

**EFFECTIVENESS OF DECENTRALIZATION POLICY TOWARDS POVERTY
REDUCTION IN UGANDA**

A CASE STUDY OF KALISIZO TOWN COUNCIL RAKAI DISTRICT

BY

SSENYONGA JIMMY

BDS/16949/71/DU

**A RESEARCH DISSERTATION SUBMITTED TO THE FACULTY
OF SOCIAL SCIENCES IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF A BACHELOR'S
DEGREE IN DEVELOPMENT STUDIES OF
KAMPALA INTERNATIONAL
UNIVERSITY**

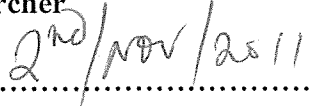
OCTOBER 2011

DECLARATION

I **Ssenyonga Jimmy** declare that this is my original work and to the best of my knowledge it has never been presented to any other university by any body else for an academic award.


Signature.....

Ssenyonga Jimmy

Researcher
Date.....

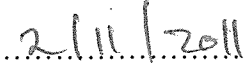
APPROVAL

This research dissertation entitled the role of decentralization policy towards poverty reduction in Kalisizo Town Council of Rakai district in Uganda is done under my supervision as a university supervisor.

Signed 

Mrs. Margret Ilodot Adolu

Supervisor

Date 

DEDICATION

I wish to dedicate this work to my beloved parents, my beloved sisters, all friends and relatives who directly or indirectly created an enabling environment around me to accomplish the task of this research report.

ACKNOWLEDGEMENT

I would like to express my sincere gratitude to God and all the people who assisted me towards the successful completion of this research report for their moral support.

Special acknowledgement goes to my loving parents for their moral psychological and financial support.

My sincere gratitude also goes to my supervisor, Mrs. Ilodot Adolu Margret for his guidance during the course of conducting this study. I sincerely thank him for his patience and unwavering commitment, supervision and editorial experience that contributed hugely to the successful completion of this work.

Finally thanks go to my friends Jacky Kirui, James Michael and my sisters.

Special thanks go to the entire K.I.U community especially the Head of Department Ms Bakyaita Grace, Teaching staff and Development Studies class for their assistance during my studies.

May God bless you all.

TABLE OF CONTENTS

Declaration.....	i
Approval.....	ii
Dedication.....	iii
Acknowledgement.....	iv
List of Tables.....	viii
Acronyms.....	ix
Abstract.....	ix
CHAPTER ONE.....	1
1.0 Introduction.....	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem.....	2
1.3 Objectives of the Study.....	2
1.4 Research Questions.....	3
1.5 Significance of the Study.....	3
1.6 Scope of the Study.....	3
1.7 Organization of the Report.....	4
CHAPTER TWO.....	5
2.0 Introduction.....	5
2.1 Definition of Poverty.....	5
2.2 Types of Poverty.....	6

2.3	Causes of Poverty.....	8
2.4	Effectiveness of Decentralization Policy Towards Poverty Reduction.....	11
2.5	Weaknesses of Decentralization as a Policy for Poverty Reduction.....	14
2.6	Solutions to the Causes of Poverty.....	15
CHAPTER THREE.....		20
3.0	Introduction.....	20
3.1	Research Design.....	20
3.2	Study Area.....	20
3.3	Sample and Sampling Procedure.....	20
3.4	Data Collection Methods.....	20
3.5	Instruments for Data Collection.....	21
3.6	Data Processing.....	21
3.7	Data Analysis.....	22
3.8	Limitations of the Study.....	22
3.9	Ethical Considerations.....	22
CHAPTER FOUR.....		23
4.0	Introduction.....	23
4.1	Bio Data of the Respondents.....	24
4.2	The Causes of Poverty in Rakai District.....	27
4.3	The Impacts of Poverty to Rakai District.....	30
4.4	Solutions to Poverty Problem in Rakai District.....	32

4.5	Decentralization's Efforts Towards Reduction of Poverty.....	33
CHAPTER FIVE.....		35
5.0	Introduction	35
5.1	Summary.....	35
5.2	Policy Recommendations.....	35
5.3	Conclusions.....	38
REFERENCES.....		39
APPENDIX I	Questionnaires.....	41
APPENDIX II	Interview guide.....	43

LIST OF TABLES

Table 4:1: Total number of questionnaires responded to.....	23
Table 4:2: Sex of respondents.....	24
Table 4:3: Marital status of the respondents.....	25
Table 4:4: Age of the respondents.....	25
Table 4:5: Levels of education of the respondent.....	26
Table 4:6: Duration of stay in Rakai district by respondents.....	27
Table 4:7: Causes of poverty in Rakai district.....	28
Table 4:8: Whether respondents understand the meaning of poverty.....	29
Table 4:9: Impacts of poverty to Rakai district.....	30
Table 4:10: Solutions to poverty problem.....	32
Table 4:11: Contributions of Decentralization towards poverty reduction.....	33

ACRONYMS

PEAP.....	Poverty Eradication Action Plan
UPPAP.....	Uganda Participatory Poverty Assessment Process
AIDS.....	Acquired Immune Deficiency Syndrome
SAP.....	Structural Adjustment Programs
PAS.....	Poverty Alleviation Strategies
KIU.....	Kampala International University
NGOs.....	Non Governmental Organizations
GDP.....	Gross Domestic Product
WHO.....	World Health Organization
EPRC.....	Economic Policy Research Centre
VAT.....	Value Added Tax
LC.....	Local Council

ABSTRACT

The research was carried out in Kalisizo town Council Rakai district with a sole motive of giving out the role played by decentralization policy towards poverty reduction.

The research also established the factors which enhance the causes and effects of poverty to the population of Rakai district specifically Kalisizo Town Council. This included; establishing solutions to reduce poverty in the town council. Another important factor to note is that the research would bring out the hindrances to decentralization system of governance in reducing poverty.

During the research process, different methods of data collection were applied which included; questionnaires whereby information was got through structured questions containing both open and closed ended questions, observations which included fact finding missions whereby the research would observe the events in the actual sense by visiting the field, library research where it involved comparing notes or literature that was previously researched on a relevant field both local and international level.

Basing on the research findings it can be concluded that proper government policies are a prerequisite for the success of decentralization policy towards poverty reduction in Rakai district. In addition to that, residents in the district should be given the opportunity and freedom to participate in decision making concerning reduction of poverty, however this could be strongly enforced through use of local leaders who have access to reach the local people in time.

All in all it is recommended that all sectors that is to say government, NGOs and local people should join efforts to ensure full involvement, participation and representation in all sectors of reducing poverty not only in Rakai district but in all areas surrounding Uganda. In other wards, there must be a mutual relationship between the above groups of people such that poverty in Rakai district is reduced.

CHAPTER ONE

1.0 Introduction

This chapter dealt with the introduction, background to the study, problem statement, scope of the study and the significance of the study to the population of Rakai district.

1.1 Background of the study

In 1997, the Government of Uganda launched the Poverty Eradication Action Plan (PEAP) after a wide consultation with the local governments, donors and civil society consultations. The PEAP has since become the central plan for government in its efforts to eradicate poverty in the country. In order to deepen the consultation process and the impact of the PEAP, government initiated the Uganda Participatory Poverty Assessment Process (UPPAP). Uganda Participatory Poverty Assessment Process's main aim is to engage the voices of the poor in policy planning and implementation for poverty eradication (Asante, 2000).

Having emerged from a period of destructive conflict just over a decade ago, Uganda suffers deep poverty in many dimensions. But it also shows what an immensely poor Sub-Saharan African country can achieve. The first country to receive enhanced debt relief on the basis of its poverty reduction strategy, Uganda stands out for its steady growth in the 1990s. It also stands out for significant reductions in income poverty, impressive efforts toward universal primary education, and a major effort to ensure transparent, poverty-focused budgets, both centrally and locally.

In Uganda poverty is defined by the poor as not only “a situation of perpetual need for the daily necessities of life but a feeling of powerlessness to influence the things around you”. Poverty therefore, is perceived as a complex, multidimensional phenomenon in which the influencing factors are interlinked and often interdependent and include, amongst others, access to natural resources, human factors, financial assets, social capital and physical infrastructure. The interconnectedness of the causes and effects of poverty

demonstrate the frustration poor people face in moving out of poverty as the many factors produce vicious cycle of poverty (Richard, 2000).

1.2 Statement of the problem

Poverty in Uganda has become a great problem not only in rural areas where most people assume to be holding nothing in form of wealth but also in urban areas. Citing an example of Kampala the capital city of Uganda, poverty has strongly affected people who have resorted to criminal disorders in society like grabbing of land, murder, and prostitution among others. Looking at Rakai district, poverty has left many people in poor conditions where most girls in the district have resorted to prostitution so as to get what to eat hence AIDs victim has stranded most of them leaving many dead and others orphans who are in deep sufferings, thus this forced the researcher to carry out research on the topic of study entitled the effectiveness of decentralization policy towards poverty reduction in Uganda.

1.3 Objectives of the study

1.3.1 General objective of the study

The purpose of this study was to investigate the effectiveness of decentralization policy towards poverty reduction in Uganda.

1.3.2 Specific objectives

The study was specifically designed to:

- i. Analyze the causes of poverty in Kalisizo Town council Rakai district.
- ii. Explain the different types of poverty Uganda as the whole country is experiencing today.
- iii. Investigate the impacts of poverty on the population of Rakai district specifically Kalisizo Town council.
- iv. To find out strategies to be put in place to reduce poverty in Rakai district as whole.

1.4 Research questions

- i. What is the effectiveness of decentralization policy towards poverty reduction in Kalisizo Town council Rakai district?
- ii. What are the causes of poverty in Kalisizo Town council Rakai district?
- iii. What are the impacts of poverty on the population of Kalisizo?
- iv. What are can be done to reduce poverty in Rakai district?

1.5 Significance of the study

- i. To the government, it will enable it enrich the existing knowledge base in Rakai district.
- ii. To the policy makers and programme implementers, it will help them realize the need to check performance of decentralization towards poverty reduction.
- iii. To the community, it will help them improve their standards of living through working hard.

1.6 Scope of the study

1.6.1 Geographical scope

The study was carried out from Kalisizo Town Council in Rakai district one of those districts that face the problem of poverty. Rakai district can be categorized as an ethnically rich district. The dominant ethnic tribe is the Baganda followed by the Banyankore. There is also a large number of neighboring Banyarwanda, Barundi, Baziba and Banyambo people. Rakai is made up of four counties namely Kyotera, Kabula, Kooki and Kakuuto with 23 sub-counties and three town councils, 126 parishes and 850 villages. It has a population of over 500,000 people, according to the 2001 national population and housing census.

1.6.2 Content scope

Content scope dealt with an assessment of the effectiveness of decentralization policy towards poverty reduction in Rakai district and the case study was Kalisizo Town council. The study included some indicative measures of the importance of the central

government, Non Governmental Organizations and other institutions towards poverty reduction.

1.7 Organization of the report

The report was organized in five chapters with several sub-sections under each chapter.

Chapter one presented the introduction under which there were subsections such as: Background of the study, statement of the problem, purpose of the study, research objectives, research questions, scope of the study and significance of the study.

Chapter two presented the literature review about the effectiveness of decentralization policy towards poverty reduction in Uganda particularly Rakai district.

Chapter three described the methodology which was used in collection of data, analysis and interpretation.

Chapter four presented the findings of the study, discussions and interpretations of the findings.

Chapter five presented the summary of findings of the study, conclusions emanating there from and appropriate recommendations for the way forward. This report was closed with references and appendices.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presented a review of literature relating to the variables. The related literature was presented with the objectives of the study and cited to suit the effectiveness of the decentralization system of governance towards poverty reduction in Rakai district.

2.1 Definition of poverty

Poverty refers to the condition of not having the means to afford basic human needs such as clean water, nutrition, health care, education, clothing and shelter. This is also referred to as absolute poverty or destitution. Relative poverty is the condition of having fewer resources or less income than others within a society or country, or compared to worldwide averages (Dercon, 2003).

Before the industrial revolution, poverty had mostly been the norm. Poverty reduction has historically been a result of economic growth as increased levels of production, such as modern industrial technology, made more wealth available for those who were otherwise too poor to afford them (Rodriquez, 2003).

Conventionally, poverty is represented in two main models for example Absolute poverty which is based on subsistence, a minimum standard needed to live. Seebohm Row tree's research identified a 'poverty line' on the basis of minimum needs. The Copenhagen Declaration defines absolute poverty as "a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to social services." Relative poverty is based on a comparison of poor people with others in society. Peter Townsend defines poverty as the absence or inadequacy of those diets, amenities, standards, services and activities which are common or customary in society (Rodriquez, 2004).

2.2 Types of poverty

2.2.1 Absolute poverty

It refers to a set standard which is consistent over time and between countries. The World Bank defines extreme poverty as living on less than US \$1.25 per day, and moderate poverty as less than \$2 a day. It estimates that "in 2001, 1.1 billion people had consumption levels below \$1 a day and 2.7 billion lived on less than \$2 a day." Six million children die of hunger every year 17,000 every day. Selective Primary Health Care has been shown to be one of the most efficient ways in which absolute poverty can be eradicated in comparison to Primary Health Care which has a target of treating diseases. Disease prevention is the focus of Selective Primary Health Care which puts this system on higher grounds in terms of preventing malnutrition and illness, thus putting an end to Absolute Poverty (Manor, 2001).

The proportion of the developing world's population living in extreme economic poverty fell from 28 percent in 1990 to 21 percent in 2001. Most of this improvement has occurred in East and South Asia. In East Asia the World Bank reported that "The poverty headcount rate at the \$2aday level is estimated to have fallen to about 27 percent in 2007, down from 29.5 percent in 2006 and 69 percent in 1990." In Sub-Saharan Africa extreme poverty went up from 41 percent in 1981 to 46 percent in 2001, which combined with growing population increased the number of people living in poverty from 231 million to 318 million (Manor, 2003).

In the early 1990s some of the transition economies of Eastern Europe and Central Asia experienced a sharp drop in income. The collapse of the Soviet Union resulted in large declines in Gross Domestic Product per capita, of about 30 to 35% between 1990 and the trough year of 1998 when it was at its minimum. As a result poverty rates also increased although in subsequent years as per capita incomes recovered the poverty rate dropped from 31.4% of the population to 19.6%. The World Bank issued a report predicting that

between 2007 and 2027 the populations of Georgia and Ukraine will decrease by 17% and 24% respectively (Demery, 2001).

Other human development indicators have also been improving. Life expectancy has greatly increased in the developing world since World War II and is starting to close the gap to the developed world. Child mortality has decreased in every developing region of the world. The proportion of the world's population living in countries where per-capita food supplies are less than 2,200 calories (9,200 kilojoules) per day decreased from 56% in the mid 1960s to below 10% by the 1990s. Similar trends can be observed for literacy, access to clean water and electricity and basic consumer items (Edward, 2004).

There are various criticisms of these measurements for instance Shaohua Chen and Martin Ravallion note that although a clear trend decline in the percentage of people who are absolutely poor is evident with uneven progress across regions the developing world outside China and India has seen little or no sustained progress in reducing the number of poor" (Edward, 2004).

Since the world's population is increasing, a constant number living in poverty would be associated with a diminishing proportion. Looking at the percentage living on less than \$1/day, and if excluding China and India, then this percentage has decreased from 31.35% to 20.70% between 1981 and 2004 (Edward,2004).

The 2007 World Bank report "Global Economic Prospects" predicts that in 2030 the number living on less than the equivalent of \$1 a day will fall by half, to about 550 million. An average resident of what we used to call the Third World will live about as well as do residents of the Czech or Slovak republics today. Much of Africa will have difficulty keeping pace with the rest of the developing world and even if conditions there improve in absolute terms, the report warns, Africa in 2030 will be home to a larger proportion of the world's poorest people than it is today (Saguy, 2005).

The reason for the faster economic growth in East Asia and South Asia is a result of their relative backwardness, in a phenomenon called the convergence hypothesis or the conditional convergence hypothesis. Because these economies began modernizing later

than richer nations, they could benefit from simply adapting technological advances which enable higher levels of productivity that had been invented over centuries in richer nations (Saguy, 2005).

2.2.2 Relative poverty

As we have already looked at absolute poverty, Relative poverty views poverty as socially defined and dependent on social context, hence relative poverty is a measure of income inequality. Usually, relative poverty is measured as the percentage of population with income less than some fixed proportion of median income. There are several other different income inequality metrics, for example the Gini coefficient or the Theil Index (Griffin, 1966).

Relative poverty measures are used as official poverty rates in several developed countries. As such these poverty statistics measure inequality rather than material deprivation or hardship. The measurements are usually based on a person's yearly income and frequently take no account of total wealth. The main poverty line used in the European Union is based on "economic distance that is to say a level of income set at 60% of the median household income (Bernstein, 1993).

2.3 Causes of poverty

Around the world, in rich or poor nations, poverty has always been present. In most nations today, inequality the gap between the rich and the poor is quite high and often widening. Poverty has many causes, some of them very basic. Some experts suggest, for instance, that the world has too many people, too few jobs, and not enough food. But such basic causes are quite intractable and not easily eradicated. In most cases, the causes and effects of poverty interact, so that what makes people poor also creates conditions that keep them poor (Berger, 2006).

Primary factors that may lead to poverty include overpopulation, the unequal distribution of resources in the world economy, inability to meet high standards of living and costs of living, inadequate education and employment opportunities, environmental degradation,

certain economic and demographic trends and welfare incentives. The causes are numerous, including a lack of individual responsibility, bad government policy, exploitation by people and businesses with power and influence, or some combination of these and other factors as analyzed below:

Global influences are amongst the major causes of poverty not only in Uganda but almost in all African countries. While there has been much International concern about poverty in Africa, many resolutions drawn by International Conferences and Seminars do not reflect what happens on the ground. Policies of the World Bank, for instance structural Adjustment Programs, Poverty Alleviation Strategies and the current Economic Restructuring Programs known as Privatization Policies have not directly benefited the suffering rural people (Saguy, 2005).

The elderly and women who are the majority with big responsibility of raising orphaned children are becoming poorer and poorer. In my view, international policy makers do not consult the grassroots, who should have been planners of their own destiny and implementers for their well being. Some policies have had adverse effects on society, like Government and private sectors retrenchment scheme from work. Retrenches have let down hundreds of people who depended on them for school fees, health bills, amongst others (Townsend, 2009).

Corruption is also a major cause since it often accompanies centralization of power, when leaders are not accountable to those they serve. Most directly, corruption inhibits development when leaders help themselves to money that would otherwise be used for development projects. In other cases, leaders reward political support by providing services to their followers. Additionally, the monster of corruption is created by greed especially in institutional bureaucracies. It is estimated that over 60% of funds and other resources in Uganda do not reach their intended destinations that is the grassroots because of corrupt officials who want to feel their stomachs (WHO, 2000)

Besides that, warfare contributes to more entrenched poverty by diverting scarce resources from fighting poverty to maintaining a military. Take, for example, the cases of Ethiopia and Eritrea. The most recent conflict over borders between the two countries erupted into war during 1999 and 2000, a period when both countries faced severe food shortages due to drought. Similarly, Uganda has gone through 30 difficult years since her independence. A lot of resources including one million human lives were destroyed. The majority dead were the able-bodied Youths, the supposed insurance of the elderly. They left many orphans with elderly grand parents (Pringle, 2004).

On addition to the above, the material and human destruction caused by warfare is a major development problem. For example, from 1990 to 1993, the period encompassing Desert Storm, per capita Gross Domestic Product in Iraq fell from \$3500 to \$761. The drop in average income, while a striking representation of the drop in the well-being of the average Iraqi citizen in the aftermath of the war, fails to capture the broader affects of damages to the infrastructure and social services, such as health care and access to clean water (Bradshaw, 2002).

Environmental degradation also increased leads to poverty for instance awareness and concern about environmental degradation have grown around the world over the last few decades, and are currently shared by people of different nations, cultures, religions, and social classes. However, the negative impacts of environmental degradation are disproportionately felt by the poor. Throughout the developing world, the poor often rely on natural resources to meet their basic needs through agricultural production and gathering resources essential for household maintenance, such as water, firewood, and wild plants for consumption and medicine. Thus, the depletion and contamination of water sources directly threaten the livelihoods of those who depend on them (Saguy, 2005).

Social Inequality is amongst the causes of poverty. It should be noted that, one of the more entrenched causes of poverty throughout the world is social inequality that stems from cultural ideas about the relative worth of different genders, races, ethnic groups, and

social classes. Ascribed inequality works by placing individuals in different social categories at birth, often based on religious, ethnic, or 'racial' characteristics. In South African history, apartheid laws defined a binary caste system that assigned different rights (or lack thereof) and social spaces to Whites and Blacks, using skin color to automatically determine the opportunities available to individuals in each group (Pringle; 2004).

Food aid like when it is not for emergency relief can actually be very destructive on the economy of the recipient nation and contribute to more hunger and poverty in the long term. Free, subsidized, or cheap food, below market prices undercuts local farmers, who cannot compete and are driven out of jobs and into poverty, further slanting the market share of the larger producers such as those from the US and Europe. Many poor nations are dependent on farming, and so such food aid amounts to food dumping. In the past few decades, more powerful nations have used this as a foreign policy tool for dominance rather than for real aid (Lemay; 2009).

Agricultural Cycles also contribute to poverty increment for instance People who rely on fruits and vegetables that they produce for household food consumption that is to say subsistence farmers often go through cycles of relative abundance and scarcity. For many families that rely on subsistence production for survival, the period immediately prior to harvest is a 'hungry period.' During these periods of scarcity, many families lack sufficient resources to meet their minimal nutritional needs. Being familiar with these cycles has enabled development practitioners to anticipate and prepare for periods of acute need for assistance (Wolfensberger; 2002).

2.4 Effectiveness of decentralization policy towards poverty reduction

Rondinelli (1981) defines decentralization as the transfer of authority to plan, make decisions and manage public functions from a higher level of government to any individual, organization or agency at a lower level. To Smith (1985: 1) decentralization means “reversing the concentration of administration at a single centre and conferring powers on local government”.

Politically decentralization is concerned with the extent to which power and authority are dispersed through the geographical hierarchy of the state, and the institutions and processes through which such dispersal occurs. Decentralization entails the subdivision of the state's territory into smaller areas and the creation of political and administrative institutions in those areas. Some of the institutions so created may themselves find it necessary to practice further decentralization (Smith, 2005).

The potential benefits of decentralization have been well documented in the literature. The majority of these benefits can be broadly classified as improved efficiency and effectiveness, governance and equity. These results, in turn, are often associated with economic development and poverty reduction. The realization of these benefits depends significantly on political decentralization (Villancourt, 2008).

We may define poverty reduction as designing, implementing and targeting appropriate methods to ensure that scarce resources are allocated to activities that are likely to yield the greatest impact on the poor and to decrease their levels of deprivation and vulnerability (World Bank, 2001). Decentralization is seen by donors, governments and academics as one of the most important and appropriate strategies that will reduce the levels of deprivation and vulnerability of the poor.

There are three ways in which decentralization is linked to poverty reduction.

First, as with many other public services, effective implementation of poverty reduction strategies often requires detailed and specific local knowledge which may be most readily obtainable through a decentralized and locally accountable system of governance. The right kind of decentralization will therefore enable local government units to have sufficient technical and financial capacity to carry out their assigned functions. On the assumption that people should get what they want rather than what someone else wants them to want poverty reduction programme, like other programmes, should reflect local and regional variations in preferences where appropriate. From this viewpoint,

decentralization in principle is good and this virtue depends upon political accountability and the inevitable need to strengthen local delivery capacity (Crook, 2003).

Second, the design and implementation of transfer of financial resources is an important influence, for good or for ill, on local spending decisions. Efficient assignment of revenue and expenditure responsibility to different levels of government invariably means that local government units as a group will depend to a significant extent upon transfers from the central government. From this perspective, decentralization does not mean that the central government plays no role in poverty reduction (Sverrisson, 2001).

What it means is rather that considerable thought, effort, experimentation will be needed to develop a workable transfer system. Such a transfer should simultaneously accomplish the difficult objectives of providing localities sufficient resources to do what they want to do while ensuring that what they do is broadly in accordance with national priorities. The interaction between decentralization and poverty reduction emphasizes the importance of transfer design and the desirability of providing for periodic evaluation of that design (Bird, 2001).

Third, the relationship between decentralization and poverty reduction depends on the targeting of poverty-reducing public investment by local government units. Local government units implement the national poverty reduction policy, narrowly or broadly defined. A narrowly defined poverty policy uses transfers of income, in money or kind, to the poor. A broadly defined poverty reduction policy also encompasses policies intended to increase the productivity of the poor through the formation and maintenance of human capital health and education and improved access to markets and productive resources in general (Carter, 1999).

Given the heterogeneity of resources, capacities, costs, needs and preferences that characterizes most countries, some local government units will need much more financial and technical support than others will. If such disparities are accentuated, the greater the direct access of local government units to their own fiscal resources, since those who have a tax base can get more revenue, while those who have not, cannot. Decentralized

poverty reduction strategy thus inevitably requires some degree of “equalization” in the sense of larger transfers to poorer regions, and not to poorer people as such in fiscal transfers from the central government to localities (Bird, 2001).

2.5 Weaknesses of decentralization as a policy for poverty reduction

Although the demand for decentralization is strong throughout sub-Saharan Africa, there are serious drawbacks that should be considered in designing any decentralization programme. First, decentralization in practice runs up against objections at a political level. Indeed, it is felt that decentralization dislocates the nation, either by encouraging the appetites of certain regions for autonomy or by encouraging wealthier regions to operate as self-sufficient territories to the detriment of poorer regions. The problem of guarantees remains the issue that divides supporters and opponents of decentralization (Smith, 2005).

Second, as the wealth of a country is unfairly distributed, decentralization is likely to accentuate the already precarious imbalance within the state because the poor districts would tend to become even poorer. For poor districts and regions, therefore, autonomy would be void of meaning because they would continue to be dependent on the state. Moreover, decentralization is not always compatible with planning policies and strategic development projects (Nzouankeu, 2004).

Third, decentralization can lead to increased waste and squandering of public funds. The inexperience of locally elected representatives, the fact that they have received little or no training and the idea that the political ambitions of local politicians will lead to lend more importance to their electoral preoccupation in preference to the interest of the people. Although it must be said that there is an element of truth in certain of these objections, it should not be forgotten that waste is not confined to decentralized units and that the central government is also guilty of waste, often to a greater extent than decentralized authorities (Mawhood, 2003).

Fourth, decentralization is not necessarily linked to democracy because the devolution of power may help to augment the dominance of those who, because of wealth or status, are already powerful at the local level. In other words:

...it is conceivable, even likely in many countries that power at the local level is more concentrated, more elitist and applied more ruthlessly against the poor than at the centre. As a consequence, therefore, greater decentralization does not necessarily imply greater democracy let alone power to the people it all depends on the circumstances under which decentralization occurs (Griffin, 2007).

Fifth, decentralization might be accompanied by more corruption. If, as is likely, corruption is more widespread at the local level than at the national level, then decentralization automatically increases the overall level of corruption. This outcome, by the way, might not be bad in terms of redistribution, because the “benefits” of decentralized corruption are probably better distributed than the benefits of centralized corruption (Carter, 2009).

But it would certainly increase the costs in terms of allocative efficiency, because it leads to the supply of services for which the levels of kickbacks are higher rather than those for which there is a demand. It is also costly in terms of production efficiency, because it leads to corruption-avoiding strategies that increase costs, favour ineffective technologies, and waste time (Prud’homme, 2009).

2.6 Solutions to the causes of poverty

Economic growth and employment-generation are necessary conditions for poverty-eradication. The PEAP must be based on an understanding of the growth potential of the Ugandan economy, and of the public interventions needed to achieve it. Work at Uganda's Economic Policy Research Centre has projected the growth of incomes and investment over the next twenty years. The EPRC's model has three main components; an

investment function, a balance-of-payments constraint, and a production function (Stampini, 2002).

Economic growth in the model is driven by three main factors; the accumulation of human and physical capital, and the shift of labour from agriculture to manufacturing, in which it is assumed to be more productive. Estimates of the coefficients are derived from a sixteen-country panel data set. The projections for Uganda include a low-case, based on existing trends, giving 5.5–6.5 percent annual growth in GDP over the period giving a GDP per capita of \$550 in constant prices in 2020. They also provide a high-case, based on an increase in the productivity of aid and the diversification of the productive structure. This yields 7–8 percent per annum growth, giving a GDP per capita of \$700 in 2020. This model therefore gives potential annual per capita GDP growth of between 2.5 percent and 4 percent (Okidi, 2003).

A very recent study at the World Bank takes a larger cross section to explain why growth rates vary across countries, and focuses more on institutional determinants. It identifies a number of factors which constrain growth, and assesses by how much economic growth could be raised if Uganda could close the gap in these factors compared with average values for developing countries controlling for income levels. Some factors such as trade openness and macroeconomic stability are already better than average, and cannot yield higher future growth (Dercon, 2003).

Uganda must maintain the good performance of these indicators. But others closing the gap in educational attainment, deepening financial institutions, and improving property and contract rights can yield significant gains. The study estimates such gains could produce an additional GDP annual growth per capita of 1.7 percentage points. Mean per capita growth of 3.2 percent per annum which is what was achieved in the 1990s could be raised to around 4.9 percent assuming no deterioration in the external terms of trade. This translates into a GDP growth rate of 7.8 percent per annum (Ellis, 2004).

These studies show that GDP growth of the order of 7 percent per annum is feasible over the longer term in Uganda. But such economic growth will not be automatic. It will call

for public action today to build the institutions needed for higher growth. Economic growth in Uganda requires a framework within which the private sector can expand. The first essential element is macroeconomic stability. Without this, economic growth will not be sustainable. The revised PEAP therefore includes a commitment to maintain macroeconomic discipline which has underpinned the fast economic growth of recent years (Ellis, 2003).

The second key element is setting appropriate macroeconomic incentives. This involves economic openness, which encourages exports and labor-intensive investments. The future for Ugandan industry is not reliance on a wall of high tariff protection which encourages capital-intensive investment which does little for employment but open competition in a market which is being expanded by rising incomes from agricultural modernization (Newhouse, 2003).

Thirdly, the framework for economic development also includes the equitable and efficient collection and use of public resources. On the revenue side, independent research has shown that recent tax reforms, including the introduction of VAT have made the incidence of taxes more progressive. Local taxation, however, may need review in order to make it more progressive. The use of the savings made available by external debt relief for poverty-reducing purposes and the development of a sound strategy for external borrowing are essential (Deolaiker, 2003).

On the expenditure side, the Poverty Action Fund has been used to reallocate expenditures to directly poverty-reducing services primary education, primary health, agricultural extension, feeder roads. Equalization grants are gradually being introduced; these are designed to make the delivery of services more equals across the country. The aim is that a poor woman in a remote rural area should be able to demand the same standard of service from the public sector as a man in the most affluent urban setting. The budgetary reform under the MTEF is central to implementing the PEAP (Shepherd, 2001).

Finally, in order to promote economic transformation, the constraints on private sector competitiveness need to be removed. Surveys of business people in Uganda have shown that they face severe constraints on their operations. Infrastructure is a major constraint; firms' experience of power cuts significantly reduces their investment, and the development of internal markets is impeded by the limitations of the road network. Hence the sector-wide transport strategy and the ongoing process of utility reform are key (Ravallion, 2000).

Another constraint is the difficulty that business people experience in enforcing contracts; this will be addressed by the programme of commercial justice reform which the government is beginning. The weakness of the financial sector is also a serious constraint. Reform of these sectors is essential for the development of the private sector. This is a poverty issue, because the expansion of formal employment is a central part of the strategy (Lawson, 2003).

Good governance is increasingly recognized as a prerequisite to economic growth and development. In Uganda, consultations with the poor have shown that insecurity is among their most pressing concerns. Work by the Human Rights Commission, the Law and Order Sector Working Group and the Governance Action Plan project has identified the main priority areas in this sector. Conflict resolution and effective support to conflict-afflicted areas are essential. Armed conflict has been a decisive factor in the impoverishment of the North and the East. In 1999 the internally displaced population of Uganda is estimated at 622,000, and in addition insecurity affects many people who are not actually displaced. So the successful resolution of conflicts is a necessary part of poverty-eradication (Mugambe, 2002).

The democratization of Uganda has been pursued in a context of decentralization. The process involves the transfer of responsibilities to district level. Participatory work has shown that the most highly appreciated level is the Local Council 1 or Village Council (LC1), the level which is closest to the people. The implications of decentralization for ministries of central government have been reflected in the government restructuring, but

the extent to which they are now ready to fulfill their new role needs to be assessed (Okidi, 2002).

Good governance involves making public expenditure transparent and efficient. Many reforms have been undertaken to make it harder to misuse public funds with impunity, including the establishment of the Ministry of Ethics and Integrity and the design of a new regulatory structure for procurement. Service delivery on the ground urgently needs improvement, as various surveys have shown. This is to be addressed by the introduction of results-orientated management, by pay reform designed to increase and simplify public sector remuneration, and by strengthening bottom-up accountability; communities must be able to hold service deliverers accountable through the Village Councils. Law and order is being addressed by the introduction of a sector-wide approach in which reforms proposed for the criminal justice sector will be costed. The poor reputation of the police needs to be addressed by an improvement in service delivery. The relatively good reputations of LDUs and LC courts can be built upon (McKay, 2003).

Public information is central to good governance and innovative methods of disseminating information should be explored by inter-sectoral cooperation. The special needs of the disabled require a community-based approach which deserves priority. Disaster management, which includes the handling of drought, floods, earthquakes and conflict, requires both preparedness and response; the recently established Ministry within the Prime Minister's Office has prepared a national strategy (Jalan, 2004).

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter was based on the type of research design, the description of the population, the sample and sampling procedures, data collection procedures, data quality control measurements and data analysis procedures.

3.1 Research design

This research was carried out using a survey design where information was obtained systematically using interview schedules and questionnaires. A survey design refers to the general view, examination and description of a particular activity or topic of study. A survey design was used because according to Gupta since every body is given a chance to express him or herself personally, clarity in detailed information can be achieved.

3.3 Study area

The study was carried out from Kalisizo Town council in Rakai district. The total population of respondents was 120 respondents that is 40 members from the administration in Rakai district, 20 respondents from Kalisizo Town council, 40 were residents with in the district, 20 respondents from different NGOs in Rakai district like World division, Rakai Aids information, Rotary clubs like that of Kalisizo.

3.3 Sample and sampling procedure

In order to get the sample from a population of 120 respondents, for easier and practical study, all were divided into four categories because members from same region tend to give similar results.

3.4 Data collection methods

With an authority letter from the Head of Department of Development Studies, that service as an introduction to various respondents, the researcher proceeded to the field to carry out research. Data collection was from two main sources; primary and secondary.

Secondary sources included relevant documents and reports. Primary sources collected data from selected respondents. Primary data was gathered using the following instruments:

3.5 Instruments for data collection

i. Interview guides

Interviews were carried out randomly among the different groups of respondents in Rakai district. The interviews were carried out by the researchers personally and in the process district administrators and local leaders in Rakai district particularly Kalisizo Town council were reached at and interviewed personally. This was done because these people know most what residents want and the solutions to poverty reduction in their area for a better leaving of their citizens.

ii. Questionnaires

All the 120 questionnaires were self administered to ensure accuracy of the data collected and they were responded to and successfully collected. To ensure the response rate, the questionnaire was made simple but comprehensive. Control questions were built from the questionnaires to ensure correctness and consistency of the respondents' answers. Open ended questions were provided to stimulate the respondents so as to provide more information and comments that were useful to the study.

3.6 Data processing

i) Editing and cross checking

The researcher edited and crosschecked during and after each interview with the respondents. This ensured that information given is logical, accurate and consistent. Obvious errors and omissions were corrected to ensure accuracy, uniformity and completeness so as to facilitate coding.

ii) Coding

This ensured that all answers obtained from respondents were given codes and classified into meaningful forms for better analysis.

3.7 Data analysis

Data which was filled in the questionnaires was copied and analysed by tallying and tabulating it in frequency tables, identifying how often certain responses occur and evaluation was done later. The information was recorded in terms of percentages. The recorded data was edited and interpreted which ensured uniformity, legibility and consistence. Also, interview results were coded on frequency tables and calculated in terms of percentages and presented in the study.

3.8 Limitations of the study

The researcher faced a number of problems:

- a) Poor infrastructures like poor roads in Kalisizo town council limited the research.
- b) Language barrier arose especially in interpreting the questionnaires since most people in Rakai district do not understand English.

3.9 Ethical considerations

The researcher got a letter from the Head of Department of Development Studies that service as an introduction to various respondents; he proceeded to the field for the research. In addition some people were voluntarily asked to participate in the interviews. Research assistants were informed about the procedures of the research. The information gathered was observed and identification of the information was not made available to any one who was not directly involved in the study.

CHAPTER FOUR
PRESENTATION, ANALYSIS AND DISCUSSION OF THE FINDINGS

4.0 Introduction

This chapter presents research findings and their interpretations. It deals with testing of various objectives based on the research questions that were utilized for this study. The study targeted 120 respondents; that is 40 members from the administration in Rakai district, 20 respondents from Kalisizo Town Council, 40 will be residents with in the district, 20 respondents from different NGOs in Rakai district. According to the 2002 national census the percentage rate of male in Rakai district was 49% and 51% were female thus taking 58.5% to represent female respondents and 41.5% to represent male respondents showed that each and every body could be represented in the district in comparison to the population.

All the 40 questionnaire issued to members from the Administration in Rakai were successfully returned. All the 20 questionnaires issued to residents in Kalisizo Town Council were successfully returned. Yet all the 40 questionnaires submitted to residents in Rakai district were successfully answered and all the 20 questionnaires submitted to different NGOs in Rakai district were successfully returned. This is to say that 100% of the questionnaires were responded to and were collected and analyzed. A lay out of respondents is shown in the table below according to the number of Rakai district administration, local people and local leaders in different regions of Rakai.

Table 4:1: Total number of questionnaires responded to

Response	Frequency	Percentage
District Administration	40	33.4
Local people	20	16.6
Local leaders	40	33.4
NGOs	20	16.6
Total	120	100

Source: Primary Data, 2010

Table 4:1 shows that, 40 out of the 120 respondents representing 33.4% were from the administration of Rakai district, 20 out of the 120 respondents representing 16.6% were local people yet 40 out of the 120 respondents representing 33.4 were local leaders in Kalisizo Town council district and 20 out of the 120 respondents representing 16.6% were members from different NGOs in Rakai district.

4.1 Bio data of the respondents

Since sampling was random the respondents had differences in terms of the background. This includes different age groups, education level, marital status and sex.

4.1.1 Sex of the respondents

Since sampling was done randomly, both males and females were interviewed.

Table 4:2: Sex of respondents

Sex	Frequency	Percentage
Female	70	58.5%
Male	50	41.5%
Total	120	100

Source: Primary Data, 2010

Table 4:2 indicates that, 50 out of the 120 respondents representing 41.5% were male while 70 out of 100 respondents representing 58.5 % were female. Thus this indicates that female respondents were more than male.

4.1.2 Marital status of the respondents

Table 4:3 shows the distribution in as far as the marital status is concerned.

Table 4:3: Marital status of the respondents

Marital status	Frequency	Percentage
Married	20	16.6%
Divorced	30	25%
Engaged	30	25%
Single	40	33.4%
Total	120	100

Source: Primary Data, 2010

Table 4:3 indicates that 20 out of the 120 respondents representing 16.6% were married yet 30 out of the 120 respondents representing 25% were divorced, 30 out of the 120 respondents representing 25% were engaged and 40 out of the 120 respondents representing 33.4% were single.

4.1.3 Age of the respondents

To access the validity of the result it was also important to evaluate the age ranges of respondents. The older people are assumed to be wise and to have more information about some issues because they are assumed to have lived long enough to give a history of the topic in question.

Table 4:4: Age of the respondents

Age groups	Frequency	Percentage
18-20	15	12.5%
20-30	45	37.5%
30-50	25	20.8%
50 and above	35	29.2%
Total	120	100

Source: Primary Data, 2010

Table 4:4 shows that 15 out of the 120 respondents representing 12.5% were aged between 18-20 years, 45 out of the 120 respondents representing 37.5% were between

20-30 years, 25 out of the 120 respondents representing 20.8% were between 30-50 years and 35 out of the 120 respondents representing 29.2% were between 50 years and above.

4.1.4 Level of education of the respondents

With the use of the questionnaire the researcher collected data on the level of education of the respondents. After analyzing the role played by decentralization policy towards poverty reduction in Rakai particularly Kalisizo Town council, it was evident that most of those who did not participate in the activities which would reduce poverty are those who are lowly educated since they lack knowledge on different sectors of development.

Table 4:5: Levels of education of the respondent

Education levels	Frequency	Percentage
Primary	25	20.9%
Secondary	45	37.5%
Tertiary	30	25%
Vocational	20	16.6%
Total	120	100

Source: Primary Data, 2010

From Table 4:5, 25 out of the 120 respondents representing 20.9% completed primary level, 45 out of the 120 respondents representing 37.5% completed secondary yet 30 out of the 120 respondents representing 25% completed tertiary institutions and 20 out of the 120 respondents representing 16.6% finished with vocational certificates.

4.1.5 Duration of stay in Rakai district by respondents

Table 4:6: Duration of stay in Rakai district by respondents

Duration	Frequency	Percentage
10years and above	35	29.1%
7years	22	18.5%
5years	25	20.8%
Less than 5years	38	31.6%
Total	120	100

Source: Primary Data, 2010

Table 4:6 shows that 35 out of the 120 respondents representing 29.1% had stayed in Rakai district for more than 10 years, 22 out of the 120 respondents representing 18.5% had stayed in Rakai district for 7years yet 25 out of the 120 respondents representing 20.8% had stayed their for 5years and 38 out of the 120 respondents representing 31.6% had stayed their for less than 5 years.

4.2 The causes of poverty in Rakai district

The first research objective of the study sought to investigate the causes of poverty in Rakai district. In order to get answers to ascertain this research question, the researcher inquired from the respondents and their perception on a number of issues. These issues included: What leads to poverty increment in Uganda, whether respondents understand the meaning of poverty as a social problem, whether they get support from the government to reduce poverty. On the causes of poverty in Rakai district, the results are presented in Table 4:7.

Table 4:7: Causes of poverty in Rakai district

Causes	Frequency	Percentage
Illiteracy	20	16.6%
Laziness	22	18.4%
Poor government policies	10	8.3%
Overpopulation	28	23.3%
Corruption and embezzlement of funds	40	33.4%
Total	120	100

Source: Primary Data, 2010

4.2.1 Illiteracy

Basing on the study findings, 20 out of the 120 respondents representing 16.6 % were illiterate indicating that illiteracy was among the causes of poverty in Kalisizo Town Council of Rakai district.

4.2.2 Laziness

From Table 7 on the study findings of the causes of poverty in Uganda, 22 out of the 120 respondents representing 18.4% showed that laziness is also another cause of poverty in Rakai district.

4.2.3 Overpopulation

Basing on the study findings, 28 out of the 120 respondents representing 23.3% showed that overpopulation was also another cause of poverty in Rakai district.

4.2.4 Poor government policies

Study findings also showed that 10 out of the 120 respondents representing 8.3% argued that poor government policies have increased poverty in Rakai district.

4.2.5 Corruption and embezzlement

Basing on the study findings, 40 out of the 120 respondents representing 33.4% showed that corruption and embezzlement have increased poverty in Rakai district.

Table 4:8: Whether respondents understand the meaning of poverty as a social problem

Response	Frequency	Percentage
Strongly agree	15	12.5%
Agree	45	37.5%
Disagree	20	16.6%
Strongly disagree	25	20.8%
Neutral	15	12.5%
Total	120	100

Source: Primary Data, 2010

From Table 4:8, 15 out of the 120 respondents representing 12.5% strongly agree that they understand the meaning of the term poverty, 45 out of 120 respondents representing 37.5% agree that they understand the term, yet 16.6% of the responses show that they disagree, 20.8% strongly disagree and 12.5% of the responses were neutral that is to say they neither agree or disagree.

4.3 The impacts of poverty to Rakai district

From the second Objective of the study, the researcher delivered a research question. It is this research question, which guided the study. In order to get appropriate answers to this research question, a number of elements were subjected to the respondents to solicit to their perception of the variables in question. For instance, the researcher solicited from respondents the impacts of poverty to residents of Kalisizo Town Council in Rakai district. The results to this study were analyzed by generating tables and percentages which were used to make comparison of the perceptions as the following presentation depicts. On the impacts of poverty in Rakai district, the results solicited from the respondents to this research objective are presented in Table 4:9.

Table 4:9: Impacts of poverty to Rakai district

Impacts	Frequency	Percentage
Theft	25	20.8%
Murder	35	29.2%
Sexual disorders	15	12.5%
Psychological disorders	15	12.5%
Corruption	30	25%
Total	120	100

Source: Primary Data, 2010

4.3.1 Theft

Basing on the study findings, 25 out of the 120 respondents representing 20.8% showed that theft is a result of increased poverty in Uganda.

4.3.2 Murder

Basing on the study findings, 35 out of the 120 respondents representing 29.2% showed that murder in most cases is due to poverty for instance most people murder each other to grab wealth; even others kill themselves in an attempt of escaping poverty with all its impacts.

4.3.3 Sexual disorders

Still basing on the research findings 15 out of the 120 respondents representing 12.5% showed that sexual disorders are a result of increased poverty in society. Sexual disorders include rape, prostitution and lesbianism.

4.3.4 Psychological disorders

Further more, basing on the research findings, 15 out of the 120 respondents representing 12.5% showed that poverty leads to psychological disorders to a society. Such disorders include insane and madness.

4.3.5 Corruption

Basing on the study findings, 30 out of the 120 respondents representing 25% showed that corruption at times is a result of poverty for instance people practice it in an attempt to get more money in addition to that they have and which is not enough for them.

4.4 Solutions to poverty problem in Rakai district

Table 4:10: Solutions to poverty problem

Solutions	Frequency	Percentages
Cooperation	29	24.2%
Equal distribution of resources	30	25%
Strict policies	21	17.5%
Infrastructural development	20	16.7%
Subsidization of small firms	10	8.3%
Emphasis on community education(UPE, USE, seminars and conferences)	10	8.3%
Total	120	100

Source: Primary Data, 2010

Table 4:10 shows that 29 out of the 120 respondents representing 24.3% agree that cooperation amongst the government, Rakai district officials , residents, NGOs and other humanitarian organizations can help reduce poverty. On this, 30 out of the 120 respondents representing 25% say that if there is equal distribution of resources in all parts of the country poverty can be reduced yet 21 out of the 120 respondents representing 17.5% say that strict policies must be put in place for instance arresting

individuals who embezzle government funds so as to reduce poverty. 20 out of the 120 respondents representing 16.6% said that infrastructures must be improved to reduce poverty especially in rural areas like Kalisizo Town Council. 10 out of the 120 respondents representing 8.3% say that emphasis must be put on subsidization of small firms so as to reduce poverty in Kalisizo Town Council and 10 out of the 120 respondents representing 8.3% say that community education not only through UPE and USE must be adopted to reduce illiteracy and hence poverty reduction.

4.5 Decentralization's efforts towards reduction of poverty

The fourth research objective of the study sought to find out what decentralization has done to reduce poverty. Therefore on the above set objective, the respondents stated as shown in Table 4:11

Table 4:11: Contributions of Decentralization towards poverty reduction in Rakai district

Contributions	Frequency	Percentage
Infrastructural development	30	25%
Free education (UPE and USE)	40	33.4%
Subsidization of small firms	10	8.3%
Local council improve	10	8.3%
Agricultural empowerment	30	25%
Total	120	100

Source: Primary Data, 2010

From Table 4:11, 30 out of the 120 respondents representing 25% show that the decentralization system of governance has tried to improve infrastructures so as to reduce poverty in Rakai district yet 40 of the response representing 33.4% shows that free education provided by the decentralization policy has helped to reduce poverty in Rakai district, 10 out of 120 respondents representing 8.3% argued that the subsidization of small firms and local council improvement by the government have helped to reduce

poverty yet 30 out of the 120 respondents representing 25% said that the government's system of agricultural improvement has helped to reduce poverty not only in Rakai district but also in other parts of the country.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

In this chapter we look at the summary of findings from the research carried out in Kalisizo Town Council in Rakai district. It also gives the recommendations for the different respondents that are involved in this research about the role played by decentralization policy towards poverty reduction in the district and therefore it will give the conclusion of that was reached at.

5.1 Summary

The following are the summaries of the findings based on objectives of the study. The study focused on the findings of the effectiveness of decentralization towards poverty reduction in Rakai district and the case study was Kalisizo Town Council. The outcomes identified the following roles played by decentralization towards poverty reduction in Rakai district: infrastructural development, free education, subsidization of small firms, local council improvement and agricultural empowerment since Kalisizo Town Council residents particularly Rakai district earn their income particularly through agriculture.

Hindrances to decentralization towards poverty reduction include: poor infrastructures, poor relation with local people and district officials, illiteracy at the local level, corruption and unequal distribution of resources. In summary, the above hindrances to decentralization towards poverty reduction in Rakai district can be overcome if both the central and decentralized system of governance work together for the common good of the population. Thus it would help decentralization to progress in all its activities hence reducing poverty in Uganda as a whole and Rakai district in particular.

5.2 Policy Recommendations

If the poverty problem is to be reduced and the adopted policies be made more effective and successful, Rakai district authorities, youth, local leaders from all districts, the

Government and local people must connive and work together. The following recommendations will be appropriate:

5.2.1 Local Government

- i) It should be supportive and protective of every citizen in Uganda through giving them support especially in form of finance to promote their activities. The decentralization system of government can do this by encouraging the local community to involve themselves in developmental activities for example those with talents to give them support and the local authorities provide them with financial support. This can be done through providing better infrastructure such as roads which will improve the movement of different activities and hence reduce poverty. Lastly the government should also set favorable policies, laws and regulatory frame works to individuals who are fond of involving themselves in corruption and embezzlement.

- ii) A strong partnership between local leaders at the district level, local people and the government should be hinged on clear roles and responsibility. The government should take in developing supportive policies for involving local people and local leaders in development programmes as the government is the one responsible for protection of the well being of citizens and the country at large. On the other hand, residents especially the unemployed should strive to build their capacities as individuals, communities for the government to facilitate and support so as to improve community action. Ideal collaboration between such groups of individuals and decentralized government will help to hasten development and hence poverty reduction.

- iii) Decentralized government should accept to open up an equal basis, discuss and formulate policies jointly with local people plus local leaders in different sectors of development. It should engage the district's policy dialogues. This is because the district administrators being so close to local people know the most pressing needs of the people and if engaged in such discussions it could help the government in gearing their effort where it needs most hence the two can work together towards achieving a common goal that will lead to more employment opportunities and hence poverty reduction.

iv) Laws should be enforced against any person involved in issues of embezzlement and thus Kalisizo Town Council and Rakai district in particular should work together with the government to ensure that such cases are severe punished.

v) The government should direct their largest share of expenditure and emphasis towards different groups of local people in Rakai district such as in improving education, health, infrastructure and agriculture among others. Channeling these funds to such areas is done best through local authorities as it is in close contact with the people than the central government.

5.2.2 Local community

i) The local community should be willing to participate in the activities brought up by every developmental group in the society for example farming, brick making which are geared towards improving their living standards. Being the main beneficiary of such activities, the local community should be willing to provide all the necessary advices by those groups since they will help them escape poverty with all its negative impacts. For example the community should inform the local leaders about the most impressing needs which will help it to prioritize its activities.

ii) The local community should help programme implementers in the implementation process if for example they start up development firms. This can be done through identifying the best place where the project can be put, providing assistance in terms of finance for the reduction of poverty.

iii) The local community needs to make use of the projects initiated by different stake holders. This will help in the process of monitoring and evaluations of their activities hence reduce poverty.

5.2.3 General

- i) If poverty is to be reduced, local people, local leaders, government and other humanitarian groups in Rakai district must connive and work together. Each of the party must perform its role so as to reduce poverty in the country. In other wards, there must be a mutual relationship between those groups of people.

- ii) In fighting against poverty, it is important that the most pressing needs of the community are tracked first. Thus, the government, local community, local leaders and the international community should be in position to provide the most pressing needs of the poor people first.

- iii) Before coming up with a project to reduce poverty, it is important to consult local people mostly those in deep poverty because they are the beneficiaries and know best which the most pressing need is. The local communities know best what services are more reliable in case of employment increase and which they are in need of therefore, they should be consulted before any arrangement is done. The community should be involved right from the decision making stage to the evaluation and monitoring of different activities delivered.

5.3 Conclusions

From the study results, a number of conclusions were made which include the following: Decentralization has played a big role towards poverty reduction in Rakai district. This includes creation of employment opportunities in the district, empowerment of agriculture, infrastructural development, youth empowerment through subsidizations and creation of strong and strict policies to fight corruption. These have helped in economic growth and development of Rakai district hence poverty reduction. However decentralization in trying to reduce poverty in Rakai district faces a lot of challenges hindering its prosperity and among them are poor infrastructure, limited funds due to delays by the central government's finances, corruption and embezzlement of funds by the official, poor relationship with the local people among others.

REFERENCES

- Asante, F.A. (2003) *Economic Analysis of Decentralization in Rural Ghana*.
(Germany: Peter Lang).
- Ayee, J.R.A. (1992) "Decentralization and Effective Government", *Africa Insight*,
Vol. 22: 49-56.
- Ayee, J.R.A. (1994) *An Anatomy of Public Policy Implementation: The Case of
Decentralization Policies in Ghana* (Aldershot: Avebury).
- Ayee, J.R.A. (1995) "Financing Sub national Governments in Ghana: the Case of
the District Assemblies' Common Fund", *Regional and Federal Studies*, Vol. 5, No. 3:
(Autumn): 292-306.
- Ayee, J.R.A. (1998) "Decentralization in Sub-Saharan Africa: Lessons for the
Future", *The LECIA Bulletin*, Vol. 4, No. 1: 1-21.
- Ayee, J.R.A. (2003a) "Local Government, Decentralization and State Capacity in
Ghana", in *Wisdom Tettey, K.P. Puplampu & Bruce Berman (eds.)*
- Bird, Richard, Litvack, J. & Rao, M.G. (1995) "Intergovernmental Fiscal Relations
and Poverty Alleviation in Vietnam", *Policy Research Working Paper 1430*
- Bird, Richard & Rodriguez, E.R. (1999) "Decentralization and Poverty Alleviation:
International Experience and the Case of the Philippines",.
- Blackwood, D. L. and Lynch, R. G. (1994). "The Measurement of Inequality and
Poverty: A Policy Maker's Guide to the Literature", *World Development*,.
- Canagarajah, S and Ye, X. (2001). "Public Health and Education Spending in Ghana in
1992-98: Issues of Equity and Efficiency", *Working Paper 2579*..

Castro-Leal, F., Dayton, J., Demery, L. and Mehra, K. (1999). "Public Social Spending in Africa: Do the Poor Benefit?" *The World Bank Research Observer*, Vol. 14, No. 1.

Crook, R.C. & J. Manor (1998) *Democracy and Decentralization in South Asia and West Africa* (Cambridge: Cambridge University Press).

Crook, R. C. & Sverrisson, A.S. (2001) *Decentralization and Poverty Alleviation in Developing Countries: A Comparative Analysis or, is West Bengal Unique*.

Crook, R.C. (2003) "Decentralization and Poverty Reduction in Africa: The Politics of Local-Central Relations", *Public Administration and Development*.

Demery, L. (2000). *Benefit Incidence: A Practitioner's Guide. Poverty and Social Development Group, Africa Region*. (The World Bank, Washington D.C).

Ellis, F. (1998) "Household Strategies and Rural Livelihood Diversification". *The Journal of Development Studies*, Vol. 35, No. 1.

Griffin, K. (1981) "Economic Development in a Changing World", *World Development*, Vol. 9, No. 3: 221-226.

APPENDIX I
QUESTIONNAIRES

I am **Ssenyonga Jimmy** a student from Kampala International University pursuing a degree in development studies, year three, semester two. In our final year we are required to carry out research on a topic of our choice therefore my topic is about “effectiveness of decentralization policy towards poverty reduction in Rakai district and the case study is Kalisizo Town council. Thus the designed questionnaire will help me gather the data required for my topic. I kindly request you to respond to the following questions appropriately thanks.

Questionnaires for members on the Administration in Rakai district

1) What do you understand by the term poverty?

.....
.....
.....

2) In your point of view, what are the causes of poverty?

.....
.....

3) What are the impacts of poverty to the society?

.....
.....

4) What is the role played by the decentralization system of governance towards poverty reduction?

.....
.....

5) In Central division, how do poor people survive in their every day life especially when it comes to accessing the desired necessities?

.....
.....

6) Do you have any Non governmental organization which has tried to reduce poverty in residents of your district?

.....
.....
.....

7) How has it managed to reduce poverty among residents in Rakai district?

.....
.....

8) Do you have any advice you would like to pass to the government in the struggle of reducing poverty in Uganda?

.....
.....

Thank You

6) Do you have any Non governmental organization which has tried to reduce poverty in residents of your district?

.....
.....
.....

7) How has it managed to reduce poverty among residents in Rakai district?

.....
.....

8) Do you have any advice you would like to pass to the government in the struggle of reducing poverty in Uganda?

.....
.....

Thank You

APPENDIX II

Interview guide for residents in Kalisizo Town council

Dear sir/ Madam

RE: INTERVIEW GUIDE FOR ACADEMIC RESEARCH

My name is **Ssenyonga Jimmy** a student from Kampala international university pursuing a Bachelor's degree in Development studies. Iam carrying out research on a topic entitled "the effectiveness of decentralization policy towards poverty reduction in Rakai district.

ABOUT THE RESPONDETS

Name.....

Age.....

Sex

Female

Male

Marital status

Married

Single

Education level

Primary

Secondary

Degree

Diploma

Above degree

1) As residents, what do you understand by the term poverty?

.....
.....

2) In brief describe the features of a poor person.

.....
.....

3) What are the causes of poverty in your area?

.....
.....

4) What do you think are the impacts of poverty to a human being?

.....
.....

5) In your point of view, how do you think poverty can be reduced?

.....
.....

6) How would you advice the government on poverty reduction in Rakai district?

.....
.....

Thank You