6% did not think UPE and USE are free. The district education officer (DEO) Bushenyi, during a meeting with headmasters in Bushenyi threatened to arrest any of them who were found to have sent home pupils for lack of money.

**Table 3.1: Response on professional conduct**

Conduct by officials	N	Response		
		Yes	No	Don't know
Times when development money is diverted	365	23.0%	38.4%	38.6%
Loans given without personal favors	365	7.70%	53.7%	38.6%
Free UPE and USE	365	7.70%	61.6%	30.7%

**Source: Primary data**

### Poverty Alleviation

The study revealed that 46% of the respondents responded negatively to education services and only 23.7% appreciating them. However 30.7% did not know. Also more respondents (38.4%) thought health care services have helped people. A clear majority 53.7% did not think village banks had helped people with only 15.6% in the affirmative. The levels of apathy were 38.4% where as only 31% indicated hard work pays and therefore are better motivation. The rest 30.6% were indifferent to work. **Table**

**3.3: Response on poverty alleviation**

Conduct by officials	N	Response		
		Yes	No	Don't know
Education services have made lives better	365	23.3%	46.0%	30.7%
Health care services have helped people	365	31.0%	38.4%	30.6%
Working hard pays	365	31.0%	38.4%	30.6%
Village banks helped people improved lives	365	15.6%	53.7%	30.7%

**Source: Primary data**

**People's Welfare [resource allocation by polices on resource allocation]****Literacy**

Results from analysis showed evidence of relationship between resource allocations polices and poverty alleviation ( $P < 0.01$ ). Among respondents that were in support that elected leaders led to better service provision (30.67%), half of these were in agreement that education services have made people's lives better. However, half (50%) of this group were unsure (Don't know) about contribution of education.

Concerning the previous 2007/08 budget, a small proportion (15.34%) of respondents claimed that it was people friendly. Among these 50% responded that were in disagreement that education services have made people's lives better.

Among the respondents who claimed local councils put power into people's hands (30.68%), half (50%) did not know whether education services have made peoples lives better.

The findings from the study also revealed that among the respondents 15.62% supported the idea that LDUs have led to increase in security and peace. All these (100%) were also of the view that education services had improved peoples lives.

**Table 3.4: Response on education by policies on resource allocation**

Resource allocation policies	N	Education			
		Yes	No	DK	Total
Elected leaders led better service provision					
Yes	112	50.0%	0.00%	50.0%	30.67%
No	196	0.00%	85.7%	14.29%	53.70%
DK	57	50.88 %	0.00 %	49.12%	15.62%
Fisher's exact Sig. = 0.000					
Previous 2007/08 budget was people friendly					
Yes	56	0.00%	50.0%	50.0%	15.34%
No	224	12.50%	50.00%	37.50%	61.37%
DK	85	67.06%	32.94%	0.00%	23.29%
Fisher's exact Sig. = 0.000					
Local councils put power in people's hands					
Yes	112	25.00%	25.00%	50.00%	30.68%
No	197	28.93%	71.07%	0.00%	53.97%
DK	56	0.00%	0.00%	100.00%	15.34%
Fisher's exact Sig. = 0.000					
LDU lead to increase in Security					
Yes	57	100.0%	0.00%	0.00%	15.62%
No	252	0.00%	66.67%	33.33%	69.04%
DK	56	50.00%	0.00%	50.00%	15.34%
Fisher's exact Sig. = 0.000					
Source: Primary data					



**Health care services**

Among the respondents that were of the view that elected leaders have led to better service provision (30.68%), half of these (50%) were also of the view that health services available have helped people.

Concerning the previous 2007/08 budget being people friendly, only some (15.34%) of the respondents supported this notion. Of these half (50%) also claimed health care services had not made peoples lives better.

Those who did no believe that local councils have put power into the hands of people were 53.97%. Among these the greater proportion (71.07%) also did not believe that health care had improved people's lives.

Only a small percentage of the respondents (15.62%) believe LDUs have led to increased security. Of these the overwhelming majority (100%) also were of the view that health care services available have helped people.

**Table 3.5: Response on health care services by policies on resource allocation**

Resource allocation policies	N	Health care services			
		Yes	No	DK	Total
Elected leaders led better service provision					
Yes	112	50.0%	0.00%	50.0%	30.68%
No	196	14.29%	71.43%	14.29%	53.70%
DK	57	50.88%	0.00 %	49.12%	15.62%
Fisher's exact Sig. = 0.000					
Previous 2007/08 budget was people friendly					
Yes	56	0.00%	50.0%	50.0%	15.34%
No	224	25.00%	37.50%	37.50%	61.37%
DK	85	67.06%	32.94%	0.00%	23.29%
Fisher's exact Sig. = 0.000					
Local councils put power in people's hands					
Yes	112	50.00%	0.00%	50.00%	30.68%
No	197	28.93%	71.07%	0.00%	53.97%
DK	56	0.00%	0.00%	100.00%	15.34%
Fisher's exact Sig. = 0.000					
LDU lead to increase in Security					
Yes	57	100.0%	0.00%	0.00%	15.62%
No	252	11.11%	55.56%	33.33%	69.04%
DK	56	50.00%	0.00%	50.00%	15.34%
Fisher's exact Sig. = 0.000					
Source: Primary data					

**Working hard**

From the findings expressed in table 3.6, respondents that did not know whether elected leaders have led to better service provision were 15.62%. None of these (0%) were of the view that hard work pays, showing a combination of both ignorance and apathy.

Pertaining to the previous 2007/08 budget, many of the respondents (61.37%) thought it was not people friendly. A quarter of these (25%) also claimed hard work pays.

The study showed that less than half the respondents (30.68%) believe local councils have put power into people's hands. Of these half (50%) are of the view that hard work pays.

All the respondents who believed that LDUs had increased security and peace (15.62%) also believed working hard pays. this may mean those who feel secure may also easily be optimistic.

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**Table 3.6: Response on working hard by policies on resource allocation**

Resource allocation policies	N	Working hard			
		Yes	No	DK	Total
Elected leaders led better service provision					
Yes	112	50.0%	0.00%	50.0%	30.68%
No	196	14.29%	71.43%	14.29%	53.70%
DK	57	50.88%	0.00 %	49.12%	15.62%
Fisher's exact Sig. = 0.000					
Previous 2007/08 budget was people friendly					
Yes	56	0.00%	50.0%	50.0%	15.34%
No	224	25.00%	37.50%	37.50%	61.37%
DK	85	67.06%	32.94%	0.00%	23.29%
Fisher's exact Sig. = 0.000					
Local councils put power in people’s hands					
Yes	112	50.00%	0.00%	50.00%	30.68%
No	197	28.93%	71.07%	0.00%	53.97%
DK	56	0.00%	0.00%	100.00%	15.34%
Fisher's exact Sig. = 0.000					
LDU lead to increase in Security					
Yes	57	100.0%	0.00%	0.00%	15.62%
No	252	11.11%	55.56%	33.33%	69.04%
DK	56	50.00%	0.00%	50.00%	15.34%
Fisher's exact Sig. = 0.000					

**Source: Primary data**

**Money from village banks**

The table 3.7 shows that among the respondents that were of the view that elected leaders led to better service provision (30.68%), none of them were of the view that money from village banks has helped improve their lives. This could be to the low membership (30.7%). (Table 3.3) and therefore ignorance (50.0%) (Don't know).

On the previous budget being people friendly a few (15.34%) thought it was a people friendly budget, of these half (50%) claimed that money from village banks has helped people improve their lives.

Results from the study indicated that, of the respondents who claimed that local councils had put power into their hands (30.68%), half (50%) did not believe that money from village banks had improved their lives.

The respondents who did not claim that LDUs have led to security were most (69.04%). Many of these (50%) also claimed money from village banks did not make their lives better.

**Table 3.7: Response on help with money from village banks by policies on resource allocation**

Resource allocation policies	N	Money from village banks			
		Yes	No	DK	Total
Elected leaders led better service provision					
Yes	112	0.00%	50.00%	50.0%	30.68%
No	196	14.29%	57.14%	28.57%	53.70%
DK	57	50.88%	49.12%	0.00%	15.62%
Fisher's exact Sig. = 0.000					
Previous 2007/08 budget was people friendly					
Yes	56	50.00%	50.0%	0.00%	15.34%
No	224	0.00%	75.00%	25.00%	61.37%
DK	85	34.12%	0.00%	65.88%	23.29%
Fisher's exact Sig. = 0.000					
Local councils put power in people’s hands					
Yes	112	0.00%	50.00%	50.00%	30.68%
No	197	28.93%	42.64%	28.43%	53.97%
DK	56	0.00%	100.00%	0.00%	15.34%
Fisher's exact Sig. = 0.000					
LDU lead to increase in Security					
Yes	57	50.88%	0.00%	49.12%	15.62%
No	252	11.11%	66.67%	22.22%	69.04%
DK	56	0.00%	50.00%	50.00%	15.34%
Fisher's exact Sig. = 0.000					

Source: Primary data

## **4 Discussions and Conclusions**

### **4.1 Relationship between Resource Allocation and poverty Alleviation**

The study showed evidence of a relationship between resource allocation and poverty alleviation and poverty alleviation. Fishers exact test, revealed in all results on relationship between resource allocation and poverty alleviation, that significance is negligible ( $F < 0.01$ ) thus giving the researcher great confidence in them. Resource allocation policies were seen to have a relationship with the respondents' welfare. Therefore government actions affect respondents' responses to education, healthcare, work and credit in Bushenyi District.

### **4.2 Precise Policy guidelines used in the Allocation of Resources**

From the study equal numbers of resident respondents (30.7%) were in concert that Local Councils have put power into people's hands and elected leaders have led to better service provision. This maybe because the people that are politically aware are the ones accessing better service provision. It was found that 61.6% did not think UPE and USE are free. It is alleged that some head teachers still demand money for meals, stationery and teachers upkeep. Less than half the respondents (38.4%) thought healthcare services have helped people. This is due part to the poor staffing in healthcare centers. Many qualified medical personnel choosing to work in urban centers and private practice. Another policy is enhancing agricultural production through promotion of Plan for Modernization of Agriculture Services (NAADS) and Area Based Agricultural Modernization Programme (AAMP). Regarding the role of NAADS in improving animal and crop production, the findings revealed the majority (53.7%) did not think so, only 15.6% thought so. The current parameters the government is relying on to conclude that poverty is rapidly being reduced are highly devoid of a participatory approach to the understanding of the poverty situation in Uganda. The policies identified in the allocation of resources are in line with National Priority Programme Areas (NPPA) and district policies. These are in turn a result of Millennium Development Goals adopted in the UN Millennium declaration which Uganda is a signatory.

### **4.3 Conduct of Officials during Resource Allocation**

Majority (77%) of resident respondents did not know or did not think money for development was used for other things. The greater number of resident officials (92.3%) were either ignorant or did not think village bank officials conduct themselves professionally. In Bushenyi District among the key outstanding constraints to development is lack of trained sub-county planners, inadequate skills in data collection, analysis, interpretation, management and use; lack of promotional avenues for staff; low staff morale caused by uncertainties related to restructuring and inadequate remuneration; shortage of drugs despite regular purchases (Bushenyi Local Government:2008). Loopholes in the resource allocation process may promote unprofessional conduct among resource allocation actors in Bushenyi District.

## **5 Recommendations**

- a) There should be extensive studies conducted by government planning departments and NGOs to determine the nature of poverty in Bushenyi and these should be used by Central Government, Local Government and other stakeholders in allocating resources.
- b) Appropriate policy guidelines should be formulated in consultation with residents to determine the best strategy or strategies in allocating resources to alleviate poverty.
- c) There should be investigations carried out by the Inspector General of Government (IGG) to identify corrupt officers in the process of resource allocation and disciplinary action like demotion, dismissal, imprisonment, fines and hefty financial penalties to discourage unprofessional conduct.
- d) In cases of inadequate staffing and lack of sub-county planners, tertiary institutions should be encouraged to tailor their curriculum to provide for these inadequacies. For example a course on sub-county planning.
- e) There should be independent auditors contracted from private firms (if possible from abroad where corruption is less entrenched). These should be allowed to publish their findings to the media and these reports should be translated into the local languages to allow locals to identify and vote out corrupt officials.



- f) NGOs operating in Bushenyi should be monitored by local government officials. Those doing a good work should be encouraged. Where possible government should partner with them and finance their activities in which they have proved more effective than government.

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