

# Increased Government Control of Buganda's Financial Sinews since the Revolution of 1966

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THE quest for a more equitable allocation of resources and income in all parts of Uganda, has gained more commitment, support and above all possibilities and credibility since the revolutionary changes which abolished "federalism" in Uganda and Buganda's special privileges and political hegemony. Indeed even before 1967 the Government was exposed to pressure from the "neglected" areas to rectify the imbalance of not only economic resources allocation but of political "goods" as well.<sup>1</sup> For example, members of the West Nile District Council proposed that their district should be represented in the cabinet, claiming that industries were being established only in the districts which were represented in the cabinet and that tractors were only given to such districts.<sup>2</sup> The determination of the government of Uganda to distribute the economic growth and social services has been boldly and publicly declared and reiterated. Only recently the Minister of Planning and Economic Development Mr. J. M. Okae who was touring Lango District, declared, "economic development of Uganda, is aimed at bringing those areas neglected by the British Administration in line with other parts of the country".<sup>3</sup> He added, "during the colonial administration, some areas were not allowed to grow some crops, and others were not given the essential services."

It is the contention of this paper that the present government's rigorous control of the financial sinews of the districts, has enhanced its capacity to redistribute income and resources more equitably throughout Uganda. This is so because some significant services and resources which had been distributed inequitably to the Kingdoms and districts and which could not be controlled by the Central Government because of the constitutional and political tangles, were reclaimed by the Government following the major constitutional changes of 1967. The Central Government's control of the financial sinews of Buganda has been selected to represent what is taking

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\* The author wishes to acknowledge his gratitude to the Makerere Publications and Research Grants Committee which *inter alia* enabled him to prepare this article which is based on a paper submitted to the University of East Africa, University Social Sciences Council Conference, December, 1969. The views expressed are solely those of the author and should not be interpreted as reflecting those of the U.S.S.C. or the University.

<sup>1</sup> These included the quest to receive similar political attention and the demand that more tribal languages be broadcast on radio Uganda.

<sup>2</sup> West Nile District Council Minutes 28th August, 1965, Min. 72/65.

<sup>3</sup> *The People* (Kampala) September 8, 1969, p.10.

place in other parts of Uganda because (a) Buganda was the major source of resistance to Central Government's control over her affairs and finances. Furthermore, her successful defiance of the Central Government's control, was in turn emulated by other parts of Uganda. Indeed the Munster Report of 1961 made the same observation in these words:

"It is hardly too much to say that every serious problem which we encountered in Uganda had its roots in the Buganda Problem. In local government matters, for instance, the fact that the Buganda government has been able to defy the Central Government's financial controls, has naturally encouraged financial irresponsibility elsewhere".<sup>4</sup>

And so by controlling Buganda's "defiance" which flourished from the colonial days up to 1967, other areas have been easily controlled by the Central Government. (b) The historical concentration of the resources and services in Buganda has meant that the major task of correcting the "imbalance" has its major roots in Buganda.

In order to appreciate fully the impact and the importance of the present grip which the central government has over the four districts which comprise the former Kabaka's kingdom,<sup>5</sup> it is necessary to recall the period when Buganda was so politically powerful that she could not only defy a lot of the central government's control but could also hold the national balance of power. The Uganda independence constitution of 1962, enshrined Buganda's special privileges which she had reaped since the 1900 Agreement which was made between the King of Buganda and the Protectorate government.<sup>6</sup> Her relative financial autonomy was also confirmed under schedule 9 of the 1962 constitution under which her independent sources of revenue included graduated tax, assigned revenue raised in Buganda from petrol and diesel duty (with a minimum yield guaranteed), statutory contribution from the general revenue (not to be reduced without consultation with the Kabaka's government) and revenue from stamp duty on *mailo* transfers. In accordance with her wishes, Buganda was excluded from the local authorities grant structures. This was so because *inter alia*, Buganda wanted to steer clear from any controls which are normally associated with grants from the central government. Her services included senior education, forestry, hospitals, agricultural marketing, water supply, veterinary matters, co-operatives, markets, housing, town planning, high court matters, police, prisons, public works, etc.

The central government hardly exercised any significant control over Buganda's expenditure and her estimates of revenue. Indeed before submitting estimates to the *Lukiiko* (Buganda's parliament) the *Omuwamika* (Minister of Finance) was merely required to cause the estimates to be sent to the Minister of the central government of Uganda responsible for finance after which the Buganda government was merely expected to consider

<sup>4</sup> Report of the Uganda Relationships Commission (Entebbe: Government Printer, 1961), p. 23. It was under the chairmanship of the Right Hon. The Earl of Munster.

<sup>5</sup> In 1967 the former kingdom of Buganda was divided into 4 Districts.

<sup>6</sup> For more details see A. Nsibambi, "The Rise and Fall of Federalism in Uganda," *East Africa Journal*, December, 1966.

the observations of the Minister of Finance in the central government.<sup>7</sup> Otherwise it was Buganda's Public Accounts Committee which was entrusted with the duty of dealing with excess of unauthorised expenditure of funds and to take any measures it considered necessary in order to ensure that the funds of Buganda's government were properly and economically spent.<sup>8</sup>

It should be noted that Buganda's capacity for asserting her financial autonomy sprung from her political strength which was a result of her apparent and *de facto* political cohesiveness. It will be recalled that just before independence, Buganda organized a "political party" called Kabaka Yekka which enabled her to send 21 representatives to the National Assembly who were elected by the Lukiiko – a procedure which for some time ensured that Buganda's representatives in the National Assembly acted as a group to safeguard the interests and demands of Buganda. The Uganda People's Congress (UPC) which had won 37 seats in the Assembly, formed an alliance with Kabaka Yekka in order to form a National Government. The Democratic Party which had won 24 seats, became the Opposition Party. Under this setting, Buganda held the national balance of political power and could thus assert her financial autonomy.

The reports of the Auditor-General on the Accounts from 1962 onwards, revealed clearly Buganda's failure to control her expenditure – a practice which was emulated in other districts whose financial sense of responsibility was lacking as well. For example, the Auditor-General observed that Buganda's accounts which ended 30th June, 1962 were received for audit on December 31st, 1963. Thus the requirement of article 33 (2) of the constitution of Buganda that the accounts be rendered for audit within a period of four months from the end of the financial year, had been contravened.<sup>9</sup> He drew attention to expenditure amounting to £126,796 remaining unauthorised. He pointed out that the total number of queries in respect of previous years to which replies were still awaited was 522. Similar financial improprieties occurred in the other districts which emulated Buganda. For example in Toro District, excess expenditure totalling £1,296 was noted as well as unvouched expenditure or incompletely vouched expenditure amounting to £9,255. In Ankole District unvouched expenditure totalled £42,182. In Bunyoro excess expenditure totalling £6,891 remained unauthorised. In Busoga expenditure incurred without due authority amounted to £276,835. Unvouched or incompletely vouched expenditure in 1962/63 amounted to £4,267. In Lango District, excess expenditure of £7,079 on 20 items was not covered by proper authority. And in some cases mileage was claimed for journeys which did not appear to be connected with the duties of the posts held by the claimants.<sup>10</sup>

<sup>7</sup> See schedule 1 to the 1962 Constitution Article 33(4). Buganda tended to disregard the observations of the Minister of Finance in the Central Government especially during her period of political hegemony.

<sup>8</sup> *Ibid.* Article 34.

<sup>9</sup> See Report of the Controller and Auditor-General on the Accounts of H.H. The Kabaka's Government for the year ended 30th June, 1962, p. 1.

<sup>10</sup> See Report of the Controller and Auditor-General on the Accounts of the Toro Kingdom for the period 1st July, 1962 to 31st December, 1963, and for Ankole, Bunyoro, Busoga and Lango covering the same period.

Considering that the recurrent and non-recurrent revenue of Bunyoro, Ankole, Lango and Toro ranged from about £400,000 to £800,000, unauthorized expenditure constituted a big fraction of their revenues. This was equally true of Buganda whose revenue revolved around three to four million pounds.<sup>11</sup>

Thus under this setting the weak central government could not politically and in some cases constitutionally exercise any meaningful control over Buganda's financial expenditure. When, however, politicians defected from Kabaka Yekka and joined the U.P.C., Buganda's balancing power was lost. Henceforth U.P.C. could form a strong national government without the assistance of Kabaka Yekka. Her position was made even stronger by other politicians who defected from the Democratic opposition party and who joined U.P.C.

The revolutionary changes of 1966-67 which involved the abolition of federalism, and the reduction of Buganda's independent sources of revenue and services<sup>12</sup> and the division of the former kingdom into four district<sup>13</sup> administrations whose finances are subjected to the firm control of the Government, constituted a fundamental move of abolishing Buganda's special position. Henceforth there has been a strong tendency towards centralization of powers by the government and this paper will only tackle the financial aspect of the phenomenon.

According to Section 46 of the Local Administration's Act, the Administration is empowered to raise revenue from graduated tax up to a maximum of 600 shillings per annum per taxpayer, rates, market dues, fees, fines, licences and permits, interest on investments, royalties, donations, and other revenue collected by district land committees, and such other revenues as the Minister of the Government shall approve. In addition, Administrations receive grants from Central Government.

The recurrent revenue and expenditure of the four districts may be summarised as follows:<sup>14</sup>

		<i>Year</i>	<i>Revenue Shs.M</i>	<i>Income per capita</i>	<i>Expenditure Shs.M</i>
East Mengo	...	1968	15	24	12
		1969	17	27	13
West Mengo	...	1968	8	18	8
		1969	11	25	10
Masaka	...	1968	9	19	9
		1969	9	20	9
Mubende	...	1968	5	25	5
		1969	6	27	6

<sup>11</sup> Busoga's revenue was in the range of about one million pounds per year.

<sup>12</sup> The de-transferred services include education (especially teachers' salaries) forestry, veterinary services, land board, police etc.

<sup>13</sup> East Mengo, West Mengo, Masaka and Mubende Districts.

<sup>14</sup> *Source*: District Treasurers of the four Districts and the Approved Estimates. It should be noted that the figures for 1969 are merely estimates.

Despite the fact that Mubende District shows income per capita which is comparable to that of East Mengo, it is the poorest district in Buganda because *inter alia* income is poorly distributed in the area. Furthermore, it lacks important investment projects. In fact, it is only Mubende District which received a block grant of 200,000 shillings in 1968. A similar sum was promised for 1969.

In order to dispose of the assets and liabilities which belonged to the former Kingdom of Buganda, a special account was created under Schedule 4 of the Local Administrations Act, 1967. Part II of the schedule stipulates that all property, assets, funds, rights, liabilities and obligations which belonged to or were binding upon the government of the former kingdom of Buganda, immediately before the commencement of the constitution, shall be deemed to have been vested in the government. Section 3, Part II of the Schedule empowered the relevant Minister (i.e. of Regional Administrations) to make provisions by statutory instrument for the management, disposal or otherwise dealing with any property vested in the Government for the benefit of the districts of East Mengo, Masaka, Mubende and West Nile. The first distribution of Buganda's special account was made on a population basis following the 1959 census as follows:<sup>15</sup>

<i>District</i>	<i>Amount</i>	<i>Percentage of total population of Buganda</i>
East Mengo	2.5 million shs	35%
West Mengo	1.7 million shs	25%
Masaka	1.7 million shs	26%
Mubende	0.8 million shs	13%

East Mengo is economically the most advanced of the four Districts. This is so because there are many important economic activities which are taking place in the area such as sugar, tea and coffee estates, cocoa in Bugerere and ranching in Buruli County, besides the size of the population and the ease of carrying overhead costs which have contributed to the overall wealth. In fact East Mengo had a surplus balance of nearly 3m shillings in 1968.

The surplus balances are used to create a reserve fund and for financing capital projects, which have included building residential houses, medical units, sub-dispensaries, bridges and markets.

R. A. Stevens has observed "that English local government authorities do not hold reserve funds, since it is considered wrong that money should be accumulated out of rates or taxes paid by one set of payers to be used possibly years later to provide Capital works for possibly a quite different set of payers".<sup>16</sup> How can the local administration be vindicated for accumulating reserve funds to finance capital projects? Because the funds are accumulated for one year – and not for years – and they are used the following year. Consequently the majority of the people who pay for them, get the benefits the following year. Furthermore, capital projects are not

<sup>15</sup> It is hoped to distribute the rest of the Account according to the latest population Census of 1969.

<sup>16</sup> *Journal of African Administration*, Vol. 1, No. 2, 1949, p. 71.

only financed from the reserve fund; some of the money is borrowed from the Local Authorities Loan Fund to finance capital projects.

It has already been pointed out that the central government which was weak could not control the financial sinews of the robust sub-political systems notably the financial linchpin of the Kingdom of Buganda and indeed throughout the country. Thus local authorities faced deficit budgets year after year. Professor Colin Leys has observed, "Acholi has probably followed a fairly sophisticated tactic by improving tax collection, escaping blame on that score, while on the other hand budgeting for expenditure which produces a large deficit, and so both forcing the Minister to accept the odium of vetoing new items of expenditure and – possibly – creating more pressure to meet some of the new proposals indirectly by means of an increased deficit grant."<sup>17</sup>

It should also be noted that because local authorities lacked the resources to carry out all the functions for which they were responsible, local politicians solved this problem by excessive deficit budgeting. And as Professor Leys says, "in the end the estimates had in effect to be written by the (Central) Ministry in the form in which they were prepared to approve and, when finally published by the Acholi District Administration, some of the 'Explanatory Notes' appended to them served the function not of explaining what was in the estimates as printed, but what would have been in them if the Council had not been frustrated by the Minister."<sup>18</sup> And thus following so much glaring financial irresponsibility in Districts and following the removal of Buganda's political hegemony which was a constant source of inspiration and emulation to Districts, the government decided to assert her authority and control all Districts in Uganda without exception.

And so under the new system, the Districts, which will receive grants, are informed in advance as well as those which will not receive them. Also the Ministry sends to the Districts a letter of guidance before they make their estimates for the year. There can be no question of Districts sending inflated and deficit budgets to the Ministry unless they are authorized to do so. Districts are also required to have reserve funds to meet emergencies and to finance future capital projects. Indeed some heads may be placed under R.I.E. (Requisition to Incur Expenditure). This means that those heads are not to be committed without further reference to the Ministry of Regional Administrations. This is a safeguard against revenue shortfall and release is considered later in the year in the light of progress in tax collection. By this means local authorities are taught to be prudent – similarly on the revenue side, the old tactic of inflated estimates of revenue to justify heavy expenditure and in reality to hide deficit budgeting, has now been stopped.

It is important to note that the block grant is a significant tool of redistributing revenue to the less developed areas of Uganda. The Minister of Regional Administrations has explained how this is calculated:

"There is only one type of grant towards recurrent expenditure which is

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<sup>17</sup> Colin Leys, *Politicians and Policies: An Essay on Politics in Acholi, Uganda, 1962-65*. (Nairobi: East African Publishing House, 1967), p. 40.

<sup>18</sup> *Ibid.* p. 28.

known as the block grant. This is a general grant of a deficiency grant nature . . . The grant is calculated to meet the gap (if any) between potential direct revenue and estimated requirements for recurrent expenditure. The potential direct revenue is calculated on a statistical basis, taking into account population and relative per capita income in the case of assessing rates. The estimated requirement for recurrent expenditure is based upon a formula taking 1967 totals (less certain economies) as a base line and projecting individual service expenditure according to national maintenance standards and development targets." The economies alluded to in the passage refer to the costs of the de-transferred services such as forestry, education, police, etc. which are now borne by central government. Their cost to the district prior to the major constitutional changes of 1967 is shown in a separate annexe.

The following table shows the grants which were paid to District Administrations by the government during 1967, 1968 and 1969 – it will be noted that the three most developed districts did not qualify for any grant:

**Grants paid to District Administrations by Government during 1967, 1968 and 1969**

<i>Name of Authority</i>			1967	1968	1969 <i>Estimate</i>
1.	Acholi	... ..	4,812,450	1,363,281	1,782,880
2.	Ankole	... ..	6,142,910	61,652	468,100
3.	Bugisu	... ..	4,149,485	—	—
4.	Bukedi	... ..	5,902,260	1,052,200	1,247,660
5.	Bunyoro	... ..	4,702,980	2,076,108	2,463,480
6.	Busoga	... ..	6,701,280	1,345,825	1,125,000
7.	Karamoja	... ..	4,296,330	4,572,878	4,825,260
8.	Kigezi	... ..	5,840,560	999,430	1,320,340
9.	Lango	... ..	4,752,140	1,082,548	1,748,690
10.	Madi ...	... ..	1,272,820	691,801	724,520
11.	Sebei ...	... ..	894,350	707,045	623,460
12.	Teso ...	... ..	5,341,070	244,000	1,057,600
13.	Toro ...	... ..	3,668,100	—	—
14.	West Nile	... ..	5,414,960	849,404	1,242,880
15.	Mubende	... ..	—	200,004	200,240
16.	Masaka	... ..	—	—	—
17.	E. Mengo	... ..	—	—	—
18.	W. Mengo	... ..	—	—	—

Source: Ministry of Regional Administrations.  
The figures are in shillings.

Since the government took over the burden of paying the salaries of teachers those Districts which open new schools must do so in accordance with the development programme as approved by the Ministry of Education if they expect to receive the financial assistance of meeting teachers' salaries. The development plan which is followed by the Ministry aims at giving equitable distribution of goods which in practice entails giving more

assistance to the less developed areas of Uganda. And so all the controls which are exercised when the block grant is given to the Districts assist in the task of re-allocating services and income to the less developed areas.

This method of re-distributing income and services has a useful political advantage because (a) most citizens find it difficult to discern all the dimensions of calculating the block grant and so are usually willing to accept the advice of experts in the relevant financial intricacies. (b) The basic philosophy of assisting the less developed areas to acquire "national" standards is on the whole defensible to the majority of citizens. (c) While the impact of the block grant is significant, its effect of redistributing income and services is felt in gradual stages.

At this point, it seems appropriate to pose this question: Is the control from the Ministry of Regional Administrations irksome or not? This is an important question because democracy and local initiative are eroded when the central government exercises severe financial controls over Districts.

If the Minister's powers are looked at theoretically, they put him in a powerful position. For example, under Section 9 (3) of the Local Administrations Act, 1967, he may by statutory instrument dissolve a council at any time if he alone is satisfied that it is in the public interest so to do. This section gives him legal power to overcome resistance in a "defiant" local administration. In fact all councillors in Buganda were nominated by the Minister and they are to this extent dependent on him for their political survival in the council. Draft financial estimates of the finance committee are sent to him first and he makes what he deems to be the necessary alterations and sends them back to the committee which submits them to the council. After the council has debated and passed them, they are sent to the Minister for the final approval. Under Section 58 of the Act, he may approve or disapprove the estimates as a whole, disapprove any particular item or items in the estimates while approving the remainder of the estimates, require that before expenditure on any item is incurred, his specific approval to that expenditure is first obtained; or reduce the amount that may be spent on any particular item or items. Having sketched the Minister's powers, which appear so complete, it is proper to examine how they have been exercised in practice.

In general, since all the councillors are of course aware that they were nominated by the Minister and since they are also aware that Buganda is under emergency laws, they have proceeded cautiously in their deliberations except on the issue of their personal allowances which they have claimed to be far from adequate. Indeed, the removal of the Kabaka and Buganda's political hegemony was such a fundamental shock that a militant former Minister in the former Kabaka's government by the name of Abu Mayanja declared in the National Assembly after the revolution, "I believe that there is now no longer any person in Uganda who does not know where power lies. I believe that the days of the struggle of power, which led us to the unfortunate situation that we passed through, are now happily passed".<sup>19</sup>

<sup>19</sup> *Uganda Parliamentary Debates, Second Series*, Vol. 73, Second Session, 1967-8, July, p. 666.

Since, however, councillors have not felt inhibited and "cautious" in pressing for increased allowances, it is worth examining that issue, in particular the East Mengo controversy about allowances.

One councillor in the name of all councillors of East Mengo, complained about the allowance of 250/-, as being too low compared with the responsibility they hold and the dignity they have in the district. He added that councillors travel widely in their constituencies in order to explain to the people the policy of the government and its objectives and that consequently so much of the allowance is spent on travelling expenses and that they are left without the means to buy food or clothing. He further argued that because their allowances were too little the people they represent tended to look down upon them.

Then another councillor proposed the following increases:—<sup>20</sup>

	<i>Member's allowance</i>	<i>Given</i>	<i>Should receive</i>
(a) Chairman	shs. 700/- p.m.		shs. 1,500/- p.m.
Deputy Chairman	shs. 300/- p.m.		shs. 1,000/- p.m.
Councillors (46)	shs. 250/- p.m. each		shs. 750/- p.m. each
(b) Sitting Allowance	Nil		shs. 60/- per person per sitting
(c) Night Allowance	shs. 15/- per night		shs. 15/- per night

He concluded by saying that if his recommended figures were passed by the council, they should be included in the Draft Estimates of 1968.

He was seconded by the deputy chairman of council who rejected the idea of approving 1968 estimates without incorporating the proposed scheme into them.

A vote was taken and the results were as follows:—

Those in favour of the allowances as they appeared in the Draft Estimates of 1968 and who at the same time favoured writing separately to the Minister with a request for the allowances to be increased were six. Those who favoured including the proposed increase in the allowances in the Draft Estimates of 1968 were 32. One person abstained from voting. The Secretary-General then warned the councillors that if they considered that point to be the most important of all, it was better to suspend the debate so that they could write a letter to the Minister requesting him to confirm the proposed allowances. Councillor A. Kasujja urged members to take the Secretary-General's advice and it was eventually accepted. Consequently the councillors resolved to write a separate letter to the Minister about the matter.

In West Mengo, when one councillor complained that the allowance given to them was far too little and it was suggested that the council should appoint a committee to see the Minister about the matter, the chairman ruled that it was a waste of time to discuss that matter in detail because the members' allowance was covered in a circular from the Ministry of Regional

<sup>20</sup> Minutes 17/67 and 23/67 of the Meeting of the East Mengo District Council 4-7, December, 1967. (Each councillor gets 250 shillings per month as his allowance.)

Administrations.<sup>21</sup> The issue of the councillors' allowances raised serious concern among councillors in all the four Districts and it has been discussed here at length because it gives rise to three interesting observations:—

First, the Minister refused to accept the proposals for increased allowances for councillors. Standardization of allowances throughout Uganda was one of his major considerations. For while the cost of the standard of living is not uniform throughout Uganda, if one started varying allowances in the light of the cost of living Buganda districts would be among the few areas which would merit special consideration but this move would be reminiscent of Buganda's special position and it would thus be repugnant to one of the major messages of the revolution — namely the abolition of these special privileges. No doubt if Buganda councillors had obtained higher allowances, arguments would have been advanced to justify similar increases throughout the country.

Secondly, all the councillors in Buganda were nominated by the Minister and so their claim of representing people's views and wishes is questionable. In fact it is widely claimed that many of them either hardly visit their constituencies save during elections.\* The effectiveness of councillors in discussing crucial matters such as the draft estimates, has been wanting. It is perhaps questionable whether they deserve higher allowances.

One active councillor admitted to the author that his keenness to visit the people of his constituency was reduced by their political indifference and sometimes political antagonism.

Thirdly, since most of the councillors fully realise that power lies with the central government and are conscious that they were nominated to office, they have been characterized by extreme caution in handling matters which involve "questioning" the power and the authority of the Ministry of Regional Administrations. But the question of allowances was dear enough to them to "risk" incurring ministerial displeasure. The struggle in East Mengo about the allowances between the Secretary-General and most of the councillors displayed an important perception gap, which exists between those who have been "politically initiated" and those who have as yet to grasp the rudiments and subtle forces of politics.

The government's control has been particularly quick to extend to those areas where the councillors display ignorance regarding the limits of their power. An interesting example is illustrated in Mubende District when the council of Mubende sat from 22nd to 23rd January, 1969, to consider amended draft estimates. One councillor moved that the council be adjourned and be recalled after the members had studied the estimates<sup>22</sup> because they had been given to them only a day before the meeting. The councillors were soon instructed by the Ministry that adjournment of the district council for a month was unacceptable. The council was recalled and

<sup>21</sup> West Mengo District Council Minutes, October to December, 1967, Minutes 19/67.

\* *Councillors in the Buganda districts only have been nominated and not elected, vacancies are filled by way of nomination* — Ed.

<sup>22</sup> Mubende District Council Minutes 22nd-23rd January, 1969, Minute 4/69.

so on the 29th January, they discussed the estimates from 2.30 p.m. and by 4.15 p.m. on the same day, they had passed them.

On this occasion, the government's insistence that the council should not delay discussing the estimates seems to have been a practical measure because the essential work had already been done by both the finance committee and the Ministry of Regional Administrations. When full council meets the estimates are in viable shape and few chances remain of effectively changing them. To this extent, the councillors largely indulge in a rubber stamping exercise when they meet to approve the estimates. And thus there was no point why the councillors of Mubende were taking so long before dealing with their current financial business.

It is significant to note that the councils have come to realise that their involvement in the discussion of the estimates is largely an exercise in rubber-stamping what is in fact prepared by the Finance Committee and the Ministry of Regional Administrations. Consequently they are spending less time on estimates. For example, the Council of West Mengo discussed the Draft Estimates for 1968 from 12.15 p.m. to 2.15 p.m. which was a period of two hours.

Another area of irritation to the districts, over which the government exercises control, concerns trading centres. Some officials of the local Administrations argue that they spend much money developing trading centres and that as soon as some of the centres attain a reasonable degree of development, thus being important sources of revenue, the government "takes them over".<sup>23</sup> This practice makes district administrations reluctant to continue spending heavily on developing these centres. The Ministry's answer to this complaint was that district administrations tend to be more interested in getting revenue from trading centres than in developing them and that on the whole, the districts do not have the money, the skill and the experience to transform some of the centres, which are chronically poor, into viable ones.

It would appear that perhaps a more "diplomatic" procedure involving an impartial body of experts, might be usefully adopted before the government takes over "controversial" trading centres.

In concluding the discussion on the government's financial control over the four districts, the writer would wish to observe that, in practice, it is pretty rigorous and that sometimes it is irksome to the "local bosses"<sup>24</sup> who feel irritated and sometimes snubbed, especially when a District Commissioner who is sometimes a youngish graduate from Makerere University College either stops or queries certain items relating to their expenditure. The firm control of the central government is felt more strongly in Buganda than in some other Districts because (a) Buganda has hitherto been used to a tradition of financial autonomy and consequently she has had to adjust

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<sup>23</sup> "taking over by the government" is somewhat misleading because the government's intention appears to have favoured absorbing these trading centres into the existing viable municipal councils.

<sup>24</sup> Secretaries-General. The controls are irksome in the sense that prior permission is required to spend even the money which they have saved.

radically to the revolutionary system under which she has to receive and obey a routine supply of directives from the Ministry of Regional Administrations. (b) Since Buganda and to a certain extent other parts of Uganda, have been passing through the teething problems of the revolution, the government has been determined to do at least two things: first to keep a firm grip on the financial affairs of all Districts in Uganda in order to avoid repeating previous financial irresponsibility in Districts and to consolidate the streamlined system of local administration; secondly to wipe out what was described by one official as the "Mengo<sup>25</sup> mentality". This may briefly be described as being characterised by the politics of litigation, quest for autonomy, struggle for power between the former Kabaka's government and the central government, and relishing arguments. The Ministry of Regional Administrations has particularly been strict on preventing "unnecessary" expenditure, on prestige projects and on unproductive overheads such as mileage claims and allowances. It also strongly discourages spending money which a District is not likely to either raise or realise. This control may impinge upon local initiative, which at times requires deficient financing,<sup>26</sup> and taking financial risks. As Districts become more responsible and viable financially and as the residual birth pangs of the revolution subside, one hopes that more local autonomy will be granted to them.

It is pertinent to close this discussion by observing that before the changes effected in 1967, even Districts which did not have constitutional financial autonomy which Buganda had, practised financial irresponsibility and they got away with it.<sup>27</sup> This seems to show that even if the central government had powers, irresponsibility was not easy to check. Accordingly, one is persuaded to ask,<sup>28</sup> will the new controls prove more effective unless the central government actually takes over local administration – i.e. abolishes it? The controls have so far worked because of two major reasons:

First, before the revolution, the central government had formal powers to deal at least more directly with Districts affairs. The formal powers, however, were not backed by political power most of which was in the hands of the former Kingdom of Buganda. It should be added at once that Buganda's political power of holding the national government at ransom was buttressed by the constitutional safeguards under which Buganda had independent sources of revenue and powers of legislation<sup>29</sup> which could not be interfered with, without infringing the 1962 "quasi-federal" constitution unless the relevant special majorities were mastered. And so Buganda's political hegemony made it possible for even the Districts which did not have constitutional autonomy to acquire it in practice because the central government was politically weak. And thus the "unexpected" and rather dramatic abolition of Buganda's special position and hegemony which was followed by the streamlining of local administration, has so far provided a significant psychological and political atmosphere of accepting controls from the

<sup>25</sup> Mengo was the seat of the former Kabaka's government.

<sup>26</sup> Deficit financing in the writer's opinion should be confined to capital projects which can generate the production of other goods.

<sup>27</sup> West Nile is a case in point.

<sup>28</sup> A question which Professor Colin Leys has been prepared to pose.

<sup>29</sup> See for example schedules 7 and 9 to the 1962 Constitution.

government. Secondly, the Institute of Public Administration and the Ministry of Regional Administrations are paying more attention at arranging conferences, seminars and orientation courses for civil servants. This has meant that civil servants who mismanaged affairs of local administration because they were *inter alia* ignorant about the intricacies of say finance are being provided with the necessary skills. I should add that even the Secretaries-General and their assistants who are important local political bosses, have been continuously exposed to these important seminars. Indeed only recently, they attended a seminar in which local finance was discussed in detail. In this way, local politicians are discouraged from looking at technical matters in purely political terms. Furthermore, if Secretaries-General are tempted to incur unauthorized expenditure, they have to contend with the District Commissioners who are authorized to strike out unauthorized items.

The acceptance of controls by districts especially by those which comprise the former Kingdom of Buganda, has enhanced the capacity of the central government to re-allocate resources through the use of the block grant and other methods. It remains to be seen however, how the government will continue to handle this crucial and delicate task of correcting the economic imbalance in Uganda, especially if it is remembered that the phenomenon is due to ecological as well as historical circumstances.