Mountains of the Moon University

Development matters:
Africa, Uganda and the Rwenzoris




Yearbook 2012 of the School of Business and Management Studies

Volume 3

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Mountains of the Moon University

School of Business and Management Studies

Lake Saaka Campus, Fort Portal

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Uganda

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Cover

Front pictures by Michael Wiemer and Felix Meier zu Selhausen.

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Content

Dear Reader,

I have the great pleasure to welcome you to the 3rd volume of the Yearbook of MMU School of Business and Management Studies. This year's theme, *Development matters: Africa, Uganda and the Rwenzoris,* covers a wide range of topics that are quite relevant to the Rwenzori region, Uganda and sub-Sahara Africa. The opening section provides a wonderful overview of numerous activities that took place in the past academic year 2011/2012 and a timely reminder of our achievements and opportunities.

Beyond regional and national development, this volume across its 9 scholarly articles offers insights on many relevant topics on Uganda and sub-Saharan Africa; say the effects of political, financial, and economic institutions. Moreover, the specific focus on research satisfies the vision and mission of our university to reach out to the community through research and teaching of specific academic disciplines relevant to the needs of the community.

I am happy to welcome a large number of private business communities (mainly local tourism and tea companies) once again this year to advertise in the Yearbook 2012. In addition, I am proud to announce that this year's Yearbook will be out by Graduation Day on 28th of September 2012. I would like to warmly appreciate all folks who have contributed to putting together this annual publication; foremost the 6 authors from the School of Business and Management Studies, 3 students from MMU and 5 authors from MMU's partner universities and organizations. I am particularly happy about the 3 student contributions this year. Moreover, by receiving articles from outside MMU boundaries, the authors from Utrecht University, University of Copenhagen, Grameen Foundation Uganda, Kenya Commercial Bank (KCB), and GIZ is a clear demonstration of that the School has grown effective its capacity to network and engage in mutual exploration of themes of global significance. The data section at the end of the book should be used by lecturers in teaching and giving assignments.

A special thank you goes to the editor, Mr. Felix Meier zu Selhausen for dedicating time and creativity in bringing out the third publication. I am looking forward to learning from and engaging with the authors at the School's first Yearbook seminar ever to be held in October 2012 at Lake Saaka Campus.

Enjoy the reading.

Prof. John Kasenene
Mountains of the Moon University

Foreword by the Dean of the School

Dear Reader,

It is a great pleasure to present to you herewith the third volume of the Yearbook of the School of Business and Management Studies. The team at our School – more than 30 staff members with a wide range of experience and qualifications – is proud and honoured to have once more pioneered organisational development of our 7 years young university. This yearbook is also a great example of how academic research and teaching can be interlinked, thus many articles have been selected also to act as teaching material in areas of research methods and ethics, data, microfinance, and political economy.

The articles in this yearbook cover a wide range of highly relevant topics of the well being of our community, Uganda and entire sub-Saharan Africa. Part I, highlights the most important news from the last academic year 2011/2012 and puts emphasis on the importance of academic research for our community university as a whole and continuing efforts in combating HIV/AIDS. On the other hand, the interview with the Vice-Chancellor points out where the university is heading to in the future.

Part III 'Scholarly and research articles' is dedicated this year to 'Development matters: Leadership and microfinance' and the theme of this years yearbook publication. In this part we analyse the political economic changes and influences taking place in and around Uganda and therefore treat themes, including the effect of tenure of presidents on economic development, gender and development, community outreach, microfinance innovations and the importance of inclusive political and financial institutions for development.

In the final Part IV, the data section provides unique information of the most current data available on financial inclusion in SSA and Uganda, cocoa production in SSA, GDP per capita in SSA, number of tourist arrivals in the EAC, and population growth in SSA and Uganda.

This volume is presented with gratitude towards our committed community partners and business companies from the Rwenzori region for having supported us financially.

Andrew Mugenyi
Dean of School Business and Management Studies

Acknowledgements

MMU School of Business and Management Studies is grateful to the following local private companies from the Rwenzori region for their continuous support and ins honoured to display their advertisement in the 3rd volume of its Yearbook 2012. Our special thanks to Andrew Roberts for designing a map of the Rwenzori for the Yearbook.

1. Mpanga Growers Tea Factory Ltd.

2. McLeod Russel Uganda Ltd.

3. Mountains of the Moon Hotel and Resort

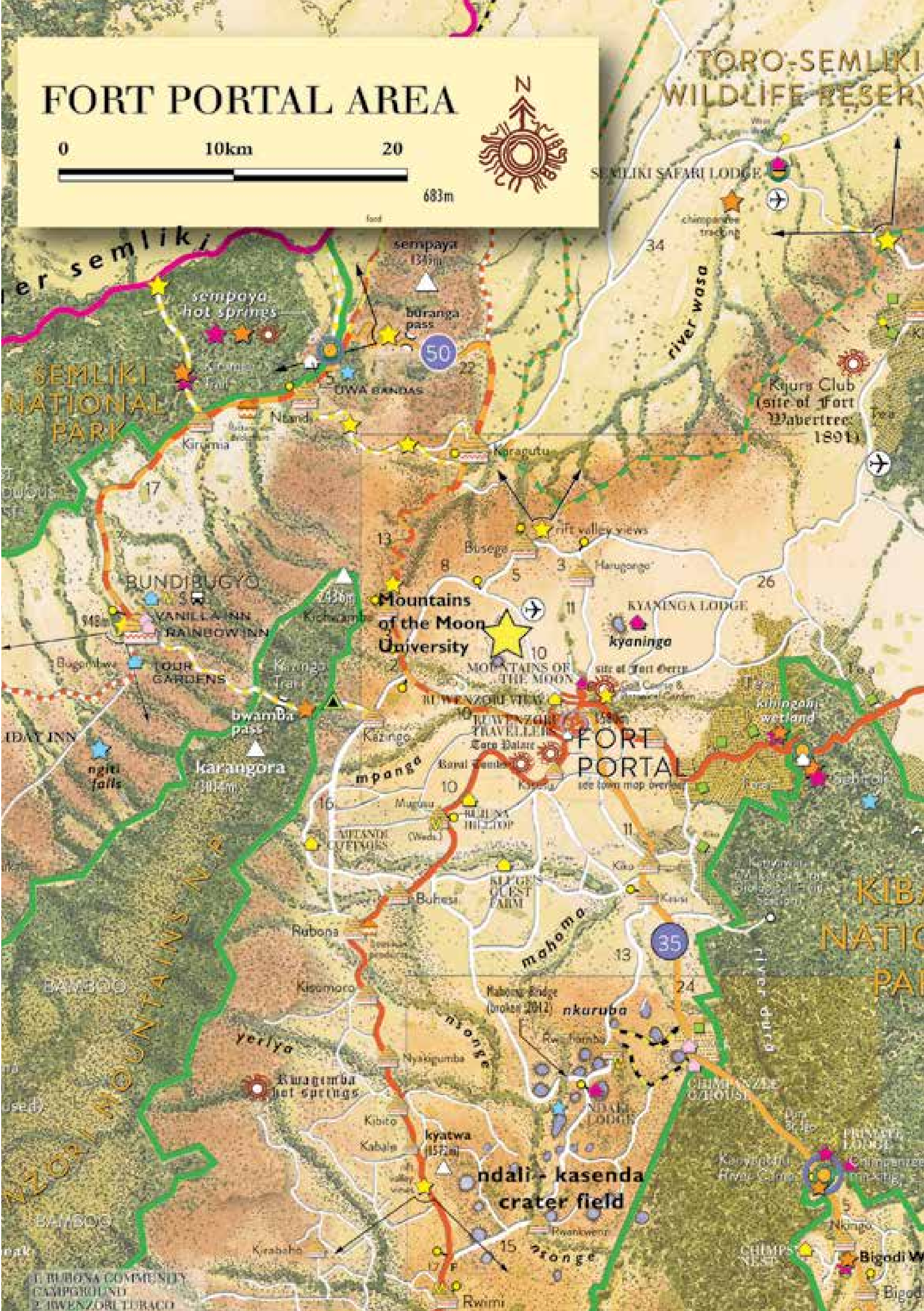
3. GIZ Financial System Development (FSD), Uganda

5. Kyaninga Lodge

6. Ndali Lodge

7. The Gardens Restaurant

8. Andrew Roberts – Uganda Maps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sempaya 1341m
sempaya hot springs
buranga pass
50
22
UWA BANDAS
SEMLIKI NATIONAL PARK
Kirumia
Ntandi
Karagutu
17
rift valley views
Busege
Harugongo
13
8
5
3
26
BUNDIBUGYO
VANILLA INN
RAINBOW INN
Bugombwe
TOUR GARDENS
2436m
Kichwamba
Mountains of the Moon University
11
KYANINGA LODGE
kyaninga
10
MOUNTAINS OF THE MOON
site of Fort Gerry
BUWENZORI VIEW
RWENZORI TRAVELLERS
Toro Palace
FORT PORTAL
see town map overleaf
kihingami wetland
bwamba pass
karangora 3014m
ngiti falls
Kazingo
mpanga
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16
Mugusu
KLUGE'S GUEST FARM
Buhesi
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Kiko
Kasusu
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Rubona
mahoma
13
KIBALE NATIONAL PARK
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RWENZORI MOUNTAINS N.P.
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Kwagimba hot springs
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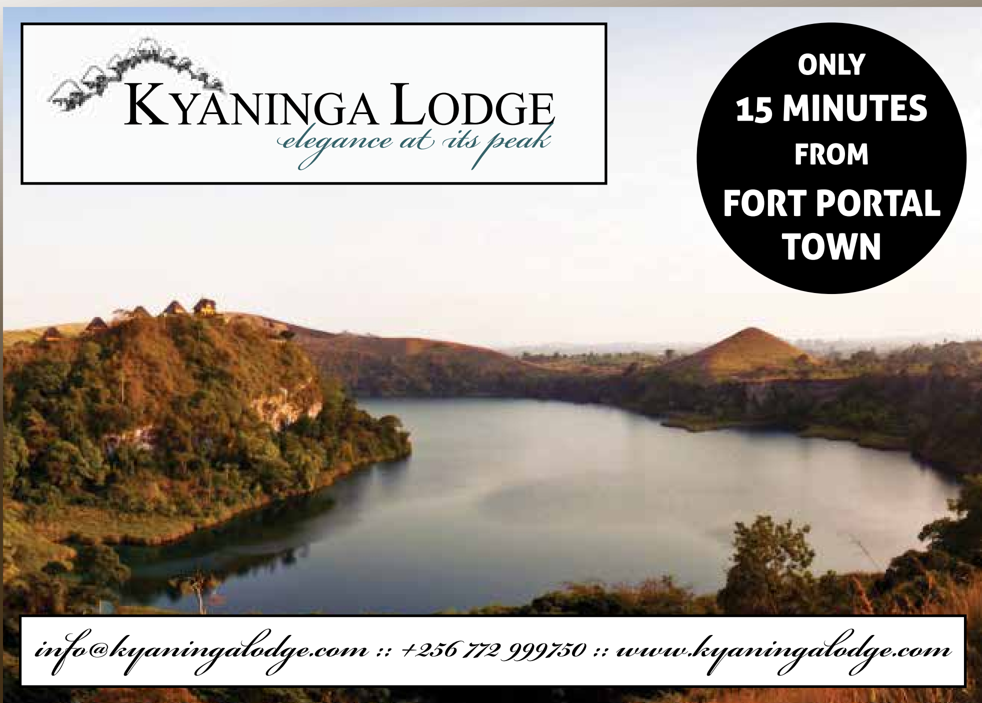
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PART I
LIFE AT MMU

News from the Academic Year 2011/2012

MMU celebrates 5th Graduation Day

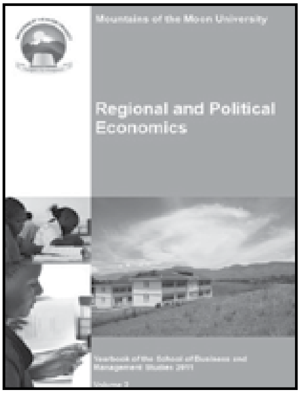
On 23rd September 2011, MMU celebrated the 5th graduation of its 491 Master, Bachelor, Diploma, and Certificate students. Guest of honour was Mr. Bitatule Patrick. The Prof. Rugumayo and Justice Seith Manyindo Awards were given to the best student performances. Recognition for outstanding performance of staff members in 2011 received Dr. Fr. Christopher Mukidi (Registrar Academic), Mr. Mugenyi Andrew (Dean School of Business and Management Studies), and Mr. Yunusu Kakungulu (Registrar Finance). The Yearbook 2011 was published timely at the same day.

Guest - Lecture: What drives Economic Development?

On September 16th and 17th 2011, MMU was honoured to have Prof. Jan Luiten van Zanden from the Centre for Global Economic History of the Dutch Utrecht University, one of the leading economic historian and former president of the International Economic History Association (IEHA), holding a guest-lecture and a workshop on academic research methodologies at Lake Saaka Campus. His lecture on 'What drives economic development?' was attended and highly appreciated by staff members, students and public visitors. His workshop on research methodologies focused on the application of the comparative case study approach, for which the following research question

was discussed: “How does the tenure of a president remaining in office affects economic growth?” His co-authored paper on the latter topic can be viewed in Section 3 of this year’s Yearbook.

First Yearbook Seminar 2011



In October 2011 the first Yearbook seminar was launched. Authors of the Yearbook 2011 of the School of Business and Management Studies presented their research findings and engaged into academic debate on its theme: *Regional and Political Economics*. Presentations ranged from issues for Uganda concerning HIV/AIDS, climate change, oil exploitation, agricultural practices, microfinance, and coffee and tea value chains. The event was well attended and represented the first initiative to communicate the research articles to the broader audience of MMU and the community. Copies of the 2011 volume are still available for sale at Andrews and Brothers Supermarket or at the School of Business at Saaka Campus.

8th Entrepreneurship Conference – Makerere University Business School

At the 8th Entrepreneurship Conference in November 2011 of MUBS, the Department presented their paper: “What does microfinance contribute to female entrepreneurship in Uganda?”. The theme of the MUBS’s conference acknowledges the increased contribution of women towards development in Uganda and other countries. The day revealed that there is a need to study female entrepreneurship in light of a multidisciplinary approach, including gender, family size, customs, traditions and education. The conference drew a number of guests from Ghana, Nigeria, Rwanda, UK and US.

Microfinance gender-sensitive product development

In May 2011, MMU’s banking and microfinance department won a research project from the Financial Systems Development (FSD) program of German Development Cooperation (GIZ). Under its ‘microfinance and gender’ initiative, FSD wanted to find out whether product portfolios of savings and credit cooperatives (SACCOs) are the reason that they serve mostly men and only few

women. MMU carried out the research through a survey of members and non-members and through a review of the products of three SACCOs, in Sheema, Masaka and Lira District respectively. They found that women access fewer loans, and save less. Disadvantages in education, income sources and assets that could be used as collateral, and sometimes discouragement from husbands who refuse to co-sign their wife's loan application are reasons for women staying away from the SACCOs.

Based on the findings, the MMU research team led by Muzigiti Geoffrey, Kaija Mark, and Dr. Oliver Schmidt developed products that would balance the SACCOs' product portfolios to serve women equally well as men. In October 2011, the SACCOs chose 4 product ideas to be taken to concept development: education finance, group lending, agricultural lending and mobile money-based financial services. Between November 2011 and February 2012, MMU team developed and tested 6 product concepts including an education loan and an education commitment saving, savings-depositing-through-mobile-money, an agricultural loan and two solidarity-group-loans. MMU's component won it the first price of GIZ's internal gender competition 2012.

Reading is fundamental: Book Project with Centre of Global Economic History

Why is reading important? It is how we discover new things. Reading is vital in developing a good self image. Being able to read is a crucial skill in being able to function in today's society. It is important because it develops the mind and develops the imagination. A student who knows how to read can educate herself/himself in any area of life she/he is interested in. That's why MMU and the Centre of Global Economic History of the Dutch Utrecht University have launched a joint book project in January 2012. The project aims to enrich the quality and quantity of MMU's library literature for which colleagues from The Netherlands will provide relevant academic second-hand books on a regular basis to MMU. At the same time students and lecturers are encouraged to make use of this in both teaching and leisure. Furthermore, it is hoped it will have a positive impact on MMU's teaching and research opportunities.

MMU ranks under top 100 universities in Sub-Sahara Africa and top 4 in Uganda

In January 2012 the *Webometrics Ranking of World Universities*, ranked Mountains of the Moon University (MMU) among the top 4 universities in Uganda. Also, MMU stands at 77th position in the ranking of Sub-Saharan African universities (SSA) – quite an achievement for the only 7-year old rural university in mid-Western Uganda! All top 9 universities were South African with University of Cape Town and Stellenbosch University leading the group. In Uganda Makerere University scored highest and ranked 10th in SSA. The ranking is based on internet links found by web search engines which studied the world universities in different areas of “visibility, size, rich files, and scholar”.

First Microfinance Workshop at Makerere University Business School

The first Microfinance Workshop of Makerere University Business School (MUBS) is held on 28th and 29th February 2012 at Silver Springs Hotel, Kampala. Dr. Oliver Schmidt, Academic Advisor Microfinance of MMU, will present on challenges of the Ugandan microfinance sector – “Microfinance in Uganda: 2012 and beyond“.

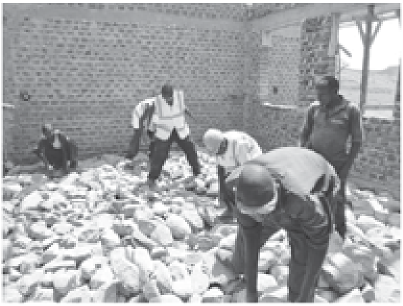
Youth employment in the Rwenzori region – DeLPHE Project

Uganda has one of the youngest population in the world with over 56% of the population under 18 years of age (UBOS, 2002) and around 79% under the age of 25 (UBOS, 2003). As the overall population grows at a rate of around 3.2% (UBOS, 2002), the proportion of young people within the population is also increasing steadily. Unfortunately, employment opportunities are failing to keep pace with the growing number of young people. That gave reason for MMU and Makerere University to carry out program funded by the British ‘Development Partnerships in Higher Education’ (DeLPHE) called: *Literacy, Employability and Enterprise development training for out of school and work youth in Western and Northern Uganda*. The project runs for 18 months until March 2013. MMU has identified training in entrepreneurship and micro-business development as key areas for growth for the university. This focus is very much in line with the university’s mission to foster economic growth in the region through job creation and increased productivity.

Construction of Public Health building through One-Brick at a Time

From January to March 2012, with a work force of about 45 participants; 32 college trainees, 8 UK colleagues and 5 *One Brick at a Time* (OBAAT) staff members, OBAAT delivered another project that focused on completing the education and administration wings as well as sealing the entire exterior of the new public health building for MMU at Lake Saaka in astonishingly 10 weeks. The project represented yet another important contribution to the local education infrastructure delivered as cooperation between OBAAT partners and the local community. The mechanisms used to deliver a project of this size have shown us all that we are capable of even greater achievements when we work together.

OBAAT would like to use this opportunity to both thank and congratulate all partners on the obvious success of this initiative. The two pictures below show the public health building before (LHS) and after (RHS).



Entrepreneurship Workshop

In February 13-17, 2012 MMU hosted *Two Sides of the Same Coin*, an entrepreneurship-skills project for women in western Uganda led by Mary Redlin at Kabundaire Campus. The project's goal was to help interested and motivated women create successful businesses that will provide them the tools to generate an income to support their families. Twenty women were trained by Mary Redlin, Betina Schmidt and Fr. Makanda in the following areas: What Is An Entrepreneur?, marketing business, record keeping, customer service, goal Setting, visualizing success, creativity and business planning.

Centre of African Development Studies

On the 2nd and 3rd April 2012, the centre hosted an international expert's seminar on Cultural Pluralism Knowledge, Biodiversity and sustainable development. The background of the seminar was drawn from the Ugandan experience where traditional and modern knowledge systems of conserving biodiversity contradict each other rather than complement. The aim of the seminar was to explore new knowledge arising from potential synergies between knowledge of cultural pluralism, biodiversity and sustainable development. The participants discovered different local perspectives and competing interests in the management of natural resources in and near the Rwenzori National Park, and ways of dealing with them for sustainable development. Participants were drawn from the academia and organizations from the civil society o including MMU (the host), cross cultural foundations of Uganda (Pluralism Program Partner in Uganda), Cosmopolis Institute in the Netherlands, Islamic University (IUIU), Nkumba University, Kampala International University (KIU), Land Equity Movement (LEMU), Flora and Fauna International (FFI) among others.

Bachelor in Banking and Development Finance Review Workshop

After last year's review workshop of the Certificate and Diploma in Rural Microfinance, on 12th – 13th April 2012 the department of Banking and Microfinance hosted a review workshop on the content and structure of its Bachelor of Banking and Development Finance (BBDF). After a welcome dinner at Mountains of the Moon Hotel; bankers, microfinance experts, academics and students analysed and suggested improvements for the BBDF academic portfolio at Saaka Campus, Fort Portal.

First Department Day Banking and Microfinance

On 20th April 2012, MMU celebrated its first Department Day Banking and Microfinance at Saaka Campus. This year's theme is 'Gender – how it concerns us all' – a timely subject as the World Development Report 2012 titles *Gender and Development* and the Department is currently conducting a research project on gender-balanced microfinance products for three large Ugandan SACCOs. More than 50 female and male students participated in group-based exercises and debates on their personal views on their sexes, gender roles and what type of products MFIs should develop to strengthen gender equality in Uganda.

First MMU Microfinance Research Seminar

On Friday 25th May, the Department of Banking and Microfinance held a seminar on latest research findings in microfinance in Uganda at Saaka Campus. MMU staff, students, and participants from Makerere Business School (MUBS) covered various themes, ranging from quality of governance in MFIs, social performance, HIV/AIDS and microfinance product development, financial diaries in search of school fee payments, microfinance group-based approach, agriculture finance and the impact of microfinance on female agency in Sub-Saharan Africa. The first MMU microfinance research seminar marks the kick-off of an annual seminar on current research on microfinance in Uganda.

Survey on savings behaviour of tea-pickers

In mid-June 2012, the Department of Banking and Microfinance conducted a small survey among 150 tea-pickers from Mpanga Tea Growers. Six students conducted field interviews with questionnaires at Mpanga's tea-centres. The survey was part of a larger forthcoming study on rural poor's savings behaviour in Western Uganda of the Department of Banking and Microfinance. Data on tea growers and other rural farmers were already collected in 2011 and serve as comparison group to the tea-pickers.

World Economic History Congress 2012

From 9th-13th July the *World Economic History Congress (WEHC)* took place at South Africa's Stellenbosch University (nearby Cape Town) for the first time on African soil! Felix Meier zu Selhausen from the Department of Banking and Microfinance participated. Over 800 economists and historians from 56 different countries discussed about 800 papers over five days in 15 parallel sessions. A major theme of the congress was the colonial impact of European settlement discussed in both opening key note speech by James A. Robinson (co-author of *Why Nations Fail)* and closing debate between Gareth Austin and James A. Robinson. The congress venue was a timely choice and was certainly an excellent promotion of the agenda of African economic history and development. In order to introduce the debates around African economic history, the *African Economic History Network* (AEHN) met during the congress to discuss their ambition to publish a university textbook for English-speaking African universities on "African econom1ic history and development" to be piloted next year at MMU.

Course-unit 'African Economic History and Development' taught at MMU in 2013

In July 2012 during the World Economic History Congress in Stellenbosch (South Africa) scholar of the African Economic History Network (AEHN) met to develop and design a course-unit in "African economic history and development" specifically tailored to MMU. In 2013, during the second academic semester members of the AEHN will start the course for 2nd year History and Business Management students. The course-unit is supposed to give an understanding of the long-term causes of development and underdevelopment in Africa and other region in the world. Question, like why are some nations rich and others poor will be looked at through a historical perspective.

AFROMAISON Project

African at meso-scale: adaptive and integrate tools and strategies on natural resources management, short AFROMAISON is funded by the 7th Framework Program of the European Union. It is a project introduced by the consortium of partners of partner organisation from 14 different countries in Europe and Africa. Activities are grouped and described under eight so called work packages (WPs). These consist of 6 research WPs complemented with a WP on project management and another one on capacity building, dissemination and end-user involvement. To develop and test a framework for integrated natural resource management (INRM) and to transfer results across case studies, 5 sites in Africa have been chosen: Oum Zessar (Tunisia), Blue Nile Headwaters (Ethiopia), Inner Niger Delta (Mali), Drakensberg Mountains (South Africa) and the Rwenzori region (Uganda).

The Uganda case study focuses on payment for environment services approaches for improved soil management and ecosystem integrity. AFROMAISON analyzes and evaluates existing forestry initiatives in Kasese, Bundibugyo and Kabarole for their impact both in ecology but also with respect to their ability to meet the needs of both ecosystems to human wellbeing in a cost-effective manner. A first workshop was held in Kasunga Training Centre, in April 2012. The main outcome of the workshop was tree action plans on INRM for the three studied districts mentioned above. A second workshop was organized in July 2012, to fine tune the actions plans, stimulate stakeholders' resolutions with action plans and to develop tools to enhance the awareness in applying INRM techniques.

Institutional University Cooperation (IUC) and MMU: Partnership for Sustainable Community Development Program

Belgian Minister for Development Cooperation through Flemish Interuniversity Council (VLIR)–University Cooperation for Development (UOS) [VLIR-UOS] is funding the Institutional University Cooperation program (IUC) program which is aimed at providing a substantial financial support to Mountains of the Moon (MMU) (approx. €250,000 per year) to build internal capacity for effective and efficient service delivery for community sustainable development. This IUC partner program is representing a long-term commitment involving considerable team effort and partnership between five Flemish universities and twenty University Colleges in Belgium in the North and MMU in the South. In this program MMU will not to be seen as an isolated beneficiary, but as an important stakeholder in country-level university cooperation for development. VLIR-UOS engaged in IUC partnership with MMU covering in principle and on average 12 years (2 strategic programs of 6 years) starting June 2012. This period is characterized by different phases with varying roles and responsibilities for all stakeholders from Belgium and MMU involved. Phase 1 of partner program will involve capacity building and phase 2 consolidation and valorization. Right now we are in a pre-partner program phase preparing for the implementation of the partner program.

Uganda's National Microfinance Conference

Two students of BBDF together with Academic Advisor Microfinance, Dr. Oliver Schmidt, had the opportunity to attend Uganda's National Microfinance Conference. The conference from 25th to 27th July was jointly organised by AMFIU and the Ministry of Finance, Planning and Economic Development (MoFPED). About 200 participants discussed current issues of microfinance in Uganda, in particular regulatory framework, agricultural finance, social performance. At the conference, MF associations from Burundi, Kenya, Rwanda, Tanzania and Uganda launched the East Africa Microfinance Network (EAMFN). The new network invited Dr. Schmidt to facilitate its first technical workshop on 27th and 28th July.

Institutions for Collective Action research project

From 19th-30th July 2012, eight MMU students conducted field research in mountainous Western Uganda's Bukonzo County bordering the DRC. Within the 13 days they interviewed 421 married women from 26 different self-help groups (SHGs) of Bukonzo Joint Cooperative Microfinance Society (BJCMS). In addition, 210 female non-members from the same area acted as comparison group, summing up to a total sample of 631 respondents. Collecting the data was a sweaty undertaking since most of the SHGs were located high in the mountains, and therefore required 3-5 hours of hiking per day. We are thankful to the internship students of MMU for their great effort and the wonderful cooperation we experienced with Bukonzo Joint Cooperative Microfinance Society. More information can be retrieved under: www.collective-action.info

Reconstructing Western Uganda's past through marriage registers

In July and August 2012 the Centre of African Development Studies, under the coordination of Felix Meier zu Selhausen, initiated a new research project. The aim of the project is to reconstruct family systems, marriage patterns, social mobility (on the basis of spouses and their father's occupation), and the spread of Christian faith over time. Hence, the project explores marriage registers, certificates, and baptism registers from 1896-2011. The team has started to take photos of the marriage registers and each single certificate of St. John's Cathedral Parish, Butiti Parish, and Virika Diocese Church. After the project the respective parishes will receive a memory stick with all the photos, so that the information is stored forever and cannot be destroyed in case of a fire or theft.

Interview[1] with the Vice Chancellor – Prof. John

Welcome to this interview about developments at Mountains of the Moon University, since our last publication in September 2011.What plans are in store for the enlargement of Lake Saaka Campus?

Thank you. The enlargement of Lake Saaka Campus is determined by many factors in relevant areas. First of all the student population is expected to grow from 1,563 to 2,000 in a university that hopes to enhance teaching, learning and research. In regard to these factors I will begin by addressing the issue of infrastructure. The University plans to increase classrooms to 15 more from the current status within the shortest possible time. This will be possible through assistance from a friend, Martin Hawkes of Ireland who has donated funds to put up 15 classrooms that will contain 70 students.

This will raise the student population to an extra 1,000.There is therefore need for facilities like chairs and computers. An order for 200 chairs has already been made by the University. A donation of 100 computers from Closed the Gap will help in equipping SOIC, Library, other offices, as well as in teaching, learning, research, exam and student affairs. In infrastructural development, I am pleased to inform the readers about the completion of one big block of the Public Health building- complex for teaching wing for School of Public Health and Clinic. The Clinic will serve the immediate community; this is in response to the interests of the donor, VMM/Misean Cara who requested that the community should access health services. The building is near the road, being sensitive to the needs of the community and responsive to the needs of the donor for easy access.

Hostel facilities are being planned for in partnership with the community. A few hostels have been put up already. After reasonable infrastructural development at Lake Saaka Campus then we shall move from Kabundaire to Lake Saaka Campus. However we shall not completely evacuate Kabundaire Campus. We shall maintain presence through expansion of SOIC and the School of Post Graduate Studies. The move of the big student community and programmes from Kabundaire to Lake Saaka will cause big saving, which can be ploughed back into more infrastructural development, including staff houses, student hostels and offices, plus transport for staff and students.

[1] The interview was conducted by David Kabiito, MMU School of Business and Management Studies.

Recently you and the Deputy Vice Chancellor were in Belgium. Please, enlighten our readers on the Belgium project.

The Belgium project is a long standing consideration for funding from our collaborators in Belgium, in what we call MMU-IUC institutional university cooperation project which will progress for the next 12 years.

The Belgium donor partners (VLIR-UOS and MMU) collaborators with Flanders University are a golden opportunity for growth and development of the University. In the next 12 years the partnership will be involved in action research areas which will include community engagement through research for socio-economic development. This will involve research on integrated agricultural methods, healthcare and nutrition and community based environmental and natural resource conservation. Other aspects of the Belgium project include community intervention through education and extension. This will entail community based data management system, outreach service provision and agribusiness and entrepreneurial training. Transversal (University institutional strengthening, which will involve, administration, teaching and research capacity training through short courses, Internet and service delivery, like improvement of library ICT laboratories etc. enhance quality teaching and research, external service delivery; which will entail improving of internet connectivity at MMU and partner institutions and improvement of e-learning etc. These initiatives will require proper planning and concerted support and participation of university stakeholders for the protracted implementation which is spread over 12 years.

The university has tremendously grown over the last seven years. What new developments have been taking place in the curriculum over the period?

Indeed there have been some developments. There has been addition of six more course programmes from 29 courses, making it 35 course programmes. These have been started in response to the needs of the communities we serve. These include,

- Masters of Science in Public Health
- Masters of Science in Natural Resource Management
- Masters in Education, Leadership and Policy Studies
- Bachelors of Science in Nursing and Midwifery
- Diploma in Tourism, Travel and Hospitality
- Certificate in Tourism, Travel and Hospitality

What developments have occurred as regards staff development?

Due to financial constraints only seven scholars are supported on PhD programmes, 12 master's level, and 4 at Bachelors level. However with support of VLIR-VUS/MMU/IUC project the university could potentially increase its capacity of supporting PhD programme to eight and masters to 12 more scholars come March 2013 when the full project will commence.

Training in Entrepreneurship skills: A community outreach model that the School of Business and Management Studies can adopt.

Mary Rose Redlin[1], John M. Vianney Makanda[2], and Betina Mutsuba[3]

1. Introduction

Under the auspices of the NGO *Two Sides of the Same Coin*, twenty women from Fort Portal Municipality were trained in entrepreneurship skills. This empowerment project for women in western Uganda had the goal of helping interested and motivated women to create successful businesses to generate income to support their families.

2. Training

The training took place in mid-February 2012 at Mountains of the Moon University's Kabundaire Campus. The instructors were Mary Rose Redlin, John Mary Vianney Makanda, and Betina Mutsuba. The participants, women of different ages, educational levels, and backgrounds, were trained in the following areas: Marketing, Record Keeping, Customer Service, Goal Setting/Visualizing Success, Creativity, and Business Planning.

Photo 1: Female trainees working in groups, share knowledge in creating business plans.

After the one-week course, the entrepreneurship trainees were given 7 days to create their own business plans based on their passions and the opportunities they had identified in the market that could be turned into viable businesses ideas (Photo 1). Firstly, Makanda and Redlin spent one day with them refining their plans and giving guidance whenever required. Secondly, the women were given 2 days to put together a 5-minute presentation on their business.

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[2] Chancellor of Fort Portal Virika Diocese and lecturer in Business Department at MMU.
[3] Director of New Mindset Mentoring Institute, trainer of QuickBooks computerized accounting in partnership with MOLD Consult Ltd, and career advisor.

Finally, the formal training ended with all 20 female participants presenting their business plans to the entire group. After the presentation, certificates of attendance were given out and seed money to kick-off their businesses was distributed to each of them.

2. Field visits

The female participants then were given one month to utilize their seed money to either create or improve on their existing business. After that time, Makanda and Redlin visited some businesses to see how the trainees had utilized their acquired skills and starting capital. It was also a good opportunity for them to ask questions about their business operations and seek general advice. One woman who had had a business before and was now applying her newly acquired skills summarized this in: "Now I know what I am doing." In general all the trainees had invested their seed money rational. Some had started completely new small businesses; others had improved on their pre-existing businesses. For example, one lady operating a bar had used the money to supplement a loan she obtained to purchase a pool table. Moreover, 2 young ladies (Photo 2) had pooled the money and used it to start a second-hand boutique.

Photo 2: Display of clothes in a boutique opened by two ladies who opted to operate as business partners

3. Challenges

For some women the training was challenging. First, mobilization was difficult; announcements were put on a local FM radio but just a handful of participants turned up to register. The winning strategy turned out to be advertising by word of mouth. As all the women had to walk to the training venue, time was lost and so the training never started at the scheduled time. In addition, the women had many other household responsibilities, so it was difficult for them to attend from 9am in the morning to 4pm in the evening. Hence, the trainers had to be flexible when scheduling activities with the women to work around their schedules. Another big challenge was communication. The trainees had different educational levels, ranging from university to primary school level. In fact there were two participants who did not understand English at all. Due to this educational discrepancy it was difficult for the instructors to explain comprehensibly some of the concepts. The women had a hard time with the creation of their business plans, and so the trainers spent a lot of time on one-on-one counseling than originally anticipated. The concept of visualizing and setting SMART goals was also new to them, so the trainers had to help each trainee refine her goals. Record keeping was also a difficult concept, but during the business visits, Fr. Makanda and Redlin found out that the majority of the participants were keeping records.

4. Future plans

In general, the training was successful; all the women had acquired skills and utilized well the seed money in their businesses. Now, plans are underway to conduct two sessions in 2013, one again at Mountains of the Moon University and another at a venue still to be determined. In the initial training, a mix of new entrepreneurs and existing ones created a productive balance for the course. The instructors appreciated the contributions of the existing women entrepreneurs from *Kabarole Women Entrepreneur Association (KWEA)* that was started in 2003. The newly formed female entrepreneurs were encouraged to join the latter organization in order to continue their learning process through these experienced businesswomen.

5. Lesson for MMU School of Business and Management Studies

In the communities within the catchment area of Mountains of the Moon University there could be many people who are interested in attaining entrepreneurial skills to help them start new businesses or run pre-existing ones better. These women do not need to enroll into a university to obtain certificates, diplomas, or degrees in order to be able to create small businesses or improve on the already existing ones.

As a way of carrying out community outreach, MMU's School of Business and Management Studies can organize short business courses focusing on the needs and opportunities of the surrounding business communities in order to equip potential entrepreneurs with skills crucial for the success of their businesses. Indeed, many people have ventured into businesses, but a lot of them may be facing difficulties of running their business ventures. If they were to be equipped with rudimentary skills in business management perhaps these difficulties could be overcome. Such outreach programs certainly require financial and human resources. But how can these funds be generated? From the experience of the training by *Two Sides of the Same Coin*, cost-sharing is possible. The beneficiaries would be willing to contribute towards the cost of such outreaches as long as they see the benefit. The trainees of *Two Sides of the Same Coin* were each asked to pay UGX 20,000 which they were all willingly to pay. Surprisingly, these women never knew that they would get seed money after the training, but they were still willing to invest in themselves by paying for the knowledge and skills. The seed money for trainees was raised from Mary Redlin's friends in the U.S. The School of Business and Management Studies could also source grants to run its outreach programs. There are individuals and organizations out there that are willing to support such programs. Can the School take up the challenge and close this gap?

Heritage Work: MMU-Centre for African Development Studies takes lead

Evarist Ngabirano[1] (ngabiranoe2002@yahoo.com)

Mountains of the Moon University has since 2009 initiated a heritage center (Center for African Development Studies) concentrating on, research into different aspects of indigenous knowledge and practices, archiving, preserving, publishing, disseminating and teaching in order to contribute to practical models and approaches in development. As a result, a collection of indigenous cultural artifacts have been preserved and in collaboration with the University of Michigan and Cooperative Africana Materials Project. Also, the former Kabarole District archives are currently treated, preserved, and digitalized. These archives are very rich in content given the fact that Fort Portal was for a long time a provincial headquarter for the Western region (during the colonial period) of Uganda and continues to lead in politics, economics and religious life of the region.

The Kabarole Archives holds 4,000 file folders containing 1,350 boxes covering a wide range of topics including: colonial and post colonial judiciary, conduct of elections in the late 1950's and early 1960's, the conduct of the Rwenzururu War in the 1960's and 1970's, population and census data, labour, trade, religion, education, veterinary and agriculture, tours and visits, human resources, development etc. The MMU archives not only have become the custodian of local history of Kabarole District but also of larger themes of Ugandan history (i.e. letters from the district officials to Idi Amin Dada). Since 2010 research assistants have collected, cleaned the documents, re-boxed the files, updated the catalogue and scanned the documents. Our aim is to engage academics and the public in activities at the heritage center and open up discussions about the past to a wider non-university public. On the 14th of March 2012, the centre conducted a seminar to assess its relevance to the community and developing its future plans.

In the near future, the centre intends to engage in collaborative research with individuals and institutions including University of Michigan, Hivos, LEMU, CCFU, the Italian government among others on issues of heritage, cultural pluralism and sustainability concerns, customary land tenure, economic history and other pertinent research topics. A recent project of digitizing former missionary marriage registers burial, and baptism certificates of local church parishes (i.e. St. John) from the early 20th century to the present yield great potential to reconstruct the past through our work at the archive presently.

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Thou shall not copy and paste: Ethics of citation in academic research

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1. Introduction

The ethic of citation is about the obligation to give credit to academic scholars for their work and exploration of new ideas and knowledge. Plagiarism contravenes the ethic of citation in that a plagiarizer uses someone else's work and lays claim over them as his or her own. Hence, it's no different of stealing someone's goat or chicken. Plagiarism entails such vices as dishonesty and theft and is both unethical and illegal, yet it remains an ardent temptation to both students and scholars alike. The enticement for one to examine a good piece of documentation and label it as their own for an award find common place in the academic world where students have plenty of course works and research work to undertake, and university lecturers are challenged with the cliché 'publish or perish.' Under pressure some scholars may be lured into an act of plagiarism which is not right and thus not ethically apt. considering the fact that scholarship is based on the rational curiosity in which one sets out to extend one's knowledge to include the unknown in order to improve on the known or generate new avenues of thought.

2. The practice of plagiarism

It has been eight years since I took on lecturing and the same evil seems to repeat itself. The curse of a lack of research ethics among students particularly with regard to the issue of plagiarism, where other scholars data is siphoned and acknowledged as personal data rather than the authors initiative. Unfortunately this evil has its negative consequences.

For Uganda plagiarism can be considered the second worst scourge after HIV/AIDS because it seems to infect many students and wannabe scholars as they grope for a good grade and recognition. Besides this, it seems incurable and prefers a statement that says 'it is fine as long as one is not caught.' Unfortunately this statement impinges on copyright and the development of innovative data suitable for further research and development engagements. It is a statement that also indicates the loss of a sense of right and wrong among scholars.

During my 8 years lecturing at MMU I witnessed that around 80 – 85 percent of students' work, including course works and Bachelors theses are prey to plagiarism. Every year has had its copy and paste culprits and yet these are what we proudly present as the future of Ugandan development, persons who gain qualifications by Xerox.

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The ill phenomenon of plagiarism is something that has long history and emerges with similar embarrassment as the sex scandal that cause the down fall of great men. One such phenomenon has been registered recently when the Vice Chancellor of Makerere University, Prof. Baryamureeba, was battled with accusation based on his academic credentials in relation to reports in which he was alleged to have plagiarized in order to attain his title. This has made his promising reign as Vice Chancellor short-lived. A similar experience made Germany's former minister of defense Guttenberg who resigned after being engulfed by a national plagiarism scandal in 2011. Mr. Guttenberg once Dr. Guttenberg had to drop his PhD title and his young political career was halted.

Another case in mind is Martin Luther King; though renowned for his great revolutionary actions his speech 'I have a dream' was identical in nature similar to another civil rights activist Archibald Carey. According to an article titled 'A chronology of the discovery of King's plagiarism', In 1990, Thomas Fleming wrote in the Conservative Magazine Chronicles that King's doctorate should be regarded as a courtesy title, since it had been recently revealed that he had plagiarized his dissertation. At the PhD Convention held on June 28, 2012 at the College of Design Arts and Technology at Makerere University, the Director of the Directorate of Research and Graduate Training at Makerere University, Prof. Katunguka Rwakishaya called plagiarism stealing, citing from the case of a PhD graduate who lost his degree at Makerere. "I had to terminate a student's PhD after five years. Stealing is very bad. When we sent his book for examination at Nairobi University, the man who examined it found it was his own work.

Alex Haley's novel *Roots* which captured the Ugandan audience in the late 1990's is another illustration of the unethical vice of plagiarism, according to Wikipedia, following the success of the original novel and the miniseries, Haley was sued by author Harold Courlander, who successfully asserted that Roots was plagiarized from his own novel *The African*, published nine years prior to *Roots* in 1967. The resulting trial ended with an out-of-court settlement and Haley's admission that some passages within Roots had been copied from Courlander's work.

Kigundu Musa (2010) in the Campus Journal points out "as an academic research consultant, I am always horrified at the miserable quality of academic work and the extent of plagiarism. I am exasperated that the student's supervisors often pass these poor quality dissertations as satisfactory." He further argues "Plagiarism has become a culture in Uganda's universities as if it is not the most serious intellectual crime one can commit. It is a breach of the ethical code by which academics judge the authenticity of each other's work, and by committing that breach you are showing that you have no respect for the most basic truths of academic life." The argument on plagiarism in the Ugandan academic world raises questions:

- Why do students plagiarize?
- Why does plagiarized work pass?
- How does plagiarism sustain in academic institutions?

- What is the positioning of plagiarism among the unethical activities in academic research?
- How can plagiarism be controlled in academic institutions?

Hansen (2003) argues that although plagiarism among secondary school and university students is not new some educators today argue that students today are more likely to plagiarize because of the emergence of the internet.

This is a viable argument based on the availability of e-material that can be downloaded or "copy and pasted," and then personalized by plagiarizers. However, this also indicates laziness and reluctance on the part of the students or scholars to do real and correct research and their preference to use other people's work rather than go out to discover and establish their own facts and arguments, which would be the academic and scholarly requirement.

An article titled "Top ten reasons students plagiarize" (2006) indicates that some students will deliberately plagiarize when they feel themselves backed into a corner in a high-pressure situation with a low-risk of being caught. The article notes that "often, this behaviour is a result of poor time-management and organizational skills." It also points out that plagiarism frequently occurs when students are new to academic work without having received proper guidance on how to do research (i.e. structuring academic work, where to find literature and data, how to reference and cite correctly), and warned of the consequences of plagiarism. This also implies that surely some students plagiarize unconsciously unaware of what they are actually doing since they are not well versed with quoting authors.

Now, this brings us to the role of lecturers in condoning or causing plagiarism. If the instructor was cautious about the students' activities and if scholars had thorough reviews of works they publish before outing them, then plagiarism would be checked. Most times plagiarized works are passed out of instructor's negligence and laziness, but also perhaps because regulations on plagiarism in academic institutions are not fully enforced. When lecturers do not train students from semester number one how to quote authors and to conduct research the student remains ignorant to the shortcomings in her work. And if not penalized, they feel it is worth doing in order to get good results, as a quick fix initiative of getting the course work or research done faster, easier and potentially more successfully. Unfortunately when plagiarism is condoned it becomes a killer of creativity and also undermines the incentive of future authors to generate new information.

The practice of plagiarism is a deadly sin in the academic realm. According to the office of students' judicial affairs at the University of California: "If you plagiarize, you are cheating yourself, you don't learn to write out your thoughts in your own words, and you won't receive specific feedback from your instructor geared to your individual needs and skills. Plagiarism devalues others' original work. In other words, using and submitting someone else's work as your own is taking an unfair advantage over students who do their own work. In other words, it is a criminal offense use property (another author's work) without giving the owner the credit due. Further, copyright violations can result in damages, fines, or worse."

All the above notifications portray the evil act of plagiarism and how it leads to half baked graduates and scholars. A graduate, who has plagiarized through his studies, most likely was a cheater in elementary school and will continue to cheat through his or her career rather than being creative and innovative. It can be argued that plagiarism kills the practical sense in people who practice it, taking away the element of exploration, learning and discovery which are core factors in causing development. For it is through the exploration and learning process that new idea are formulated and major breakthroughs that lead to development initiative are made. Plagiarism therefore has to be combated. This starts with enforcing the ethic of citation in Ugandan universities. This has to be done by all stakeholders engaging in lecturing, research and management.

In the case of Uganda, the government needs to work towards enforcing the copyright law which is long overdue, hence continued violation of author's rights by scholars who siphon from authors works to benefit their academic or scholarly personal interests. Akubu (2008) notes "Uganda needs sensitize as many people as possible on copyright law as this will go a long way to improving implementation of the law." Academic institutions ought to have among their ethical regulations rules regarding plagiarism. Moreover, they ought to enforce these regulations with penalties as well as emphasis on instructor's supervision to ensure precaution. Thus, both students and instructors need to abide by the set standards put in place against plagiarism.

On the part of instructors, it ought to be their personal initiative to prevent the reoccurrence of plagiarism giving students different sets of assignments, changing question formats as often as possible and where possible reviewing lecturing material to make a difference. They also need to prepare students for actually writing academic essays and applying correct referencing. This goes hand in hand with instructors being vigilant when examining students work or passing scholarly work. Students need to understand their role to ensure they abide by the regulations but also make effort to be original in order to achieve their learning objectives and achieve more practical targets in their careers.

3. Conclusion

The folktale of a sly fox that donned hen feathers to achieve his eating ambitions only to get shot, can be linked to the plagiarizer who dons other authors information to suit his or her academic interest only to lose credibility or eventually get discredited, and penalized. It has been argued that research is some kind of plagiarism itself since one gathers information from other authors. Twentieth century American Playwright Edward Minzer made the argument when he stated that "If you steal from one author its plagiarism; if you steal from many its research". However what is lacking in his argument and the point at which ethics emerges is the area of giving credit to the originator of a given idea or given data. Hence, this article emphasizes the ethics of citation as well as the significance of students and scholars alike making their own personal contributions to real world research and knowledge creation, as well as trying to improve on others work.

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Research Methods – sharing experience as a MMU research assistant

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1. Introduction

Mountains of the Moon University (MMU) with support of GIZ's financial sector development program carried out a research on product development in savings and credit cooperatives (SACCOs) in June and July 2011. Three large SACCOs in Uganda were selected to address pre-existing gender[2] biases in their financial service (i.e. savings and loan products), which on average are favouring male rather than female customers, as well as staff and governance structures. (Meier zu Selhausen 2011, Komuhanda and Peterlechner 2010), namely: MAMIDECOT in Masaka, Iceme Rural Farmers in Iceme (former Lira district) and Muhame Financial Services in Sheema (former Bushenyi district). With regard to product development, the SACCOs appointed MMU to carry out an in-depth research. It comprised of a survey of about 160 members of each of the tier-4 institutions and non-members from each SACCO's so-called 'catchment area'. The analysis also involved focus group discussions and a review of gender-disaggregated product range and performance.

This article discusses in detail experiences with various research instruments of data collection indicating their strengths and weakness. The instruments used during this research were survey, content analysis and observation. The article concludes with challenges met in this research, recommendations and conclusion on this research.

2. The research project

The objectives of the research project were the following:

1. To determine the performance of the SACCOs in relation to gender.
2. To improve on the performance of women in microfinance institution.
3. To develop appropriate products favoring women in accessing MFI products.
4. To encourage more women to join as members and to participate in governance and as staff.

The team of the research project comprised of 3 senior researchers of MMU and 9 research assistants from the Department of Banking and Microfinance.

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[2]Gender refers to the socially constructed roles and images of men and women. Sex, on the other hand, refers to the biologically determined differences (of the body) of men and women.

The project took-off with a 3-day training of the student research assistants before setting off for field research. The first part involved a gender-training conducted by Uganda Cooperative Alliance (UCA), the research assistants were trained together with staff and board members of the local Kihondo SACCO. Kihondo SACCO also gave the team the opportunity to pre-test the questionnaire among its members, as well as non-members, in order to assess its phrasing, relevance and length. Moreover, it already helped us research assistants to practice interview situations. Finally, we translated the questions into Ryankole (spoken in Sheema district) and into Luganda (spoken in Masaka) and shared ideas on how to explain certain questions to respondents. Between June and July 2011, we traveled to mid-Northern, Western and Central Uganda respectively for one week and carried out the field research applying the research methods discussed in the following section.

3. Research methods

3.1 Quantitative methods – surveys and questionnaires

We started our fieldwork with reaching out to members and non-members of each of the mentioned SACCOs. We used questionnaires (quantitative method) and focus group discussions (qualitative) methods of data collection. The latter is discussed in Section 3.2. Table 1 indicates all relevant stages to be considered when conducting even a relatively small-scale survey:

Table 1: Relevant stages in carrying out an interview-based questionnaire

Activity	Estimated no. of days
1. Development of research questions, study design (including sample selection for pre-tests and main study), and initial draft of questionnaire	20
2. Informal testing of draft questionnaire	2
3. Revision of draft questionnaire	2
4. Pre-test of revised questionnaire	3
5. Revise questionnaire again (possible revision of design and main study sample)	2
6. Carry out main data collection interviews, including focus group discussions	20*
7. Code data and prepare data files	10
8. Analyse data and write report	20

**Depends on sample size, whether telephone or face-to-face (and, if the latter, on travelling time between interviews)*

Source: *Adapted from Robson (2011).*

As research assistants, we administered the questionnaires to a sample of a total population of independent adults who earned an income. The questionnaire had both open-ended and closed-ended questions (e.g. Yes/No). The 35 survey questions were grouped into 6 sections (i.e. demographic information about respondent and her/his household respectively, use of time, sources of income, and place of saving).

In principle interviews can be conducted through various methods, such as mail, telephone, internet, face-to-face, or self-completion. In this research project, the assistants used face-to-face interviews. Respondents were found and selected by ‘snowball-sampling’, that is SACCO-staff –members introduced them to some members, and after responding, these introduced them to other people, either members or non-members.

Advantages of questionnaire-based surveys

Questionnaires provide a relatively simple and straightforward approach to the study of attitudes, values, beliefs and motives. They may be adapted to collect information from almost any human population. A questionnaire with standardized pre-coded answers becomes easy to quantify when it comes to entering them into the spreadsheet. Most answers can be quantified and analysed in form of numbers unlike focus group discussions where information is qualitative and therefore more difficult to quantify. Therefore, accuracy in measurement is enhanced by quantification, reliability, and control over observer effects. Results can to some extent be generalized to a larger population within known limits of error. Moreover, face-to-face interview have the advantage that the interviewer can clarify questions and encourages participation. Questionnaires’ complexity needs to be kept to the minimum if self-completion questionnaires are used. In settings where literacy cannot be taken for granted (e.g. rural Uganda) self-completion questionnaires become less an option. Moreover, the survey method is fairly efficient at providing large amounts of data, at relatively low cost, in a short period of time.

Disadvantages of questionnaire-based surveys

The length of the interview time is a very important factor since the respondent may not have enough time or the willingness to attend to the research assistant (or enumerator) and may leave the questionnaire halfway filled. The researcher may end up with considerable gaps in the dataset. Therefore, during pre-testing of the questionnaire it is important to also observe the receptiveness of respondents. Also, measuring the interview time during pre-testing is crucial and can help to add or reduce further questions. Also, a small incentive gift (preferably not money), like a package of salt or washing powder can motivate respondents to devote their time and should not bias the results strongly. The questionnaire length and hence the time taken to complete it, can be greatest in face-to-face interviews. Its complexity needs to be kept to the minimum if self-completion questionnaires are used.

Another disadvantage of the questionnaire-based survey represents the so-called *social desirability response bias* – respondents won't necessarily report their beliefs, attitudes or motives accurately because people tend to respond in a way that shows them in a good light. Moreover, data may be affected by characteristics of the interviewers (e.g. their sex, personality, skills and appearance). For example, when asking questions about a respondent's intimate life (e.g. use of contraception) or domestic violence, the same sex of interviewer and respondent is preferable in order to provoke honest answers and not a sense of shame. Furthermore, respondents may feel their answers are not anonymous and be less open, if the survey does not begin with a suitable introduction which explains the motives and anonymity of the survey. An appropriate introduction creates trust which influences the honesty of answers throughout the interview. Despite controlling for accuracy, a survey cannot assure without further evidence that the sample just represents a broader universe. Thus, the method of drawing the sample and the sample size are critical to the accuracy of the study and its potential for generalize-ability. Although, face-to- face surveys are convenient, they are generally a relatively expensive and time-intensive method of data collection.

3.2 Focus Group discussion

Interviews can take in a group context as well as one to one. Focus group discussion (FGD) is a qualitative research method and comprises of a group interview conducted by a trained moderator in a structured, semi-structured or non-structured way on a specific topic which is where the 'focus' comes from. The moderator leads the discussion. It is an open-ended group discussion which the researcher guides, typically extending over at least an hour, possibly two or more.

Generally, FG are composed of 6 to 10 participants (although groups can range from 5-20) who typically don't know each other but share certain characteristics. For example, most of our respondents were of the same sex (i.e. either females or males) since the research was about gender. When using this method the researchers need to organize the place where the FGD is going to take place - a room or a private outside place (e.g. under a mango tree) convenient for both interviewer and group. During the FGD the moderator creates an encouraging environment between participants and participants and himself/herself, asking specific questions in order to trigger a discussion between participants. These interviews may be conducted several times with different individuals so that the researcher can identify trends in the perceptions and opinions expressed, which are revealed through careful, systematic analysis (Krueger, 1988). This method assumes that an individual's attitudes and beliefs do not form in a vacuum: People often need to listen to others' opinions and understandings to form their own. Often, the questions in a focus-group setting are deceptively simple; the trick is to promote the participants' expression of their views through the creation of a supportive environment.

Advantages of FGDs

THE FGD method is socially oriented, studying participants in a more natural environment than face-to-face interviews situations. Part of their popularity is ascribed to the fact that FGDs do not discriminate against people who cannot read or write and they can encourage participation from people reluctant to be on their own. Participants tend to enjoy the experience. It is also a highly efficient technique for qualitative data collection since the amount and range of data is increased by collecting from several people at the same time (Robson, 2011). Moreover, group dynamics help in focusing on the most important topics and it is fairly easy to assess the extent to which there is a consistent and shared view. In addition, participants are empowered and able to make comments in their own words, while being stimulated by thoughts and comments of others in the group. When combined with participant observation, focus groups are especially useful for exploring on tentative conclusions and causal mechanisms from previous questionnaire answers (Morgan, 1997). Furthermore, the format allows the facilitator the flexibility to explore unanticipated issues as they arise in the discussion. Finally, the costs of focus groups are relatively low and they provide rapid results.

Disadvantage of FGDs

Contrary to the questionnaire survey the number of questions is limited for FGDs, and therefore typically fewer than 10 major questions can be asked within one hour. The facilitation of the group moderation requires considerable expertise since keeping the session go going well is a demanding task. For example, the interviewer often has less control over a group interview than a face-to face interview and in situations when some participants tend to dominate the FGD or conflicts arise the moderator needs to show diplomatic skills in order balance the discussion among all members as equally as possible. Also, confidentiality can be a problem between participants when interacting in groups situations. Data collection in FGs is another challenge. Audio-taping is generally recommended although there are some situations where this may affect the working and truthfulness of group's discussions (perhaps because of the sensitivity of the topic). It is a good practice to have additional written notes made (Robson, 2011). It is extremely difficult to get good recording quality from these sessions since recorders may fail r participants speak to quietly. I propose that at least two research assistants should take coordinated notes on the discussion.

3.3 Observation

Actions and behaviour of people are a central aspect in virtually all real world research (Robson 2011), therefore a natural and obvious technique is to watch what they do, to record this in some way and then describe, analyse and interpret what we have observed. In other words, observation is "the systematic description of events, behaviors, and artifacts in the social setting chosen for study" (Marshall and Rossmann 1989). Observational methods enable researchers to describe existing situations using the five senses, providing a “written photograph” of the situation under study (Erlandson et al. 1993).

Observation can either be structured or unstructured. In a structured observation, the researcher specifies in detail what is to be observed and how the measurements are to be recorded. It is an appropriate method when the research question (i.e. problem statement) is already clearly defined and the information needed is specified. In an unstructured observation, the researcher monitors all aspects of the phenomenon that seem relevant. It becomes appropriate when the research question has yet to be formulated precisely and flexibility is needed in observation to identify key components of the problem and to develop hypotheses. However, the potential for bias is high. Observation findings should be treated as hypotheses to be tested rather than as conclusive findings.

Observation can also be disguised or undisguised where in disguised observation, respondents are unaware they are being observed and thus tend to behave more naturally. Disguise is achieved, for example, by hiding, or using hidden equipment or people disguised as shoppers and in undisguised observation, respondents are aware they are being observed. There is a danger of what is known as ‘Hawthorne effect’ – people behave differently when observed.

In a personal observation, a researcher observes actual behavior as it occurs. The observer may or may not normally attempt to control or manipulate the phenomenon being observed. The observer merely records what takes place and in mechanical, mechanical devices (video, closed circuit television) record what is being observed. These devices may or may not require the respondent’s direct participation. They are used for continuously recording on-going behaviour.

Observation can be non-participant or participant. For the non-participant method the observer does not question or communicate with the people being observed. He or she only marginally (passively) participates in the observation situation. Participant observation has its roots in ethnographic studies (study culture) where researchers would live in tribal villages, attempting to understand the customs and practices of that culture actively. The FGD can be classified as a partly structured, undisguised, personal and participant observation.

Advantages of observation

A major advantage of observational methods lies in its directness. It differs from survey questionnaires or FGDs because here you don’t ask people about their views, feelings or attitudes; you watch what they do and listen to what they say. Moreover, if the researcher can observe and record what she or he sees, it is not necessary to rely on the willingness and ability of respondents to report accurately. Hence, a potential biasing effect from the interviewer can be reduced considerably. Data from direct observation contrasts with, and can often usefully complement, information obtained by virtually any other technique. Survey questionnaire responses are notorious for discrepancies between what people say that they have done, or will do, and what they did or will do (Robson, 2011). Additionally, De Walt and De Walt (2002) claim that it improves the quality of data collection and interpretation and facilitates the development of new research questions or hypotheses.

Disadvantages of observation

The greatest critique to the observation method concerns the extent to which an observer affects the situation under observation, known as 'reactivity'. There are some techniques to reduce this effect – for example, by making sure the observed are unaware of being observed or by them being so accustomed to the presence of the observer that they carry on as if she were not there. Another problem represents that we don't have a counterfactual. In other words, how do we know what the behaviour would have been like if it hadn't been observed?

De Munck and Sobo (1998) emphasized that a selection bias related to representation of events and the subsequent interpretations may occur when researchers select key informants who are similar to them or when the informants are community leaders or marginal participants (De Munck and Sobo 1998). Participant observation is a source of erroneous description in behavioral research. It is noted that the information collected by anthropologists is not representative of the culture, as much of the data collected by these researchers is observed based on the researcher's individual interest in a setting or behavior, rather than being representative of what actually happens in a culture.

Using observations as a tool for data collection: For example, it is normally noted that male and female researchers have access to different information, as they have access to different people, settings, and bodies of knowledge but participant observation is conducted by a biased human who serves as the instrument for data collection; the researcher must therefore understand how his or her gender, sexuality, ethnicity, class, and theoretical approach may affect observation, analysis, and interpretation (De Walt and De Walt 2002). It is however important to note that observation as a tool can be taken up in other methods of data collection like survey and document analysis since all of them require observing.

3.4 Documentary analysis (product review)

Document analysis, also known under content analysis, this method aims at the systematic examination of primary or secondary documents. It is a non-reactive method of data collection, which means that the collected data does not constitute a reaction to the research questions being asked by the evaluator. During the course of document analysis, documents cover a very wide range, including for example: minutes of meetings, letters, diaries, notices, speeches, films, photographs, newspapers and magazine articles (Robson, 2011). These sources provide the type of information which is relevant to a particular question. The level of resources required depends on how comprehensive the material to be analysed is and in how much detail it is to be analyzed. Usually, an analysis scheme needs to be developed (e.g. a category system for the content analysis). This is the type of approach, research students for their BA-theses research or scholars would do when studying he historical documents of the former colonial

Toro District archive, now hosted at MMU's Centre for African Development Studies. For the purpose of the research project at the 3 SACCOs, product review involved exploring the savings ledger cards, minutes, passbooks and other reports of men and women in a comparative view.

Advantages of document analysis

The advantage of conducting qualitative analyses of document is that it does not depend on the availability or participation of certain groups of people – the data are in permanent form and hence can be subject to re-analysis. Furthermore, document analysis also includes information to be gathered which is not included in tests, questionnaires or observations. An advantage is that documents are unobtrusive and can be used without imposing on participants; they can be checked and re-checked for reliability. It can also provide valuable historical and cultural insights, like the heritage of MMU archive provides.

Disadvantages of document analysis

It is possible that there are no existing documents on certain issues, or that the documents to be analyzed are not up-to-date or complete. In particular if historical documents have gone missing or were destroyed (e.g. through a fire) the information can usually not be restored. Thus, documents available may be limited or partial. Therefore, it is important for institutions to document and store documents appropriately in lead-boxes for example. Cases in point are SACCOs that lack comprehensive product documents. In fact, based on the product review MMU drafted comprehensive product documents and presented each of the SACCOs with it at the findings-and-pilot-identification workshops. A major problem is that documents may not have been written for the same purposes as the research and therefore conclusions will not usually be possible from document analysis alone and causal relationships are difficult to assess. Therefore, content analysis is preferably used as a secondary or supplementary method. Finally, it can be difficult to automate or computerize using this method – retrieving numbers.

4. Challenges and recommendations from us research assistants

During our roles as research assistants, we encountered the challenge of poor climatic conditions especially in places of Lira which seemed unusually hot in comparison to Fort Portal. We faced the problem of language barrier since many of us were not familiar with languages like Alur, Luganda and Kinyankole. In order to overcome this linguistic barrier translators were used when necessary.

There was a challenge of time in that some people could not give us time to complete the questionnaire with us and as a result some information could not document. We also travelled long distances in order to meet and gather FGDs which was not always easy. Long distance travels every day also translated into increased risks of accidents. One research assistant even had a boda-boda accident in Lira but luckily was not insured severely. We student research assistants learned a lot about research methods and interview situations. Furthermore, there was close cooperation among the senior researchers and research assistants which made our work easier and more interesting. In a nutshell this product development research was very interesting in terms of education (to learn and make research), adventuring and motivating to be innovative and creative. Through the experience I am now able to understand research and it does not remain an abstract concept in my head.

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The Rwenzori Journal

The aim

The overall aim of the journal is to publish up-to-date information on issues of pertinent to the Rwenzori region, and serve as the most reliable source of reference on regional issues.

The scope

The Rwenzori Journal is a general but regional journal. As a general journal, the Rwenzori Journal is multidisciplinary, broadly focused, and accepts contributions from many fields of research. It provides coverage of a variety of topics within their broad areas of science and the humanities. Rwenzori Journal as a general journal is particularly useful in drawing on a wider range of authors, editors, and readers. Although the journal is broad based, its high priority is to publish articles that are specific to the Rwenzori region. However, articles presenting issues of national concern and are of benefit to the Rwenzori region will also be welcome and will be published in themed or special issues of the Rwenzori Journal.

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HIV/AIDS and education in Western Uganda – a comparative case study of Mountains of the Moon University and Bwera Secondary Schools

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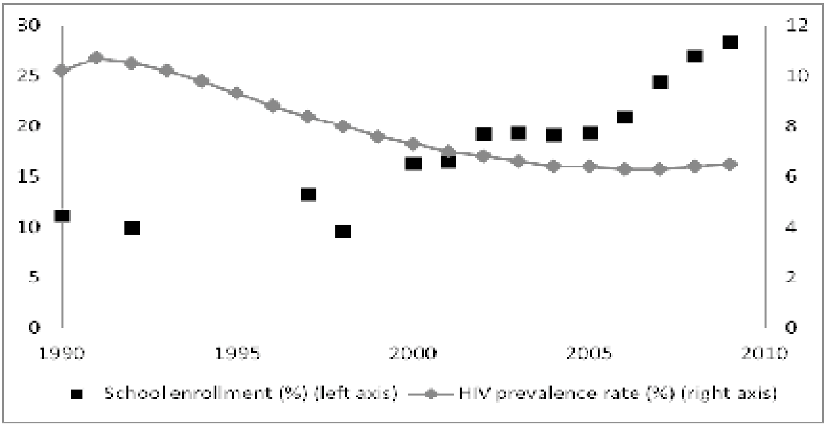
1. Introduction

Almost 2 million people become infected with HIV every year in sub-Saharan Africa (SSA), most of them through sex, and a quarter of them before the age of 25. AIDS is incurable and no successful HIV vaccine has been developed until today (UNAIDS, 2010). Thus, ensuring the adoption of safer sexual behavior among youths remains critical to combating the disease. Now that the great majority of children in Africa acquire primary and secondary education, these institutions offer an exceptional opportunity to deliver HIV prevention education to youths before they become sexually active. Figure 1 confirms the trend of increased school enrollment for Uganda and puts into perspective with the HIV prevalence rate. We cannot say something about its causal mechanism but both trends point to what we in theory would expect: higher school enrollment (coupled with HIV prevention programs) decreases HIV prevalence. We are fully aware that also other factors could have played a role in the downward trend (e.g. circumcisions, increased use of condoms, and needle exchange and harm reduction). Moreover, Figure 1 indicates that over the past 5 years HIV prevalence rates stopped decreasing and have even increased slightly in 2008 and 2009.

Figure 1: Secondary school enrollment and HIV prevalence in Uganda (age 15-49), 1990-2009



Source: World Development Indicators (2012).

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There is considerable debate over whether scalable school-based HIV/AIDS education programs can be really effective in reducing the spread of HIV/AIDS among youths, and over what should be the content of these programs. Many SSA countries have incorporated HIV/AIDS education in their school curriculum, but the great majority of those curricula are limited to risk avoidance information (Dupas 2011); they aim at completely eliminating pre-marital sex by promoting abstinence until marriage – a concept that has obviously has not paid off. In some SSA countries they omit to provide risk reduction information, for example that condom use reduces the risk of HIV transmission and informing schoolgirls that the fact that adult men (often referred to as sugar-daddies) are more likely to be infected with HIV than younger ones since they have been sexually active for longer (Duflo et al. 2006). In other words, 26-year-old men are much more likely to have HIV than 16-year-old boys.

This article uses data from a survey on first year BA students from Mountains of the Moon University (MMU) and secondary school class 5 and 6 from two schools in Bwera (close to the DRC border), Western Uganda in order to compare sexual behaviour and knowledge about HIV/AIDS among two youth groups. The remainder of the paper is organized as follows. Section 1 describes HIV/AIDS trends in SSA and Uganda. Section 2 presents the data and results from the comparative study.

2. Trends of HIV/AIDS in sub-Saharan Africa

Daily 4,900 people die from HIV/AIDS in the world and another 7,100 people are infected with the HIV-virus. In 2009, 1.8 million people died from HIV/AIDS and another 2.6 million people were infected with the HIV-virus globally. Since the beginning of the epidemic in the mid-1980s, around 33 million people have died from AIDS-related causes.

Table 1: Global trends of HIV/AIDS, 2009 (in millions)

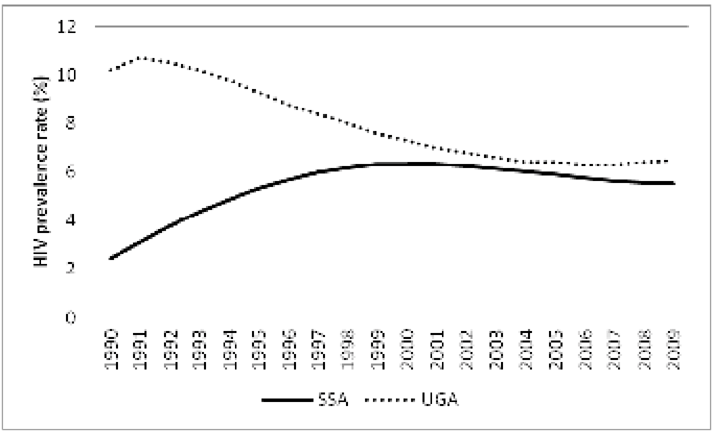
	Estimate
People living with HIV/AIDS	33.3
Adults living with HIV/AIDS	30.8
Women living with HIV/AIDS	15.9
Children living with HIV/AIDS	2.5
People newly infected with HIV	2.6
Adults newly infected with HIV	2.2
AIDS deaths in 2009	1.8
Orphans (0-17) due to AIDS	16.6

Source: UNAIDS (2010).

Sub-Saharan Africa (SSA) is more affected by the HIV/AIDS epidemic than any other region in the world, since about two thirds of global infected in 2010 were from SSA countries (UNAIDS, 2010). The vast majority of people newly infected with HIV in sub-Saharan Africa are infected during unprotected heterosexual intercourse (including paid sex) and onward transmission of HIV to newborns and breastfed babies. Having unprotected sex with multiple partners remains the greatest risk factor for HIV in this region. Large proportions of people living with HIV are in long-term relationships – 62 percent in Kenya and 78 percent in Malawi, for example (UNAIDS 2010). In 2009, preventive drugs reached 68 percent of HIV-infected pregnant women in Eastern and Southern Africa, and 23% in West and Central Africa. Paid sex remains an important factor in many of the HIV epidemics in Western, Central and Eastern Africa. It is estimated that almost one third (32%) of new HIV infections in Ghana, 14% in Kenya and 10 percent in Uganda are linked to sex work (HIV infection among sex workers, their clients, or their other sex partners).

Figure 1 shows that for Uganda, the percentage of people living with HIV has decreased since 1992 whereas for total sub-Saharan Africa (SSA) the rate increased dramatically. This could be due to exceptional educational campaigns (ABC), for which Uganda became famous for in the early 1990s, and the impact of antiretroviral drugs which were given for free in hospitals since 1998. However, prevalence rates fell only until 2004, when rates in Uganda started to stagnate and diverge from the overall SSA experience which creates an alarm that the HIV in Uganda may be on the rise again. In other words, why is Uganda not following the overall SSA trend? It may indicate that the once successful education campaigns have become less effective than they were in the 1990s and need to be refreshed with innovative and messages for the public (and the youth) derived from behavioural science. Over the past decade researchers using randomized control trials (RCTs) have tested which HIV/AIDS messages have an impact and which (e.g. Duflo et al. 2006). Policy-makers should take their findings extremely serious.

Figure 2: Prevalence of HIV (% of population ages 15-49) in Uganda and SSA, 1990-2009



Source: World Bank (2012).

Map 1 confirms the trend observed in Figure 2 over the period 2001 to 2009. It illustrates that the majority of SSA countries experienced decreasing HIV/AIDS prevalence rates by more than 25 percent. It's remarkable that there was no SSA country in which the prevalence rate increased over the period 2001 to 2009. Despite the decreasing trend for most SSA countries, Uganda's rate is stable or stagnates.

Map 1: Changes in the incidence of HIV infection, 2001-2009

Source: UNAIDS (2010).

The East African Community (EAC) comprises of Uganda, Kenya, Tanzania, Rwanda and Burundi. In 1982, Uganda was the first state in the region to announce HIV cases. This was followed by Kenya in 1984 and Tanzania in 1985. In 2009, there were an estimated 1.2 million HIV-infected people in Uganda, which included 150,000 children. An estimated 64,000 people died from AIDS in 2009, 324 new infections per day were recorded in 2009 and 1.2 million children have been orphaned by the epidemic by 2009. The current HIV prevalence rate in Uganda is estimated at 6.5 percent among adults (Table 2) and 0.7 percent among children younger than 14 years. The HIV prevalence is higher in urban areas in Uganda (10 percent) than rural areas (6 percent). Table 2 shows that Uganda has the highest HIV adult prevalence rate in the region, followed by Kenya and Tanzania, Burundi, and Rwanda have prevalence rates around 3 percent.

Table 2: HIV/AIDS trends in East African countries, 2009

	Prevalence rate (%)	Total	Deaths
Uganda	6.5	1,200,000	64,000
Kenya	6.3	1,500,000	80,000
Tanzania	5.6	1,400,000	86,000
Burundi	3.3	180,000	15,000
Rwanda	2.9	170,000	4,100

Source: UNAIDS (2010).

3. Sexual behaviour and knowledge about HIV/AIDS of MMU students and Bwera secondary school pupils

This section presents the empirical results of the comparative study of MMU first year Bachelor students from 5 different Schools (Agriculture, Business and Management Studies, Education, ICT, and Public Health) and secondary school S5 and S6 pupils from Bwera. The initial expectations before looking at the data is - university students should be more aware about the risks and nature of HIV/AIDS than secondary school pupils due their age and higher education levels. Both educational institutions are located in Western Uganda: Mountains of the Moon University in Fort Portal and Nyakiyumbu Secondary School and Hill Side Senior Secondary School in Bwera. Table 3 reports a total sample size of 450 respondents: 180 from the two secondary schools and 270 from MMU. Sex of respondents is almost identical with a small bias towards males. University students are on average 6 years older than secondary school pupils which is no surprise. Half of first year BA students are married while 19 percent of school pupils had formed a union, which is surprisingly high for this early stage in life since pupils are on average 18 years old. Given that university students are older, 96 percent of respondents had already their sexual debut while 4 percent abstained. Three-quarters of school pupils from Bwera are already sexual active.

We can also learn from Table 3 about the effectiveness of MMU's extra-curricular educational program. On the positive side, 89 percent of MMU students would share a plate of food with a HIV-positive person, which indicates two things. First, students know that they cannot be infected by eating from the same plate. Second, students don't stigmatize HIV-positive. In addition, 81 percent of MMU students and 63 percent of Bwera pupils stated they had encourages others to use condoms over the past month. Moreover, 83 percent of students had tested to know their HIV status. The latter three results are a good indication for the effectiveness of MMU's HIV/AIDS education program, which includes voluntarily HIV-testing days, awareness raising at World AIDS Day (1st of December), student peer educators, HIV/AIDS workplace policy, free condom distribution for students in hostels and at the nurse's surgery at Lake Saaka Campus. However, only about half of respondents from MMU stated that they used a condom when they had sex the last time. Yet, if we argue that half of MMU respondents are married and therefore may use less contraception, this still does not protect them from neither unwanted pregnancy, HIV, nor other sexually transmitted diseases (STDs). The majority of people newly infected in Uganda through heterosexual transmission are infected within marriage or cohabitation. Urban data in Zambia suggest that 60 percent of the people newly infected through heterosexual transmission are infected within marriage or cohabitation, compared with more than half (50 to 65 percent) in Swaziland, 35 to 62 percent in Lesotho and an estimated 44 percent in Kenya (UNAIDS, 2010). In other words, couples are strongly advised to use condoms not despite being married but because of being married.

Table 3: Summary statistics, n=450

	Secondary Schools	MMU University
No. of observations	180	270
Female (%)	46	43
Single (%)	79	44
Mean age	19	24
Married (%)	19	49
Divorced (%)	2	7
Knowledge about HIV	na	47
Contraception (%)	39	51
Age at first sex	na	18
Sexual activity (%)	74	96
Encouragement of contraception	63	81
Tested for HIV (%)	na	83
Share food with HIV positive (%)	na	89
Know someone with HIV (%)	na	93

The large difference between students that stated having encourage others using contraception (81%) and 51% using condoms, indicates that there is a large trade-off on the individual level when it comes to actually applying what students have learned and communicate to others. MMU can still do more in making condom-use a more popular practice among its student body. Table 5 shows that MMU is advised to inform students about HIV prevalence in Uganda (which lies at around 7 percent) and ways HIV can be transmitted since only 17 percent (Table 4) and 49 percent respectively knew the correct answers. The average of 47 percent is derived from the mean percentage of correct (shaded grey) answers from Table 5.

Table 4: MMU students' responses on the question: how high is the HIV prevalence rate in Uganda? (Correct answers shaded in grey)

	No.	%
1%	4	2
7%	44	17
15%	94	37
20%	112	44

Table 5: MMU students' responses on the question: what can you do to avoid being infected? (Correct answers shaded in grey)

Nothing	1%
Abstain from sex	80%
Use condoms	76%
Limit sex to one partner who is HIV negative	59%
Avoid unprotected sex with prostitutes	46%
Avoid unprotected anal sex	35%
Avoid blood transfusions	24%
Avoid injections	9%
Avoid kissing	14%
Avoid mosquito bites	3%
Avoid use of tooth brush from someone else	21%
Seek protection from traditional healer	1%

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HIV is a reality that many of us have encountered. Many people can say they know someone who is living with HIV and AIDS. Although this is a disturbing fact, it is important to remember that each of us has the ability to protect ourselves and each of us can help one another to stay healthy and stop HIV from spreading.

How does HIV/AIDS affect poor households?

- lost income of a sick adult
- lost economic productivity of the caregivers
- increase in household expenses, especially for medical care →families might be forced to liquidate their savings
- expanded household size through orphaned children

How does HIV/AIDS affect MFI's?

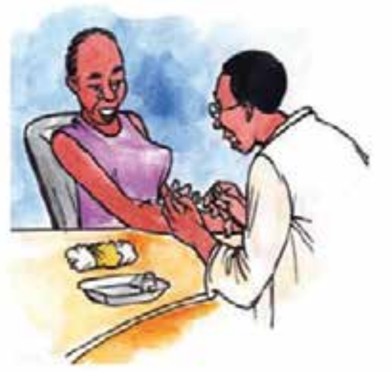
- negatively influences staff, clients and the institution's portfolio
- reduced loan-repayment capacity →rise in exit rates and other operating costs
- poses risks to financial sustainability and operational efficiency
- increased draw-down from saving accounts
- increased illness and death in experienced staff

What products could an MFI offer its customers in a region with high HIV prevalence?

- flexible savings
- emergency loans
- burial insurance
- compulsory and/or voluntary savings

"Good health is not something we can buy. However, it can be an extremely valuable savings account." Anne Wilson

How do I know if I am infected with HIV?
The only way to determine whether you are infected is to be tested for HIV infection. You cannot base on symptoms to know whether or not you are infected with HIV. Many people who are infected with HIV don't have any symptoms at all for many years.



With no cure for HIV, the only weapon against it is Prevention!

Which bodyfluids contain HIV?
- Blood (including menstrual blood)
- Pre-come and semen fluids
- Vaginal fluids
- Breast milk

How do I protect myself from infection?
- Delay sexual debut
- Be faithful to one uninfected partner who should also be faithful to you
- Use a condom correctly and consistently every time you have sex with a person whose HIV status you don't know
- Talk to your partner about testing for HIV if he/she hasn't tested yet OR suggest testing together as a couple
- Do not share razors and sharp piercing objects with anyone
- Avoid touching anyone's blood. In case ofaccidents at work or school use gloves. Talk to your supervisor about providing gloves at your workplace or institution.

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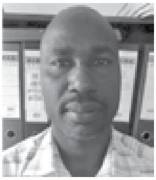

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Publications: Kabito, D. (2011). "The concept of intentionality in building a multi-cultural community." In Karugaba, D. and F. Meier zu Selhausen (Eds). Regional and Political Economics. Yearbook of MMU School of Business and Management Studies 2011 (2).

Fr. John Mary Vianney Makanda

MA Entrepreneurship, BBAM Marketing

Experience: Teaches at MMU, since 2005.

Mr. Charles Muhenda
MBA, BA Education

Experience: Teaches at MMU, since 2007.

Publications:

- Muhenda, C. (2011). "Building effective communication processes – a case study from MMU." In Karugaba, D. and F. Meier zu Selhausen (Eds). Regional and Political Economics. Yearbook of MMU School of Business and Management Studies 2011 (2).

Mr. Solomon Sabiiti

Experience: Teaches at MMU, since 2011.

Mr. John Rwakihembo

Experiences: Teaches at MMU, since 2012.

Mr. Raymond Chemutai

Experience: Teaches at MMU, since 2011.

DEPARTMENT OF BANKING AND MICROFINANCE

Mr. Geoffrey Muzigiti Baluku (Head of Department)
MBA Finance

Experience: Teaches at MMU, since 2009.

Publications:

- Muzigiti, G. (2009). "Interest Rate linkages and financial market integration: the path to economic growth for East Africa." In Meier zu Selhausen (Ed). Development matters: Africa, Uganda and the Rwenzoris. Yearbook of MMU School of Business and Management Studies (3).
- Muzigiti, G. and O. Schmidt (2010). "Careers in the Banking and Microfinance Industry in Uganda." In Karugaba, D. and O. Schmidt (Eds.): Career Perspectives in Accounting, (Micro) Finance and other Sectors. Yearbook of MMU School of Business and Management Studies (1).
- Muzigiti, G. (2009). "Global Recession and Microfinance in Developing Countries: Threats and Opportunities." Working Paper, Università Cattolica del Sacro Cuore.

Dr. Oliver Schmidt (Academic Advisor)

PhD Administrative Science, MA Economics

Experience: Over 8 years in cooperative banking and microfinance in Germany, Uganda, and India. Works at MMU as academic advisor since 2009.

Publications:

- Schmidt, O. (2012). "Towards an operational framework for university community outreach." In Meier zu Selhausen (Ed). Development matters: Africa, Uganda and the Rwenzoris. Yearbook of MMU School of Business and Management Studies 2012 (3).
- Schmidt, O. (2011). "A very brief guide to inflation." In Karugaba, D. and F. Meier zu Selhausen (2011) (Eds). Regional and Political Economics. Yearbook of MMU School of Business and Management Studies (2).
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- Schmidt, O. (2010). "Human Resource for Microfinance." *The Microfinance Banker* 10(1): 12-16.
- Muzigiti, G. and O. Schmidt. "Careers in the Banking and Microfinance Industry in Uganda." In Karugaba, D. and O. Schmidt (Eds.): Career Perspectives in Accounting, (Micro) Finance and other Sectors, Yearbook of MMU School of Business and Management Studies 2010 (1).

Mr. Felix Meier zu Selhausen (Exam and Homepage Coordinator)

PhD Candidate, MSc Economics and History

Experience: One year of experience in development cooperation in Uganda (GIZ), Kenya, and Albania (GIZ). Works at MMU since 2011. Affiliated to Utrecht University.

Publications:

- Hamaus, J. and Meier zu Selhausen, F. (2012). "Gender and development in sub-Saharan Africa." In Meier zu Selhausen (Ed). Development matters: Africa, Uganda and the Rwenzoris. Yearbook of MMU School of Business and Management Studies 2012 (3).
- Meier zu Selhausen, F. and J. Musinguzi Ruhweza (2011). "The current performance of business and operations of rural Microfinance Institutions in the Rwenzori region." Rwenzori Journal (1).
- Meier zu Selhausen (2011). "The economics of the paradox of plenty – theoretical and empirical implications for Uganda." In Karugaba, D. and F. Meier zu Selhausen (Eds). Regional and Political Economics, Yearbook of MMU School of Business and Management Studies 2011 (2).
- Meier zu Selhausen, F. (2009). "On Geography and Institutions as Determinants of Foreign Directs Investment – a cross country comparative analysis of sub-Saharan relative to developing countries." Working Paper No. 6. University of Cantabria

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Mrs. Brenda Juliet Kamigisa

BSc Accounting and Finance, Certificate in Rural Microfinance

Experience:

- Teaches at MMU, since 2011.
- 2009-2011 Accountant and Acting General Manager (2010-2011) Federation of Rwenzori Microfinance Associations (FORMA), Fort Portal
- Assistant Accountant Hofokam Microfinance, Fort Portal

Mr. Januario
MBA

Experience:

- Teaches at MMU, since 2011.
- Coordinator TRIAS Uganda (Mbarara and Kampala)

Mr. Joseph Muhereza
MA Development Studies

- Teaches at MMU, since 2012.
- Branch Manager Kenyan Commercial Bank (KCB), Fort Portal

Mr. David Baguma
MBA

Experience

- Teaches at MMU, since 2012.
- Branch Manager Stanbic Bank, Fort Portal

Academic Courses

Postgraduate Courses

Postgraduate Courses	Fees
Master in Business Administration	UGX 6,140,000 (two years)
Master in Public Administration	UGX 6,140,000 (two years)
Post-Graduate Diploma in Human Resource Management (PDHRM)	UGX 2,089,000 (one year)
Post-Graduate Diploma in Public Administration and Management (PDPAM)	UGX 2,734,000 (one year)
Post-Graduate Diploma in Financial Management (PDFM)	UGX 2,734,000 (one year)

Undergraduate Courses (Total tuition (3 years): UGX 5.16m or $ 2,085)

1. Bachelor degree in Business Management (Weekdays and Weekend)
2. Bachelor degree in Public Administration (Weekdays and Weekend)
3. Bachelor degree in Social and Community Development (Weekdays and Weekend)
4. Bachelor degree in Banking and Development Finance (Weekdays)

Diploma Course (Total tuition (2 years): UGX 1,320,000 or $ 530)

1. Diploma in Business Management (Weekdays and Weekend)
2. Diploma in Public Administration (Weekdays and Weekend)
3. Diploma in Rural Microfinance (Weekday)

Certificate Courses (Total tuition (1 year): UGX 550,000 or $ 220)

1. Certificate in Business management (Weekend)
2. Certificate in Public Administration (Weekend)
3. Certificate in Rural Microfinance (Weekend)
4. The School also offers short course in Rural Microfinance on demand

Note: In additional to tuition, students are to pay functional fees (e.g. for guild and medical care). Also, there are other costs like accommodation, books, research and other expenses. Total tuition for short courses varies, according to mode and context of delivery.

Students

Students By department

Department	No. students	No. graduates 2012	Total courses
Business Management	305	77	6
Banking and Microfinance	114	19	6
Public Administration	276	105	6
Social & Community Development	208	40	3
Total	**903**	**241**	**21**

By course and year of study

Course	Year 1	Year 2	Year 3	Total
Certificate	91	-	-	91
Diploma	113	69	-	182
Bachelor	279	230	121	630

Graduates 2012

Bachelor in Business Management

BAGUMA ADOLF
BALINDA JUDITH
BUSINGE STEPHEN
EKYASIIMA TADEO
KAAHWA MARGARET
KAJUMBA LILLIAN
KANYESIGE CHRISTINE
KATIMBALE BETTY
KATWESIGYE ELIZABETH ANNY
KISEMBO MELANIA
KULE CHARLES
KUNIHIRA BEATRICE
KYOTAMANYIRE GRACE
LIBOGOMA SARAH STANLEY
MASIKA MWANAISHA
MATSIKO GILBERT AKKY
MIREMBE MONICA
MUGISHA ABDALLAH
MUHUMUZA RODGERS KIRUNGI
MULENGWA GERALD
MURIMBANYI PROTASE
MWEBESA WILLY CRUSOE
NDAGANO ROSETTE
NGONZI ADOLF
SUNDAY MOSES
TUGUMISIRIZE AMMINADAB
TUMWESIGE JACINTA
TUSIIME LILLIAN
BYARUHANGA JOHN
KARUHANGA CHRISTOPHER
BAGUMA B. EVARISTUS
RUGAAJU REAGAN
KABAGAMBE WILSON

Bachelor in Public Administration

BANURA PATIENCE ZAINABU
BIRETWA EDSON
BWAMBALE GEORGE
ISINGOMA DICKENS MANYINDO
KABANYAGAKI EVELYNE
KATUSABE ZAINABU
KATUSABE RUTH
KIRUMIRA NGONZI ROBERT
KWEBIIHA STELLA
KYOSABA EDVINE
MUGERWA FRED
MUGISA K.C. RONALD
MUGUME RAPHHEL
NAKANJAKO MARY
NKOBA SAUL
NSUNGWA VANICE
RUHWEZA ABAASI
TEMBE MERCY BETTY
TUMUSABE ACLEO

Bachelor in Social and Community Development

ABIGABA ABRAHAM
AKUGIZIBWE BETH
ALI ZAMZAM MAHMOUND
ATUHAIRE SCOVIA
BACWA THEOPISTA MUTOORO
BAGONZA KENNETH
BALUKU JOSHUA
BATAMULIZA BEATRACE
BIRUNGI CONSOLATE
BUKOMBI CHRISTINE
BWAMBALE YOSON
BYAMUKAMA K. JOHN
KABAHUMA SARAH
KABASINGUZI BARONESS

KABASINGUZI MARGARET
KAMATAGI JOYCE
KARAMAGI LAMECH
KASEMBO JENIPHER
KENEEMA JACKLINE
KOBUSINGE DOROTHY
KOBUSINGE JACKLINE
KOMUHANGI CECILIA
KOMUHIMBO ANNET
KULABAKO ROBERT
KUSAASIRA SAFRAH
KYALIMPA P. JOHNSON
MAGEZI EDWARD
MASIKA JOSELINE
MUGABO JOHN
MUSINGUZI JACKSON
MUTABAZI JUMA
MWANGUHYA JAMES
MWERYA SCOVIA
NIGHT KACHURO OLIVER
NYAKOOJO PHILBERT
RUKIDI SAM
SABIITI ERIC
TUMUHIMBISE GERUASE
TUSIIME MICHAEL
WABUDI DAVID

Bachelor in Banking and Development Finance

AKANKWASA STANSLUS
ALI DECENT
BATAMULIZA JEANNINE
BILL DHIEU MANYANG
BIRUNGYI FLORENCE
KYOMUGISHA JANEPHER
MAWENU ROBERT

Diploma in Business Management

AHAISIBWE ROSE
ATEGEKA LILIAN
AYESIGA DANIEL
BAGUMA GEOFREY
BUSINGE ROGERS
KABASINGUZI FLORENCE
KALEMBE ANNET
KANSIIME DAPHINE
KARAMAGI CHARLES
KASORO HERBERT
KAYUDA ROSEMARY
KIRUNGI DAVID
MARAHI FELEX
MURUNGI DANIEL
MWEBESA RICHARD
MWESIGWA DAVID
NYAKWERA ANN MARY
NYANGOMA SALAMA
NYIRANEZA JASSY
PATEL SHARVAN
SANYU PATIENCE
TWIJUKYE TRUST
KIRUNGI FLORENCE
NTEGEKA JULIUS
SSEBULIBA YUSUFU
MBAMBU JOHNOLESI

Diploma in Public Administration

ABIGABA FRANCIS
AINEBYOONA DOREEN
ASIIMWE ROSE
BAGONZA JOHN
BAGONZA SELESTINE
BANYENZAKI IVAN
BASABOOSE CHRISTINE
BASEMERA CHRISTINE
BIIRA ELLEN
BIRUNGI JOHN

BUSINGE BURASIO
BUSINGE PETER
KABOYO NAUME
KAMAKUNE MOURINE
KAMEZIRE WINFRED
KANYIGINYA DIANA
KANYONYI JULIET
KARAMAGI SOLOMON
KEZAABU STELLA
KIBABA VERONIC
KIIZA JOSELINE
KOMUHENDO BEATRICE
KWIKIRIZA IRENE PEACE
KWIRIKAGIRA JOHN
MONDAY STEPHEN R
MPANJA GRACE
MUBUNGA SEDRACH
MUGENYI SARAH TUHAISE
MURUNGI ELIZABETH
NAMANYA REBECCA
NDAHURA IDI
NYAKAHUMA JOHN
TUMWESIGYE IVAN
TWINEOMUJUNI ENOCK

Diploma in Rural Microfinance

JUMBA JOHN
KAKWEZI FATUMA
KANYIGINYA JULIAN
KEJI ROSE
MPAGI VINCENT
MUHINDO ANGEL GABRIEL
NAMUDDU SYLIVIA

Certificate in Business Management

ATUYAMBE GORRET
BUSOBOZI AMOS
KABAHINDA GRACE
KABUGHO ROSEMARY
KAJUBI VINCENT
KATUSABE GRACE MARY
KATWESIGYE GLORIOUS
KAWUMA FRANCIS
KEMBABAZI EDITH
KENGNZI IRENE
KOMUHIMBO SYLIVIA
KOWE DAPHINE
MBABAZI JOSEPHINE
MWESIGE EDSON
NALWIMA PROSSY
NSUNGWA OLIVER
TUSIIME JANE
TUSIIME MARIA GORETTI

Certificate in Public Administration

AIJUKA LEAH
AJUNA MARY
AKUNDA BRENDAH
AMANYA RICHARD
AMANYIRE NICHOLAS
AMANYIRE SUMIAH
ASABA MBABAZI DONAH
ASIIMWE GERTRUDE EVER
ASIIMWE GRACE
BAHATI ISMAIL
BALUKU WILSON ABAHO
BAZARA JOHNSON
BYABAZAIRE JOSEPH
BYAMAKA MATTE JOSEPH
KAAHWA MARY
KAAKYO DAPHINE
KAAKYO JANE
KABAHWEZA SARAH
KABASINGUZI ANNET
KAJUMBA ANGELLA
KAKWERA AGNES
PRISCILLAR KAKWANZI
KAMULI TOPISTA
KASOKE SAUL

KATEEBA FLORENCE
KEMIGISA DAPHINE
KEZAABU MARGRET
KIIZA ASAPH KARIISA
KIMANYWENDA ADONIAH
KIRUNGI MARY MUGISA
KOBUSINGE ROSE
KOMUGISA SERAPIO
KUGONZA LUCY
KUNIHIRA JENNIPHER
KUNIHIRA JUDITH
KUSHEMERERWA DERRICK
MAALE OKUNEO MAAWA
MAIMUUNA RAMATHAN
MBUSA HAM
MSHANA ZAINAB HABIL
MUHINDO SAMUEL IBONDO
MUHYANA SIMON
MUJUNI GUARD
MULINDWA DERRICK
MUSINGUZI CHRIS
NAMUGANZA IRENE
REHEMA RAMATHAN
RUBONGOYA KEITH
RWABWOGO ABBU
THEMBO SIRIWAYO
TUHAISE CLOVICE
TUSIIME WILLIAM

Certificate in Rural Microfinance

KANYUNYUZI DINAH
KAWIINO DIANA
MPORA LEEN GRACE
NAMARA CHRISTINE
RUSIITA FRED

PART III:
RESEARCH ARTICLES

Towards an operational framework for university community outreach

Dr. Oliver Schmidt[1] *(oliver.schmidt@eh.giz.de)*

1. Introduction

Uganda's National Council for Higher Education (NCHE) has, for several years, emphasised that universities must practice community outreach. The essence of a Ugandan university, it is stipulated, is constituted by the three areas of teaching, research and community outreach.

Mountain of the Moon University (MMU) is the only community-based university in Uganda. This means that representatives of the business, faith and political strata of the Rwenzori region are represented in the governing bodies of the university (see Appendix 1). Formally, the university is a none-profit company limited by guarantee, with founder-guarantors from the said three 'communities' having come together to start MMU in 2004 (1st intake of students was in May 2005).

"Being a Leading Centre of Excellence in teaching, research,

and service to the Community."

(MMU Vision, bold by author)

Surely, everybody would agree in principle that community outreach is a good thing. However, this principle agreement might have blurred intellectual and practical scrutiny of the concept. When we think more about community outreach, it is far from clear what it means in the context of universities, and what it not means, and by which measures it should be assessed. More fundamentally, one may well ask if there are reasons to reject university community outreach at all.

This paper seeks to focus on the blind spot – if it indeed should be one – of concept and operational framework of university community outreach. Section 2 discusses the meaning of university community outreach, with reference to examples from MMU. Section 3 suggests a framework of community outreach objectives, and section 4 discusses quantitative indicators and operational measures to realize these objectives, section 5 concludes.

2. What is university community outreach?

Getting a grip of the concept of university community outreach

Box 1 gives you a list of 16 examples of activities that various MMU departments or department members have undertaken in the past 2 years or so. The list does not claim to be complete: There have been a number of extra-curricular activities – e. g. department and campus life days, public hearing on the university strategy,

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career guidance, and likely others that the author is not aware off. However, others are likely to equal in major characteristics one or the other example that is already on the list.

Consider exercise a) of Box 1.

Have you been able to choose one or more (but not more than 4) out of the 16 cases that are good examples of community outreach? Which characteristics have appealed to you? Did you go by positive characteristics, e. g. number of people reached, or the kind of people reached, or something to do with health? Or did you go exclude cases from your choice by negative characteristics, like 'just for staff members', or 'I do not know what the Rwenzori Think Tank is', or 'just for one district'? Or did you abort the exercise because you felt you do not know enough about the cases – e. g. number of people reached, effect the activity had on participants, time it took?

Now consider exercise b) of Box 1.

Did you spent some time thinking about it? Indeed, the very purpose of exercise b) is to bring to your conscious mind the very same questions that are raised in the previous paragraph: What are the characteristics of good university community outreach, and what are the characteristics of not so good university community outreach?

Box 1: How do you understand university community outreach?

Exercise a: Which of the following is a good example of university community outreach (tick up to 4, but not more)?

1. A Workshop about Savings Product Development for 25 managers of savings and credit cooperatives (SACCOs) from the Rwenzori region.
2. A gender-training for 20 students and board- and staff members of one SACCO.
3. A participatory research project into the causes of degradation of natural resources (soil, water, bio-diversity) and recommendations how to manage to them.
4. A Workshop about Child Protection and Abuse for about 40 staff members of MMU.
5. Students' internships in companies, non-governmental organisations and local governments in the Rwenzori region (and other regions of Uganda).
6. A short course on issues of primary school management for about 300 teachers in Kibaale district.
7. A 'voluntary testing and counselling (VCT)'-day where about 300 MMU-students and people who live around Kabundaire campus where tested for HIV/AIDS.

8. Training of 250 school-drop-outs in basics of business, accounting and entrepreneurship in five districts of the Rwenzori region.
9. Public lectures of MMU staff and external guests to which community representatives had been invited.
10. The publication of a year book (300 copies) with information about MMU and its region.
11. A research project into the challenges of studying mothers at MMU and recommendations how to improve their study experience/ success.
12. An entrepreneurship-training for 25 unemployed young women.
13. Participation in the Rwenzori Think Tank Initiative.
14. A research project into the development of new savings and loan products of 3 SACCOS in different regions of Uganda.
15. Staff members of MMU have founded a consultancy company.
16. A workshop with about a dozen financial institutions to review syllabuses of courses that target the financial sector (banking and microfinance).

Exercise b: Rank each of the 4 examples you have chosen on the following scale from 0 to 4:

Rank	0:	Not relevant
,,	1:	fair relevance
‘’	2:	above average
,,	3:	Outstanding case of sustainable community outreach

The purpose of university community outreach

The purpose of community outreach or ‘service to the community’ (MMU vision) is to add value to, or to expand capabilities (Sen 1999) of the business or social communities beyond MMU. Therefore, the internal effects of community outreach activities are not of priority. Internal effects are those on staff, students or the organisational structures and balance sheet. However, internal effects are not irrelevant: Community outreach activities require resources – staff time, vehicle or premise availability, financial means to run activities. All these are scarce; therefore university management is accountable for the resources it does or does not allocate to community outreach, vis-à-vis other activities. In the context of the university, other activities are teaching and research (including their administration).

Capabilities could be expanded by providing finance or knowledge or skills or opportunities. MMU does not offer direct finance, i. e. making money available to the disposal of recipients; but some of its projects have had indirect financial components, e. g. a grant into a business plan developed in the entrepreneurship training (case no. 12; see Redlin et al. in Part I: Life at MMU), or a co-financing of marketing measures for newly developed products (case no. 14). They are small relative to the total activity costs, though, and we shall hence not consider provision of finance as a factor of community outreach activities.

Knowledge and skills are hierarchically interlinked; some people know but can't do; but everybody who can do also knows. The knowledge might be implicit, though, that is the person cannot elaborate the skill. Knowledge is preceded by awareness. Some people are aware but do not know. For example, people may be aware that HIV/AIDS exists but they do not know their status. But everybody who knows is also aware. In the example, one would not go to know one's status without awareness that HIV/AIDS exists.

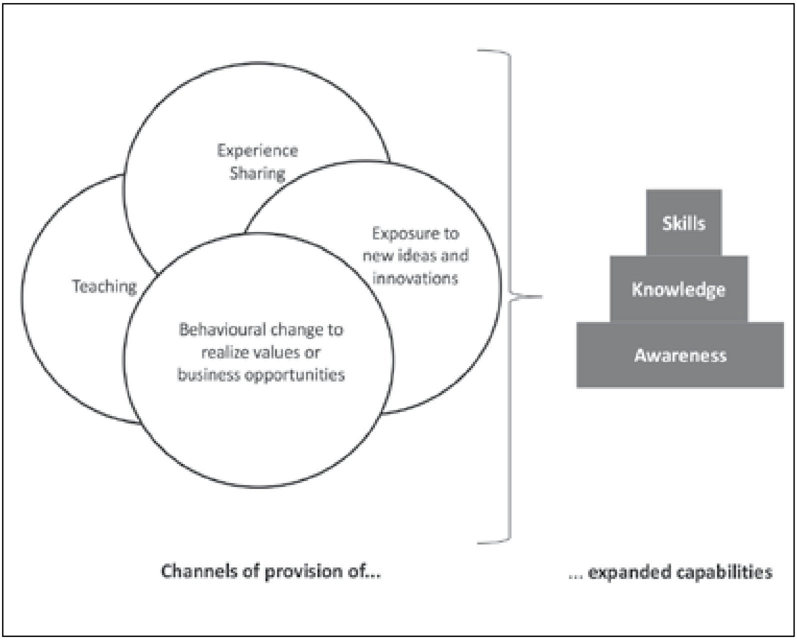
Knowledge and skills can be provided through teaching. However, not all teaching provides awareness and knowledge and skills. Sometimes, teaching provides only awareness, sometimes only skills, sometimes only knowledge. Moreover, there are other ways of providing awareness and knowledge notably through sharing of experiences and new ideas, and through changing of behaviours which lead to the realization of so-far-unrealised values or of untapped business opportunities, for instance through implementing new ideas (= innovation).

The channels to achieve the purpose of university community outreach

Thus, we have identified four channels for providing awareness, knowledge and/or skills: Teaching, sharing of experiences, exposure to new ideas and innovations, and behavioural change to realized values or business opportunities. However, these channels are not sharply divided from each other, but rather overlap (figure 1): Teaching a short course might offer experience sharing, a workshop that exposes participants to new ideas might have a teaching session, a training that triggers behavioural change to realize values – e. g. gender equality – might incite experience sharing, and so forth.

Figure 1 shows the overlapping channels through which the purpose of university community outreach can be achieved. The purpose is to expand capability of the recipients or participants of the activity. The natural focus of a university for expanding capabilities would be provision of awareness, knowledge and skills. The activity can take the shapes of short courses, trainings or workshops, as in 8 of the cases on our list. The other 8 cases take a variety of other shapes, such as project (no. 3, 7, 11, 14), internship (no. 5), publication (no. 10), formation of an organization (no. 13, 15).

Figure 1: Channels to achieve the purpose of university community outreach



3. How do we measure the quality of university community outreach

Provision of awareness, knowledge and skills

Consider two activities, for example workshops. Both require the same resources (staff time, space, finance). One expands capabilities of participants by 50%, the other one by 25%. If the resources are scarce and management has to choose 1 out of these 2 activities, which one should it be? The answer is obvious; the workshop that expands capabilities by 50% uses the resources more efficiently than the one which achieves 25% expansion. Would the answer differ if one activity is a project and one is a workshop? No, the shape does not matter; the choice is still the activity that uses the resources more efficiently.

Obviously, the expansion of capabilities of participants is abstract. How do we assess it concretely? Any university would have to choose proxy-indicators. From the previous discussion, awareness, knowledge and skills are the first indicators to consider. Thus, an activity that provides awareness and knowledge is preferred to one that provides only awareness, or only knowledge, or only sills. Table 1 clusters the 16 cases from Box 1. It shows that 6 cases provide only one item which is either knowledge or skills; our list has no awareness-only case. 9 cases provide two items, and one – case no. 3 – provides awareness and knowledge and skills.

Table 1: Scope of capacity expansion for 16 MMU community outreach projects

Number of cases that provide					Total number of cases studied
knowledge only	Skills only	Awareness and knowledge	Knowledge and skills	Awareness and Knowledge and Skills	
4	2	5	4	1	16

Let us assume that awareness, knowledge and skills are equally important. Then we would rank the activities in Box 1 on a scale ranging from 1 to 3: An activity that provides only knowledge or skills or awareness scores 1, an activity that provides all 3 scores 3.

Number of people which are provided with awareness, knowledge or skills

It would be plausible to prefer activities that reach more people over those that reach less. Think for example of an activity provides awareness and knowledge and skills to 100 people and another activity that provides only knowledge to 1,000 people (both at the same cost). Which one should be preferred?

We can include the number of people reached by constructing for each item a normalised measure that ranges from 0 to 1. The technique for normalising is formally explained in Appendix 2. Applying that measure to the example above, project one scores (0.1+0.1+0.1) = 0.3 out of three; and activity two scores (0+1+0) = 1 out of three. Activity two would be preferable.

Are awareness, knowledge and skills equally important?

It might be argued that skills are more important than knowledge, or that the combination of awareness and knowledge is more than double as important as knowledge only. In that case, awareness, knowledge and skills would not be assigned the equal weights of 1 each, but different weights, e. g. awareness 1, knowledge 2 and skills 3.

In the example above, this would have the following effect:

Activity one: Awareness to 100 people weighted 1; knowledge to 100 people weighed 2; i.e. 200 enters the formula, skills to 100 people weighed 3; i.e. 300 enters the formula. The resulting score is (0.1+0.2+0.3) = 0.6 out of three.

Activity two: Knowledge to 1,000 people weighted 2 (i.e. 2,000 enters the formula). The resulting score is (0+1+0) = 1. Activity two is still preferable, but the difference between the two activities has narrowed.

Why has the score of activity two not changed? The reason lies in the normalising technique that we applied. Its formula is explained in Appendix 2. It rests on a given maximum number of participants. In our example, we chose 1,000. That means that activity 2 reached the maximum number of participants. The weight of

2 would in this case expand the figure that enters the formula beyond the chosen maximum number. That is not possible; it means that the maximum number is used.

Thus, the argument of this article is emphasised and embodied by the formula: Each university must choose its purpose and objectives. It is only against those objectives that alternative activities can be chosen:

- We have argued that for any university, the provision of awareness, knowledge and skills would be 'joint denominators'. That means that community outreach of different universities should have in common that it seeks to provide awareness, knowledge and skills.
- However, different universities may aim at different numbers of people to be reached; e. g. based on the size of their staff and budgets. For example, if MMU and Makerere University would carry out the same activity and MMU would reach 100 and Makerere University would reach 1,000 people, does this mean that Makerere is 10 times better? One might argue that Makerere University is much more than 10 times larger than MMU; hence it could be supposed to set itself a higher target.

Indeed, to make community outreach activities comparable between universities, it would have to be benchmarked relative to staff and finance input. Thus, instead of comparing total numbers of people reached, we would compare number of people reached per Uganda Shilling spent (the universities would cost the staff time input also).

Other factors to further qualify the degree of purpose fulfilment

It may well be argued that the above formula is overly simplistic. On the one hand, different universities may be interested in different factors. They may want to qualify for instance the geography or the social strata of people they reach out to, rather than just numbers plain. On the other hand, the argument above merely considers the intention of providing awareness or knowledge or skills. It does not explore if any of those were actually imparted.

The first criticism is easily embraced by the formula introduced above. The same principles of introducing differing weights can be expanded to cater for different factors. It is just a matter of how many objectives one would like to benchmark, and how large one would like the formula to become. The principle design of the formula remains, and in as far as it has been understood, it is not complicated to accommodate a range of objectives. We shall illustrate it below.

The second criticism is severe. Assessing and quantifying changes in awareness, knowledge and skills is difficult and time- and cost-intensive. Among the simpler challenges is the practical point that it requires assessing activities after they have been undertaken. That means logically, that any university needs to carry out a number of activities about which it will find out afterwards that they did not contribute very much to fulfilling the purpose. The university will need a well formed culture to encourage risk and learning from trial and error; not very common in any Ugandan (or worldwide) organisation.

Let us suggest that the second criticism cannot be refuted; but that the most practical way of addressing it is to choose a range of quality benchmarks that can be interpreted as fair proxies. In other words, dealing with criticism one can partly address criticism two.

Accordingly, other factors that could be added to the equation might be;

- Geography, whereby outreach to the neighbouring communities is measured higher (or lower) than outreach to other areas;
- Social strata, whereby outreach for example to less educated, or women, or poorer households is measured higher than outreach to well educated, or men, or better-off households.
- The channels of provision, whereby teaching, experience sharing, exposure to ideas and innovation, and behavioural change could are awarded measures; such that an activity scores higher if it uses several channels instead of one only. Furthermore, different weights for each channels could be considered, e. g. teaching 1 and behavioural change 3.
- The direction of provision of awareness, knowledge and skills. So far, we have implied that MMU provides to the communities around. However, in many of the cases on the list, MMU learns at least as much from the activity as the community. Different weights might be considered for the different directions of provision of capability.
- Networking and partnerships; community outreach activities which are carried out conjointly with partners should count more than those which the university does all alone. This is not only relevant because partnership often means the mobilisation of funding to flow from outside into the communities reached. Jointly carried out activities are often better planned and monitored than single-organisation-activities; sometimes they are more bureaucratic and nobody takes responsibility, though.

4. An exemplary assessment of MMU community outreach activities

Let us apply the principles of measurement as discussed in section 3 to the list of 16 cases of community outreach activities of MMU. From Table 1 we have already established the scope of expansion of capability, i. e. provision of awareness, knowledge and skills. We shall qualify this with a few indicators;

- *Number of participants;* the 16 cases on our list differ quite widely in terms of number of staff and financial means involved. However, we do not have sufficient information at hand to calculate resource input per person reached. Therefore, we make the simplified assumption that 500 is the maximum target number of people beyond MMU. We shall assign a weight of 1 for each 100 people reached (i. e. 99 carries a weight of 1, 100 carries a weight of 1, 101 carries a weight of 2, etc.). Like in the example above, for any activity that reached more than 500 people, only 5 as the maximum number would enter the formula. For people from the MMU community (students and staff), we shall assign a discount in form of a weight of 0.25. E. g. 100 students reached are assigned a weight of 0.25, 101 students reached a weight of 0.5, etc. up to a maximum weight of 5).

- *Geography;* Kabarole and neighbouring districts (including Bundibugyo and Kyegegwa) are given the weight 1, other districts or countries the weight of 0.25. Maximum weight is 6. This accounts for the priority of MMU community outreach to its catchment area and neighbourhood.
- *Partnership;* any activity that is designed and/or carried out and/or financed and/or monitored in partnership with more than one other organisations is given a weight of 3, with one partner is given a weight of 2, MMU-only activities are given a weight of 1. Note that guest lectures by non-MMU-staff are given a partnership weight of 2.
- *Multiple channels of provision (see figure 1);* activities that use more than 1 channel of provision are given a weight of 3, those with one channel only are given a weight of 1. This accounts for the experience that multiple-channels of access to awareness, knowledge and skills are over-proportionally effective.
- *Direction of provision;* activities that provide capability in both directions, that is to MMU staff or students and to outside communities, are given a weight of 3, those with only one direction of provision are given a weight of 1. This accounts for the over-proportional effectiveness of inter-active and participative activities.

Applying the formula we developed above, each activity is assigned a score between 0 and 3; with 3 being the maximum contribution to fulfilling the purpose of MMU community outreach. Appendix 3 shows the score and break-down of weights for all 16 cases. The four activities with the highest scores are given in Table 2.

Table 2: The 4 MMU-community outreach-activities with the highest score

No.	Case	Score (out of 3)	Capacity expansion**	Weight*
1	Participatory research natural resources	1.20	3	32
2	Students' internships	1.15	2	31
3	Training school-drop outs	0.89	2	25
4	Workshop savings products	0.73	2	21

Table 2, then, would have been the response to the exercises of Box 1. These are activities that

- Expand more than one capacity, i. e. they provide awareness and knowledge and skills, rather than only one of them (second last column of Table 2);
- Score across the different objectives of university community outreach; that is they are provided in partnership with more than one other organisation,

they reach participants beyond MMU from several districts, they deploy multiple channels to expand capacity.

All of these activities score less than 50% of the maximum score (=3). The major compressor is the number of people reached for the savings product workshop and the participatory research project. However, on the latter a conservative estimate of just 100 community members and MMU members respectively (i. e. weights of 1 and 0.25 respectively) was applied. The real outreach might be higher. The scores of Internships and training of school drop-outs were compressed by one-sided outreach, to MMU only and community only respectively; and by lack of inter-active provision.

5. Concluding remarks

University community outreach is supposed to be one out of three 'pillars' of university activities in Uganda. However, so far this third pillar is poorly conceived. This paper proposes for the first time a systematic approach to design, to measure and hence to monitor university community outreach.

Ugandan universities must apply thoroughly designed strategies to manage their scarce resources and to achieve quality services (see exemplarily Kakungulu 2011). Accordingly, community outreach must sound with the nature and core competencies of universities. Therefore, university community outreach should aim at expanding capacities through the provision of awareness, knowledge and skills.

The basis for university community outreach activities should be resource input per community member reached. However, so far no Ugandan university has put systems in place to calculate that indicator.

Even if activities that engage staff and students extra-curricular are discounted (i. e. numbers of staff and student numbers are given a weight below 1), such activities can still be relevant, if they include large numbers of students. This is borne out by the case of MMU's student internship.

University leaderships need to choose their matrix of objectives well. Although leadership at MMU has spend relatively little time – compared to other managerial tasks – on conceptualising its community outreach, it can look proudly at a range of activities through which MMU staff have lived up to the vision of providing 'service to the community'.

If these energies and ideas are guided more systematically, MMU can make a substantial and lasting impact on the Rwenzori communities. To that end, community outreach activities must be designed to reach relevant numbers of people across the districts of the Rwenzori region in partnership with other organisations, using multiple channels and inter-active methods to provide awareness, knowledge and skills. In the long run, MMU should strive to measure output – that is change actually caused of awareness, knowledge and skills; rather than input – that is change intended only.

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Appendix 1: Governing bodies of Mountains of the Moon University

University Council

Representatives of the business, social and faith based communities and the local governments of the Rwenzori Region. Tenure of 3 years.

No.	Name	Community
1	Hon. Col. (Rtd.) Tom Butime, Chairperson	Politics
2	Prof. Oswald Ndoleriire, Vice-Chairperson	Academia
3	Dr. Swizen Kyomuhendo, Chair Finance Committee	Academia
4	Eng. Dr. Vincent B. A. Kasangaki, Chair Appointments Board	Academia
5	Mr. Tom Rubaale, Chair Planning and Development Committee	Business
6	Bishop of Rwenzori Diocese Mr. Charles Magazi	Faith
7	Representative of Fort Portal Diocese	Faith
8	Local Council Chairman, Kabarole District, Mr. Rwabuhinga Richard	Local Government
9	Representative Local Council Kyenjojo District	Local Government
10	Representative Local Council Kyegegwa District	Local Government
11	Representative Local Council Kamwenge District	Local Government
12	Representative Local Council Kasese District	Local Government
13	Representative Local Council Bundibugyo District	Local Government
14	Representative Local Council Ntoroko District	Local Government
15	Academic Staff Representative Mr. Kintu Mugenyi	MMU (staff)
16	Non-Teaching Staff Representative Mr. Moses Luwandagga	MMU (staff)
17	Guild Representative (Female)	MMU (students)
18	Guild Representative (Male)	MMU (students)
19	Alumni Representative Mr. Ruyooka Anthony	MMU (students)
20	Vice Chancellor Prof John M. Kasenene	MMU (Management)
21	Deputy Vice-Chancellor Dr. Kagambe Edmond	MMU (Management)

University Board of Directors

Founders and guarantors of Mountains of the Moon University.

No.	Name	Sex	Board-Function	MMU-Function
1	Justice S. T. Manyindo	M	Chairman	
2	Prof. J. M. Kasenene	M	Secretary	Vice-Chancellor
3	Prof. E. Rugumayo)M	M	Member	Chancellor
4	Hon. Col (Rtd) T. Butime	M	Member	Chairman Council
5	Prof. O. Ndoleriire	M	Member	Vice-Chairman Council
6	Dr. C. Karungi	F	Member	
7	J. Katto	M	Member	
8	Justice P. N. Tuhaise (Mr)	F	Member	
9	Prof. em. A. Semana	M	Member	
10	Prof. J. Nyakana	M	Member	

Appendix 2: Normalising data scales

If two data sets are scaled to range across differently spaced or structured scales, they can be normalised into a uniform scale.

The formula depends on the direction of the scales of the two data sets. They may be parallel, that is, larger values in one data set correspond to larger values in the other data set. Or they may be anti-parallel, that is larger values in one data set correspond to smaller values in the other data set.

For parallel scaled source data sets, **the formula for normalising them between 0 and 3** is:

$$(1)\ (i - i_{min})/(i_{max} - i_{min})*3$$

where i = Value in source data set,

i_{min} = Minimum (possible) Value in source data set,

i_{max} = Maximum (possible) Value in source data set.

Example: The score for each case in Appendix 2 is the product of sum of factor weights and sum of capacity areas:

$$(2)\ \sum \text{factor weights} \times \sum \text{capacity areas}$$

The sum of factor weights (see annex 2, column 10) is scaled to range from the minimum value 3.75 to the maximum value 25. The minimum value is the sum of the lowest scores possible in each category (sometimes 1, sometimes 0, and sometimes 0.25). The maximum value is the sum of the highest possible scores in each category.

The sum of capacity areas is scaled to range from 1 (an activity that only provides awareness or knowledge or skills) to 3 (an activity that provides awareness and knowledge and skills). Therefore, the minimum of equation (1) is 1x3.75=3.75 and the maximum is 3x25=75:

$$(2b)\ 3.75 >= \sum \text{factor weights} \times \sum \text{capacity areas} <= 75$$

Take the **case of participatory research on natural resource management** (No. 1 in annex 2):

$\sum$ factor weights = 10.75; $\sum$ capacity areas = 3;

thus according to (2b): 10.75 x 3 = 32.25;

Normalised according to (1): (32.25-3.75) / (75-3.75) x 3 = 1.20

Appendix 3:

No	Case	Total score*	*Number of participants - outside*	*Number of participants - MMU*	*Geo-graphy*	*Partner -ships*	*Multiple channel-provision*	*Inter-active provision*	Sum factor weights	Aware-ness	Know-ledge	Skills
		Minimum: 0 Maximum: 3	*1 per 100; max 5*	*0.25 per 100; max. 5*	*max. 6**	*max. 3*	*max. 3*	*max. 3*	max. 25	1 if applicable		
1	Participatory research natural resources	**1.20**	*1*	*0.25*	*1.5*	*2*	*3*	*3*	10.75	1	1	1
2	Students' internships	**1.15**	*0*	*2.5*	*6*	*3*	*3*	*1*	15.5	0	1	1
3	Training school drop-outs	**0.89**	*3*	*0*	*2.5*	*3*	*3*	*1*	12.5	1	1	0
4	Workshop savings products	**0.73**	*1*	*0.25*	*2.25*	*3*	*3*	*1*	10.5	0	1	1
5	Staff members' consultancy	**0.71**	*1*	*0.25*	*2*	*1*	*3*	*3*	10.25	0	1	1
6	Short course school mgt	**0.64**	*3*	*0*	*0.5*	*2*	*3*	*1*	9.5	0	1	1
7	Gender training	**0.58**	*1*	*0.25*	*0.5*	*3*	*3*	*1*	8.75	1	1	0
8	Syllabus review workshop	**0.52**	*1*	*0.25*	*1.75*	*1*	*3*	*1*	8	1	1	0
9	Workshop Child Abuse	**0.41**	*0*	*0.25*	*0.5*	*2*	*3*	*1*	6.75	1	1	0
10	Rwenzori Think Tank	**0.40**	*1*	*0.25*	*3*	*3*	*3*	*3*	13.25	0	1	0
11	VCT-day	**0.35**	*0.25*	*1.25*	*0.5*	*2*	*1*	*1*	6	1	1	0
12	Financial Product Development	**0.18**	*1*	*0.25*	*0.75*	*2*	*3*	*1*	8	0	0	1
13	Public lectures	**0.17**	*0.25*	*1*	*0.5*	*2*	*3*	*1*	7.75	0	1	0
14	Women entrepreneurship training	**0.16**	*1*	*0*	*0.5*	*2*	*3*	*1*	7.5	0	0	1
15	Publication year book	**0.13**	*1*	*0.25*	*0.5*	*1*	*1*	*3*	6.75	0	1	0
16	Research studying mothers	**0.12**	*1*	*0*	*0.5*	*1*	*3*	*1*	6.5	0	1	0

* Normalised*** product of sum of factor weights and sum of capacity areas: Column 10 x (column 11+column 12+column 13)

** 0.5 per Rwenzori district (Kabarole, Kasese, Kamwenge, Kyenjojo, Kyegegwa, Kibaale, Ntoroko, Bundibugyo), 0.25 for any other district or country

*** See technique explained in Appendix 2.

through church archives

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What did family life look like in the past? In particular, how crowded was family living, and how did competition among children for the family's resources shape their prosperity later in life and hence, the prosperity of their country? These are among the key questions currently addressed by development economists, economic historians, and historical demographers. The examination of the link between family size and inter-generational social mobility have helped scholars see the importance of decisions made at the family level for the economic development of now modernized countries during early stages of their development paths.

Historical England holds some of the finest demographic archival records in the world, and these have provided a main setting for many of the most recent analyses.[2] Unfortunately, the developing world is rarely able to supply archival data of a comparable standard. Uganda, however, is an exception. Due to its time under British rule, Uganda sits on archival material by the same quality as the English statistics. This heritage can help shed light on the economic development of Uganda over the past century, as well as provide an insight into the future of the country.

In order to fully appreciate what the Ugandan archival material is able to offer, let us try to see what the comparable English data look like. The systematic recording of baptisms, burials, and marriages, done over several centuries by the Church of England, has enabled a group of scholars at the Cambridge University to reconstitute over 50,000 historical families, covering the time period from the first emergence of parish registration, in 1541, until population census became common in 1871. What does a reconstituted family look like? Table 1 provides a typical example. On 15 October 1761, in the parish of Odiham (Hampshire), Mr Edward Neville married Miss Hannah Sury.

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[2] For inspiration, see Boberg-Fazlic et al. (2011) and Klemp and Weisdorf (2012).

Table 1: A reconstituted early 19th century English family

Family	Surname	Baptism Date			Burial Date			Age	Occupation	Skilled Work	Literate
Mother	Hannah Sury	21	Jul	1740	10	Nov	1816	76	-	-	No
Father	Edward Neville	14	May	1773	3	Nov	1816	83	Labourer	No	No
Daughter	Ann	8	Oct	1762	-	-	-	-	-	-	No
Son	John	17	Apr	1765	13	Oct	1850	86	Sawyer	Yes	No
Son	Edward	3	Mar	1767	8	May	1852	85	Baker	Yes	Yes
Son	James	3	May	1769	14	Apr	1849	80	Labourer	No	No
Son	Thomas	6	Mar	1771	20	Mar	1771	0	-	-	-
Son	Daved	28	Mar	1773	13	May	1858	85	-	-	No
Son	Thos	23	Apl	1775	21	Dec	1855	81	Sawyer	Yes	No
Son	Francis	8	Jun	1777	9	May	1780	3	-	-	-

Going backward in time from the point of the marriage, the church book shows that Mr Neville was baptized on 14 May 1733. Going forward, we can see that he was buried on 3 Nov 1816. These vital events tell us he married at the age of 28 and died the age of 83. Similarly, his wife Hannah was baptized 21 July 1740 and buried on 10 Nov 1816. She thus married at age the age of 21 and died at the age of 76 (one week after her husband passed away). Although the longevity of the spouses suggest they had a prosperous life, the relatively high age at marriage of Mr Neville indicates it took him many years to gather enough money to start a family.

What else do the records reveal about the couple? They tell us that Mr Neville did not sign his marriage certificate, but that he left a mark instead. The same is true for his wife. The missing signatures are normally taken to mean that the spouses were illiterate, a frequently used indicator of (a lack of) human capital (Clark 2007). Moreover, the marriage certificate gives us information about Mr Neville's profession, telling us he was a farm worker. Based on the information about his occupation we can infer his socio-economic rank by the use of two key measurements: (i) we can estimate the level of his professional skills by using the History of Work Information System (van Leuween et al. 2007), and (ii) we can assess his earnings potential based on information from historical wills. Beginning with the former, the History of Work Information System enables a mapping of historical occupational titles into skilled and unskilled work, telling us Mr Neville held an unskilled occupation[3]. Moreover, by looking at pre-modern wills from London and South-East Anglia, Clark and Cummins (2010) have classified the recorded occupations according to the information regarding wealth that is given in the wills. Mr Neville's employment as a farm worker places him at the bottom of the income hierarchy, right above the poorest group in society: the paupers.

Was Mr Neville's income then sufficient to raise a family? The church book answer is affirmative. Going forward from the time of their marriage, the book reveals a series of baptisms (and burials) of their offspring. Ms Neville delivered to a total of eight children, five of which were boys. Two children (Thomas and Francis) suffered child mortality, i.e. died before reaching age five. The six survivors all got married in their parish of origin. The records show the occupations of the four

[3] See http://historyofwork.iisg.nl/.

surviving sons at the time of their marriages: James (a farm worker like his father) was unskilled, while Edward (a baker) and John and Thos (both sawyers) were all skilled workers.[4] We can also see that all the siblings were illiterate, with the exception of Edward.

Among the four surviving sons three were able to advance in the social hierarchy, finding employment in skilled (and thus substantially better paid) professions than their father. This demonstrates how Mr and Ms Neville were capable, despite their limited means, to provide a better life, in terms of income and education, for their offspring than they had achieved themselves. The pattern of intergenerational social mobility of the Neville family is shared by thousands of families in pre-modern English. This helps explaining why England was the first country in the world to undergo an industrial revolution, encouraged by parents investing in the most valuable commodity they had: their children. Today, the English youth is among the most well educated offspring in the world and England one of the wealthiest nations.

Like England, Uganda holds a great heritage. The legacy of the English Church Missionary Society can open a door to the exploration of intergenerational social mobility among Ugandan families in the past. Western Uganda's St. John's Church parish (Fort Portal) records starting at turn of the twentieth century (c. 1911) enable a study of the influence of family structures on the country's economic development over the course of the twentieth century. Thousands of vital events, waiting to be processed by scholars interested in the demographic history of Uganda, can help understanding Uganda's current economic situation, as well as shedding light on its capacity to industrialize and its future prosperity. Show me the history of your family, and I will show you the future of your country.

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[4] None of the daughters were noted to have had an occupation.

The Big Question of Development

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1. Introduction

Why are some nations rich while others are poor? This is the single most fascinating question in the profession of an economic historian. Over the past three centuries Adam Smith, the "father of economics" suggested that the wealth and poverty of nations depends of the extent of free markets; Thomas Robert Malthus and his homonymous trap argued that human population growth tends to outrun growth of food production unless checked by epidemics, famines, or preventive choice (e.g. contraception or postponing marriage). Others identified ethnicity, physical geography, climate, and historical path dependency (e.g. slave trade and colonization). In other words, there have been plenty of comprehensive theories to choose from. Over this complex question developed two camps of thought. The first is the camp that argues that physical geography is at the root of development. The second strand of literature argues that political institutions led to prosperity. This article aims at putting into perspective the various works that contributed to answering 'the big question of development' with a focus is on Sub-Saharan Africa (SSA) when possible. Moreover, the article intends to raise curiosity for themes of economic history in explaining long-term development trends in the dawn of a course-unit in *African Economic History* in a Global Perspective to be introduced at Mountains of the Moon University in the academic year 2012/2013 for the first time at an East African university.

2. Geography

First, one "deep" determinant of income is physical geography. The scholars who pioneered global geographic inequality between countries are Gallup, Sachs and Mellinger (1999). They find climate and location have large effects on economic growth of countries due to their effects on transport costs, disease burdens, agricultural productivity, and the availability of natural resources. A particular disadvantage face countries that are far located from the coast and ocean-navigable rivers, since access to foreign markets and transport costs of international trade are high. Therefore, being landlocked depresses both SSA imports and exports of manufacturing goods to the rest of the world (Bosker and Garretsen 2012; Collier 2007). Maritime countries export (measured as percentage of GDP) around 26 percent more than landlocked SSA (World Bank 2012). Indeed more than 29 percent of SSA's population (16 countries) lives in landlocked countries (World Bank, 2012) whereas only one percent of the global population lives 'landlocked' when excluding Africa. Hence, SSA countries are on average more affected by initial geographic settings than the global average and therefore need to put strong emphasis on building trade blocks (e.g. East African Community) in order to serve the world rather than not only their neighbours.

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Typically bad geography, such as rugged terrain hinders trade and most productive activities have been associated with a negative effect on income (Gallup et al. 1999). However, recent work by Nunn (2012) found that rugged terrain and its interaction with historical events afforded protection to those being raided during slave trades from 16th to 18th centuries.

Jared Diamond's classical *Guns, Germs,* Steel offers another gripping explanation highlighting the importance of geography for development. Diamond's argument is three-fold. First, an uneven distribution of domesticable crops and animals led some parts of the world, Euroasia in particular, to develop agriculture which gave rise to cities and civilization. Big, domesticated animals were essential – they provided meat, milk, fertilizer, transport, clothing (e.g. wool and leather), military assault capacity, and power (e.g. plowing). However, none of the ancestors to these animals was indigenous to SSA but 13 of 14 were indigenous to Euroasia. Without domesticated animals it's much harder to develop mass agriculture. Secondly, Diamond argues that agriculture and other ideas also spread faster in Euroasia because its major axis is East-West, along similar latitude, meaning a similar climate. For this reason, crops, animals and ideas could move more easily across Euroasia than through the Americas or Africa where the major axis goes North-South. Third, the major infectious diseases in humans all evolved from diseases of animals (e.g. smallpox, flu, tuberculosis, measles, and cholera). Europeans lived 'next door' and often in the same barn as their domesticated animals and were repeatedly decimated by these diseases but for that very reason they evolved some immunity. In the early 16th century it took only one sick Spanish soldier to bring smallpox to South America where it may have killed 60 to 90 percent of the local population, decimating the Inca and Aztec Empire considerably. Diamond's compelling explanations take us to 1500 but no further. Moreover, there has been a "reversal of fortune," the rich places in 1500 tend not to be the rich places today (e.g. China), despite the fact that the geographic factors that Diamond focuses on have not changed. Germany and China are both in Euroasia but the former is rich and the latter relatively poor, despite the fact that they share most of the geographic factors that Diamond discussed. Thus geography alone cannot explain why some countries are rich today while others are poor.

David Landes (1998) in *Wealth and Poverty of Nations* points to the impact of tropical climates on disease environment (e.g. spread of tsetse fly – trypanosomiasis and snail fever - bilharzias) and high temperatures on the ability of labourers to exert themselves. He also mentions the extreme of rainfall makes the timing of cultivation complicated while at the same time increasing the likelihood of natural catastrophes, such as floods and on the other extreme desertification and droughts. For Landes this unpredictability of natural irrigation and high rates of evaporation gives reasons for why settlement and civilization began along rivers (e.g. Nile, Euphrates and Tigris). Hence geography determining agricultural productivity, markets and location of settlement.

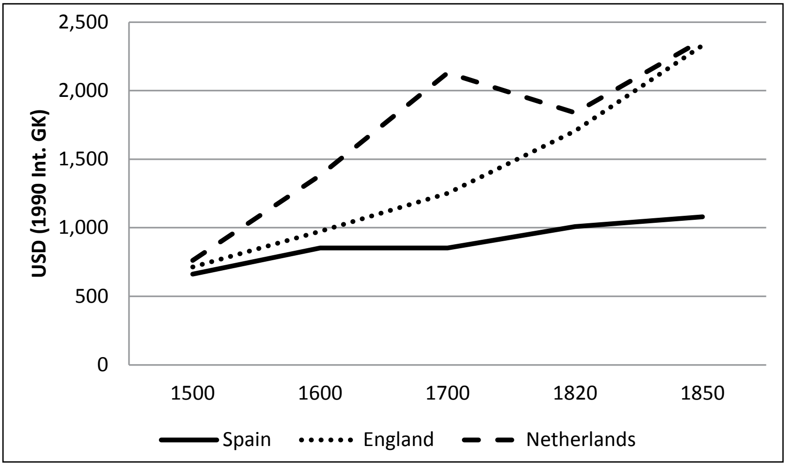
However, there are also cases in history when geography affected economic development through its indirect influence on institutional quality (Rodrik et al. 2004). For example, Acemoglu et al. (2004) documents that the rise of Western Europe between 1500 and 1850 is largely accounted for by the growth of

European nations with access to the Atlantic Ocean and, in particular, by those that engaged in transoceanic trade (i.e. Britain, Netherlands, France, Spain and Portugal). It also affected Europe indirectly by inducing institutional changes. In particular, in countries where political institutions constrained the power of the monarchy, transoceanic trade gave rise to merchant groups to demand changes in institutions to protect their property rights (e.g. England and Netherlands). On the contrary, when initial political institutions were more absolutist, trade was monopolized to the Crown (e.g. Spain and Portugal).

Spain, once among the richest economies in the early modern period,[2] extracted fabulous amounts of precious metals during the 16th and 17th century, such as gold and silver from their American colonies. However, the very gold and silver that had allowed Spain to build one of the most powerful empires of its time gradually eroded its institutional foundations and economic opportunities and led to progressive downturn of the Castilian economy (Drelichman and Voth 2008). Rent seeking was successfully contained through bargaining between the Crown and the centers of economic activity. The ascendancy of the merchant classes could have placed Castile on a development path such as of the English and Dutch (North and Weingast 1989). Instead, Castilian institutions failed to limit the Crown's power, which allowed it to set policy unchecked by other political stakeholders. The Crown weakened its industries by low investment into the Castilian textile industries hubs of Segovia and Toledo which resulted into high prices for textile products while the population continued to grow rapidly and wages stagnated (Thompson and Yun 1994). Political mismanagement, neglect of its industries and financing of wars all over Europe led to debts of unprecedented amounts and was symbolic for Spain's course. On the other hand, British and Dutch economic and financial development was a consequence of institutions that constrained the power of the monarch. Figure 1 shows that although Castile Spain, the British Empire and the Dutch Republic set-off from the same initial living standards in 1500, they arrived at different ends of economic development in the preceding centuries. Hence, for the example of Spain the impact of geography on economic development was greatly determined by its intervening institutions that failed to translate geography into economic growth.

[2] Allen (2001) estimates of real wages of unskilled construction workers imply no more than mediocre living standards in 16th century Madrid and Valencia but already higher living standards for London and Amsterdam

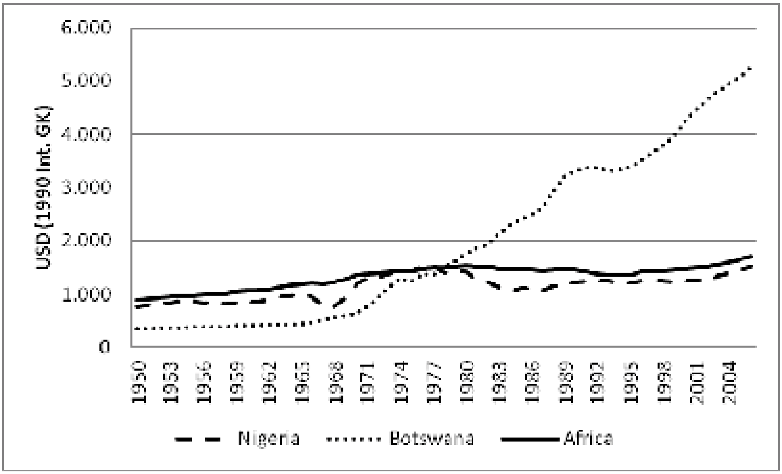
Figure 1: Diverging paths – Spain, England, and the Netherlands per capita GDP, 1500-1850



Source: Maddison (2009).

Contemporary examples of poor outcomes from concentrated rents from natural resources include Nigeria and Sierra Leone. However, early modern Spain and contemporary Nigeria and Sierra Leone did not experience poor development outcomes because of its natural wealth as such, including conflict due to physical geography – oil and diamonds respectively, but because these natural resources exacerbated initial institutional weaknesses. On the other hand, countries with exceptional pre-existing institutions did not witness the 'natural resource curse' but translated resource wealth into economic prosperity. A good example is probably diamond-rich Botswana that experienced four decades of unprecedented economic growth while Nigeria's poverty doubled despite ballooning oil revenues (Figure 2). Therefore, institutions matter.

Figure 2: Different growth trajectories – per capita GDP Botswana, Nigeria, and total Africa, 1950-2006.



Source: Maddison (2009).

In sum, geography is a strong determinant of economic development in particular during times when nation-building and inclusive institutions were less prominent. Through nation-building and market-led institutions countries became capable of taking advantage of exogenous geography for the benefit of the people (e.g. access to the sea or natural resources). Exclusive institutions (e.g. monarchy or dictatorship) are less likely to turn geography into prosperity and geographic adversely affected countries (e.g. landlocked SSA) need to build regional plateaus of trade and transport and invest into health to combat tropical diseases (e.g. malaria) in order to reduce their initial economic disadvantage.

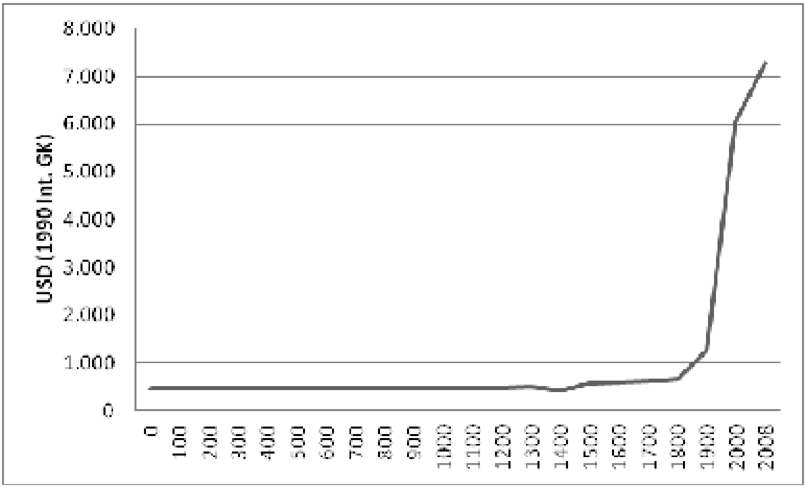
3. Institutions

A second strand of literature centers on institutions being the royal road for economic development. North and Thomas (1973) claim that institutions serve as preconditions and determinants for economic growth, while in turn also arising endogenously as a by-product of economic development. Landes (1998) eventually brushed geography aside in favor of values and cultural beliefs as ultimate determinant for "why some nations are so rich and some so poor." For example, in explaining Japan's successes, Landes concludes that "people made all the difference", including culture, but he ignores the fact that aggregations of people play by certain rules of the game called institutions.

Typically SSA is hailed to lag behind in terms of economic development because of its institutions not favouring economic growth because of lack of law and order; insecure property rights; entry barriers and regulations prevent functioning of markets. Poor institutions largely scare off foreign direct investment and ease the likelihood for African economies to fall prey to the curse of natural resource. On the other extreme, Western Europe today is associated with rule of law, secure private property rights, independence of the judiacry, bureaucratic capacity, personal liberty and political stability. Why are institutions between the two regions so different? Answers to this question can not only provide a long-term formula for economic development but can also explain that economic growth associated with inclusive institutions does not come over night and therefore gives a relatively negative short-term outlook for SSA's economic development.

In history the distinct moment when nations started to diverge considerably in economic development marked the Industrial Revolution in the mid-18th century, as most important break in economic history. The Industrial Revolution led to unprecedented economic growth in particular for Western European countries and their North American off-shoots but also contributed to global inequality although compared to China and the Middle East, early medieval Europe was a backward and poverty-stricken peripheral region. Hence, economic historians ask themselves the question what made Britain diverge from the rest of the world despite an initial economic head start of Asian countries. In other words, why did Western Europe experience the Industrial Revolution and others not, or much later? This debate can act as proxy for 'why some nations are rich and others relatively poor?' given that global living standards were barely at subsistence level almost everywhere (with some regional exceptions) before the 18th century (Figure 3). Only in the two centuries after 1820 per capita GDP of the world population grew considerably from \$667 in 1820 and \$1,526 in 1913 to in \$7,285 in 2006 (Maddison 2009), which explain the hockey-stick-like shape of the curve in Figure 3.

Figure 3: Global GDP per capita, 0-2008.



Source: Maddison (2009).

Answers lie in the historical development of institutions in the two regions. Extractive institutions, associated with political institutions concentrating power in the hands of a few, without constraints, checks and balances or rule of law have been the norm throughout global history. Hence, an important question is where did inclusive institutions leading to the Industrial Revolution come from? According to Acemoglu and Robinson (2012) the long road to prosperity for Britain began in the 14th century after the Black Death caused the population of England to decline by one third and therefore labour became a valuable commodity, indicated by increased wages (Phelps Brown and Hopkins 1956). This reduced the power of the landlords and caused feudalism in Western Europe to wither away because landlords could no longer afford paying serfs increased wages while landholdings were redistributed followed by the demographic shock. In the 16th century a critical juncture marked the development of the Atlantic economy which led to the emergence of a broad and powerful coalition of merchant trades men in society in favor of reforming political institutions and removing absolutism in Britain, while in Spain trade the Crown had a monopoly on trade. Crucial turning point for Britain's institutional divergence from the rest of Europe marked the Glorious Revolution in 1688 – the overthrow of the King by Parliament. This allowed control over the executive and political participation, which laid the pre-condition for economic growth (North, Wallis and Weingast 2009). Also for Eric Jones (1981), it was this loss of power of the British monarchy in favour of the people when a long-term process of a market economy that favoured the merchant class emerged which in turn led to the creation of nation-states in Europe. This was crucial for the transformation of Britain's improving and innovative yet still traditional society into an industrial society. Without the nation-state, the monarchy would have retained property rights over many of the innovations and thus reduced people's incentives to innovate (North and Thomas 1976). Power was not centralized anymore and it brought much more inclusive and pluralistic political "rules of the game" (North 1990), defined by Acemoglu and Robinson (2012) as secure property rights, law and order, markets and state support for markets; openness to relatively free entry of new businesses; access to education and opportunity for the great majority of citizens. In other words, Europe created a set of institutions favourable for a market-led development, which laid the pre-conditions for the Industrial Revolution in the 18th century to take place in Western Europe. However, the inclusive institutions argument depends very much on a market-led view of development. For example Chang (2002) and Bairoch (1995) provide reason to doubt that this is what really happened in historical Britain, Germany or the United States (or Southeast Asia after 1945), where protective and active industrial, trade and technology policies and some mastering of globalization were crucial for later economic development in one way or another.

For SSA, Acemoglu et al. (2005) argue that the kind of institutions established by European colonialists, either protecting private property or extracting rents, resulted in the poorer parts of the pre-colonial world becoming some of the richest economies of today; while transforming some of the more prosperous parts of the non-European world of 1500 into the poorest economies today. In particular remote and less fertile hinterland regions of Africa were subject to punishing revenue-extraction measures (e.g. forced labour, head-tax, and compulsory cultivation) which lend support to the argument that geography shaped later institutions and hence economic development in SSA. With reference to four centuries of intense external slave trade (e.g. trans-Atlantic slave trade) this view has been further elaborated for Africa by Nunn (2010). He argues for a persistent adverse effect of historic slave exports on current economic development. Slave traders and raiders formed strategic alliances with key groups inside villages and states in order to extract slaves for export. The consequence was internal conflict and political instability and the substitution of pre-existing forms of government by small bands of slave raiders controlled by a ruler or warlord. The latter eroded pre-existing ties between villages, and thus discouraged the formation of larger and stable communities and undermined market-exchange and the benefits from economies of scale.

Gareth Austin (2008) believes that the Acemoglu et al. (2005) and Nunn (2008) reversal of fortune thesis oversimplifies the causation by "compressing different historical periods and paths." For Austin not everything that happened during the colonial period was the outcome of colonial rule but emphasizes agency of Africans to shape their own lives, and hence to shape the nature of colonialism itself. For example, Austin (2009) argues that it was African responsiveness to viable export-market incentives (e.g. mainly export of cocoa and palm oil) which explains why West Africa became a region of 'peasant' colonies whereas South Africa, Rhodesia (regions of today's South Africa, Botswana, Zimbabwe and Mozambique) and Kenya were subjected to settler colonialism. For example cocoa growing contributed largely to the welfare of the Asante Kingdom (today Ghana) and was an African enterprise long before colonialism. Furthermore, Austin

(2008) criticizes that the Acemoglu et al. (2005) thesis overlooks the importance of African agency during the pre-colonial and colonial period. He suggests a more complex pattern of causation in relation to economic historiography of Africa. He argues that relatively low labour productivity in SSA was a premise of external slave trades; though the latter greatly reinforced relative poverty of many SSA economies. Furthermore, he outlines that colonial agents had different interests in settler and non-settler economies within colonial Africa. SSA Settler economies were supported or preserved rather than just extracted from and therefore have different institutions today.

4. Conclusion

Why are some regions or countries rich while others are poor? The answer is three fold. First, reviewing history helps in understanding the roots and consequences of economic differences between countries and thus in answering the latter question. Second, it seems that the answer depends on the time scale. For the last 13,000 years we may conclude that geography was the most important factor for development. However, over the past millennium geography has become less and less determinant for the 'fates of human societies' because of nation-building, in particular in Western Europe where a set of institutions that was able to alter geographic destiny more and more through advances in technology and was able to harness natural resources through control over the executive. It would be wrong to claim that institutions were less important in explaining economic development in the far past but much evidence points to the fact that particularly over the last centuries; countries became rich in the long-run when they managed to develop inclusive institutions. Third, geography is not destiny but can be altered and natural resources harnessed through inclusive institutions. Because SSA countries on average have weaker institutions, geography becomes a constraint rather than an economic 'booster'. 'The long road to the Industrial Revolution' for Britain reveals that inclusive institutions are the long-term formula for economic development but it also exhibits that such institutions do not come over night. This could give a relatively negative short-term outlook for economic development in SSA. However, the example of Botswana shows that effective reforms towards inclusive institutions are possible in SSA, despite being rich in diamonds. According to Acemoglu and Robinson (2012) extractive political and economic institutions are difficult to change though they can be successfully challenged and altered during critical junctures of the course of countries as demonstrated for the historical case of Britain. However, quite often institutional change requires a minor or major political revolution. The "Arab Spring" gives hope that history is not destiny.

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The Dictator Effect: How long years in officevelopment in Africa and the Near East, 1960-2009

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1. Introduction

One of the most important reasons why people marched in the streets of the Arab world last year was that the presidents they wanted to depose were in power for far too long. During those long years their regimes had become increasingly corrupt; at least that was the perception by the population. Some, like Gaddafi, started as young and promising reformers of the 'old regime' but gradually became the personifications of the malpractices of such a regime themselves. And growing corruption and patronage had begun to suffocate the economy, resulting, finally, in the mass protests that deposed (some of) them.

Long years of tenure are not a feature of the Arab world only. In Sub-Sahara Africa, the number of presidents who ruled their country for many, many years is even much larger: names like Mobutu (Zaire/Congo: 1965-1997) and Mugabe (Zimbabwe: since 1980) immediately spring to mind, but there are dozens similar stories[3].

This paper sets out to explore what the effects of such long tenures are on the economies of the countries concerned. It aims to systematically test the relationship between a number of economic and institutional variables. This is done in a number of ways. First we borrow ideas from Olson, McGuire, Wintrobe and others to explain how dictators affect the economy. We develop the idea of a dictator's cycle (a bit similar to the political business cycle): initially a new regime may have a moderately favourable effect on the economy, but after some time – when the time horizon of the dictator shrinks - he will turn from 'young and promising', perhaps even successful in the economic and institutional spheres at the start of his career, to much less successful and more repressive policies, leading to increased corruption and less economic growth, or even economic disaster.

This may lead to his downfall – economic mismanagement will increase the likelihood of a successful coup d'état – or it may not, if he is able to suppress the opposition (a contemporary, 'interesting' example in this respect is, obviously, Mugabe). Secondly, we test this idea that 'years in office' of a president/dictator has a large impact on growth. The empirical part of the paper focuses on the Near East and Africa, the region in the world where these problems are most significant.

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[2] Jan Luiten van Zanden is Professor of Global Economic History (chair) at Utrecht University and was the President of the International Economic History Association 2009-2012. He visited MMU in September 2011.

[3] See for example the long list of dictators at http://conservapedia.com/List_of_dictators

2. The Dictator Effect

This paper contributes to the larger debate about the effects of political institutions on economic performance. For the recent period, this debate has mainly focused on democratic regimes and their effects on economic growth (Barro 1996, Przeworski et al. 2000, Acemoglu and Robinson 2001, Tavares and Wacziarg 2001, Acemoglu et al. 2005). Rodrik (2002) for example argues that democracies produce more stable growth paths and are better at dealing with adverse shocks. Literature on the economic effects of dictatorship is much more limited. Two sets of papers pioneered this: Olson (1993) and McGuire and Olson (1996) developed a model of the dictator as 'stationary bandit', and Wintrobe (1990; 1998) published a series of papers and a book developing a number of models covering different aspects of dictatorship. The basic idea of the Olson and Olson and McGuire papers is that dictators – even if they have unlimited power, which they are assumed to have in this approach – are constrained in their actions because increasing the level of taxation (or reducing spending on public goods) will have negative effects on the economy, and therefore, via taxation, on the income of the dictator.

The Olson-McGuire approach, however, assumes that dictators are economically rational and – even more problematic – have access to full information about the consequences of their choices in the long run. The political literature about dictatorship stresses the information problems faced by rulers of this kind. Because they are the source of all power, people are reluctant to share their information with them, because the messenger of the bad news may well fall in disgrace. People will therefore tell the dictator what he wants to hear – and the dictator, knowing this, will not trust the information given to him by his assistants & ministers. This is the dictator's dilemma: because he is 'almighty', he will never know how loyal his entourage let alone his subject population is, because they do not dare to signal disloyalty to him (Wintrobe 1990; 1998). A dictator is therefore surrounded by information asymmetries. People will try to flatter him by presenting too optimistic information about the state of the economy and ignoring the bad news about it. Also because bad economic news may mean that they – the minister of economic affairs for example – is not doing a good job, or that the policies of the dictator himself have failed. Once such a disinformation campaign has started, it is difficult to return to reality. Moreover, a dictator has good reasons to distrust everybody: as Machiavelli famously remarked, a ruler is almost bound to die at the hands of somebody close to him. So a dictator can easily be caught into a disinformation trap: he does not trust anybody anymore and therefore lacks a basis for sound economic decision making. Many dictators start their career as team players, leaders of a team that has staged a coup or won a contentious election. The logic of the dictator's dilemma implies that he will gradually eliminate others, more or less independent members of his team, and increasingly rely on (for example) family members who are (in his view) more trustworthy or more willing to tell the ruler the stories he want to hear. He may become increasingly lonely and paranoiac and the quality of his (economic) decision making will decline accordingly.[4]

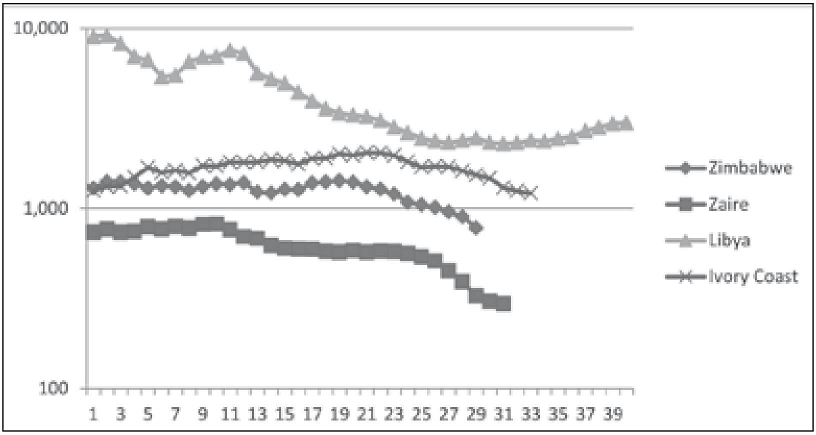
The 'dictator's dilemma' can be solved in two ways: by repression or by loyalty/ popularity – both are costly, however. Thus, "successful" dictators need a mix of repression and loyalty (or popularity) to survive in office, and this mix largely determines the character of the regime. Hence, it is possible to divide the authoritarian regimes into the following groups: 1. Military regimes, based on (following Mao's famous quote) 'the barrel of the gun' (high repression and low loyalty); 2. Monarchic/ Personalistic/ Dynasty regimes, based on 'traditional' rule by a family (low repression and high loyalty); and 3. Single-Party/Totalitarian regimes, often based on ideology (communism), which makes possible the combination of high repression and high loyalty (Geddes 2003, Wright 2008). Similarly, Chang & Golden (2010) have analysed the determinants of corruption in authoritarian polities and the effects that corruption has on growth in the different autocratic regime types. Their results show that personalistic and personalistic-hybrid (monarchies) regimes are more prone to corruption than military and single-party ones, implying that rulers who have longer time horizons are less corrupt.

We test these ideas by finding out which type of regime produces the 'dictator cycle'. Such a cycle points to low levels of institutionalisation of power – which we expect to be correlated with 'antiquity' of the state (measured by the 'state antiquity' dataset) – and will probably occur in military and/or monarchic regimes, where power is personalistic and not embodied in a party and its ideology. We hypothesize that young states, as those in sub-Saharan Africa, have not developed a dense network of institutions that constrain the behaviour of rulers.

There is, apart from the protests during the Arabic Spring, some prima facie evidence that dictators, who stay in office for a long time, may have a poor economic record. If we set out the 'years in office' of the dictators of a number of African countries against the development of their GDP per capita we get a picture as presented in Figure 1. Most dictators do rather well during the first part of their tenure (although in the case of Libya this was perhaps sheer luck: the oil crisis of the 1970s improved things a lot for the country). But after a while, the economy of these countries began to go down: GDP per capita declined dramatically in all four of them. This was also independent of the year in which they took office, because the four countries of Figure 1 were selected such that the start of these regimes was spread in time (Ivory Coast's HoupHouët Boigny: 1960; Zaire's Mobutu: 1965; Libya's Gadaffi: 1969 and Zimbabwe's Mugabe: 1980). Only Gadaffi managed to turn his economy around after a disastrous slide during the 1980s and 1990s, but this was mainly due to oil exports and high oil prices. Moreover, the level of real income remained quite low compared to the situation of Libya when he seized power: its GDP per capita in 2008 was only a third of the level of the mid 1960s!

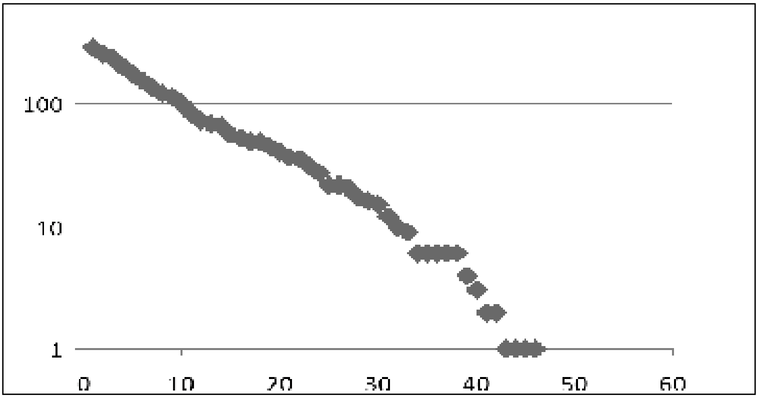
[4] A factor not mentioned in McGuire and Olson but quite relevant in our simulations with a dynamic version of the model is the interest rate, which captures the time effect; low interest rates result in long time horizons, a heavy weighting of future (tax) incomes and therefore increase the chance at benevolent policies; the problem with Africa is that interest rates are very high, reducing the time horizon of all actors, including dictators.

Figure 1: Years in office and GDP per capita, four countries



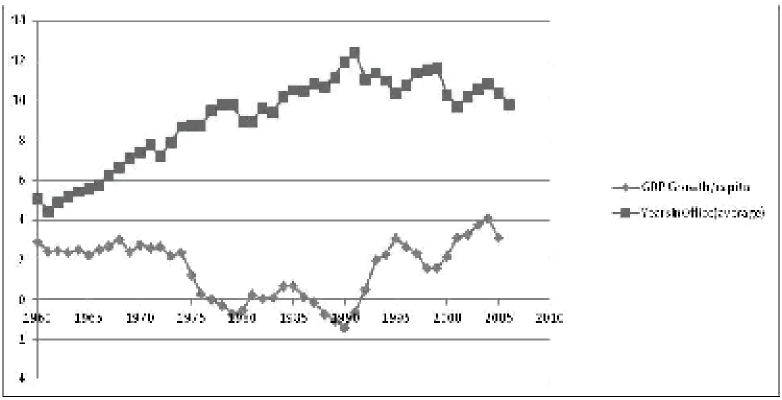
This example also demonstrates how important oil may have been for the countries concerned – we will therefore also look at this factor in our regressions. The main testable hypothesis is the following: *does the fact that a ruler remains in office for many years affect economic growth?* In our attempt to tackle this we analyze annual data on economic, political and institutional variables for the period 1960-2009, for 58 countries in Africa and the Near East. Therefore, in the empirical analysis we test the effect the long tenure of a ruler has on economic performance of the country concerned . The distribution of 'Years in Office' variable is presented in Figure 2. It shows the pattern that can be expected, a gradual decline which, for the African and Near Eastern countries that are in our sample, more or less coincides with an annual succession-rate of 89 percent (we get an almost identical figure if it is assumed that each successive year 89 percent of the rulers continue to be in office).

Figure 2: Distribution of years in office



The average value of the years in office variable is shown in Figure 3. After independence in the early 1960s it obviously started at a relatively low level, but it increased until the early 1990s when the average ruler was in office for about 12 years! Since it has declined a bit – the democratic wave of the 1990s did have some impact – but on average the decline is quite small (to 11 years in 2009). We also show the average rate of per capita GDP in Figure 3, to illustrate the connection we are trying to establish: long years in office do seem to be correlated with slow economic growth.

Figure 3: Average value of years in office and the average rate of growth, 1960-2009



Finally, we used a number of classifications of political and economic regimes, in order to see how they interact with 'years in office' and to capture the different effects each of these classifications has on economic growth:

- We coded *three types of authoritarian regimes following Geddes* (1999) so as to examine the different effects that each type of autocracy has on economic growth: military, monarchy and single-party.
- We investigate whether *state antiquity* interacted with years in office have an effect on economic growth; in young states, such as almost all Sub-Saharan countries, without a certain institutionalization of power will probably be more 'personalistic', implying that the Dictator effect is stronger there; 'old' states, such as Egypt, or Ethiopia, may have developed stronger institutions to constrain the power of the executive; we used the "State Antiquity Index" (Putterman 2004) to measure this effect, but divided the sample of countries into two groups, the young states (independent since the 1960s) and the older states (and created a dummy to the latter states).
- Another obvious factor that we would like to include in the analysis is whether a country is *oil producing* or not; Therefore we identified the oil producing countries, and analyse the interaction between 'oil' and years in office.

3. Conclusion

We began writing this paper when people were marching on the streets of Cairo and fighting their way to Tripolis; we finish writing this draft when Putin has just been elected for a third term of 6 years as president of Russia (by changing roles with Medvedev for one term, he cleverly solved the constitutional constraint which allowed him only two terms). In Senegal a similar discussion raged about the re-election of Abdoulaye Wade, who found another way to ignore a similar rule in the constitution of the country (because when he came to power in 2000 this rule had not been included in the constitution he argued that it did not apply to his being re-elected for another term of 7 years). This paper explains why such rules exist and make sense: economic performance of countries in Africa and the Near East is seriously negatively affected by rulers staying in power far too long. The variable years in office is consistently related to less economic growth, more inflation, and poorer institutions. And this effect is particularly strong (and/or significant) in young states, and in non-oil producing countries. There is a significant exception to this, however: in oil producing countries we do see a strong negative effect of years in office on institutions, but not on growth (which is apparently independent from the resulting policies and more strongly affected by oil-related events).

The paper can also be read as another contribution to the big debate about the links between democratic institutions and economic development. It demonstrates that 'absolute' power, as we find in many of the countries studied here, leading to long years of tenure, results in bad economic performance – low growth. It is part of one of the vicious circles of underdevelopment: poor governance will restrict economic and institutional change, which will limit potential improvements in governance structures. But we also found some evidence that things might be changing: the quality of institutions is slowly improving, a trend which already started in the 1990s in Sub-Saharan Africa, and which seems to hit the Near East now as well. Seen from this perspective the Arabic Spring is not just an isolated event, but part of much broader processes of change that are now manifesting itself (even) in this region.

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Gender and Development in Sub - Saharan Africa

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1. The concept of Gender in SSA

One of the prevalent topics discussed during the fourth United Nation's World Conference on Women in Beijing, China (1995) was the concept of gender and its relevance for development. Previously, the international community had mainly focused on defining how women's empowerment was crucial for economic, social and political advancement of developing countries. The shift from the focus on women to the concept of gender derived from the notion that it was not merely the empowerment of women playing a role in tackling deficiencies. It was rather suggested that the relationship between men and women and the entire structure of society needed to be analyzed in order to discover the problems arising from power imbalances between men and women.

Gender refers to socially assigned female and male roles and responsibilities and therefore determines socio-economic participation and opportunities. It is to be distinguished from sex, which stands for the innate, immutable physiological male and female characteristics. Gender is however often confused with sex; it is a common belief that one entails the other, i.e. a woman has certain characteristics due to her female physiology. The terms sex and gender are hence often used interchangeably. Defining male and female characteristics as social constructs has its roots in feminist theory. Feminism, which can generally be described as a range of movements promoting women's rights and equality to men, must however be distinguished geographically, within its various historical waves, and sometimes opposing ideologies (Walters 2005). While some feminists emphasize the role of women as mothers and caretakers, others, such as post-modern feminist Judith Butler, point out the importance of the deconstruction of engendered identity and sexuality. In this line, also Simone de Beauvoir, one of the most influential 20th century feminists, noted "one is not born a woman, one becomes one" (De Beauvoir 1989). De Beauvoir (1989) opposed theories which put forth women's special skills in caretaking and motherhood. According to her, this meant to comply with a myth invented by men which reinforced women's oppression by not recognizing them as equal human beings.

Yet such theories on gender have often been criticized for being euro-centric or westernized, excluding issues of intercultural diversity. Second wave feminism, in the late 20th century, stressed the importance of considering other elements of diversity, such as race and class, which were also subject to social exclusion and discrimination. It was pointed out that women had different needs and concerns due to their diverse historical, political and cultural realities.

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African women argued that women were part of class structures and different cultural settings, which had direct impacts on their lives and hence shaped their specific needs and interests. Generally it can be argued that feminism in many African countries is not "[...] concerned with issues such as female control over reproduction or variation and choice within human sexuality, nor with debates about essentialism, the female body, or the discourse of patriarchy. The feminism that is slowly emerging in Africa is distinctly heterosexual, pronatal, and concerned with "bread, butter, and power" issues." (Mikell 1997). This is why, in terms of development, the focus has been put on empowering women, as women with their so-believed female characteristics have proven to promote development. The shift in the terminology from *women's empowerment to gender equality* was therefore confusing for some and deliberately not adopted by others. Fighting for gender equality for many sub-Saharan African women meant to primarily focus on enabling women to participate in economic, social and political decision making in order to enhance and create awareness of the importance of their role as mothers and caretakers and the related benefits for development. In this line, it is generally not considered necessary or even acceptable to critically question engendered identities in order to reach such objectives.

As donor cooperating partners were however keen on bringing the concept of gender equality forward, many organizations working in the field of women's empowerment in SSA consequently accepted the new terminology and either continued with their previous approach or took on new challenges in discovering how the relationship between men and women could be improved on and how men could be involved into the struggle against gender inequalities. It proved to be a very effective approach when involving men into campaigns against gender based violence for example. Men were engaged as role models, condemning inequalities between men and women, manifested in violence against women. The world-wide event of 16 Days of Activism against Gender Violence became one of the main occasions to involve men in the struggle for gender equality. As successful as this approach was, it worked with messages enhancing beliefs on apparent *male* and *female* images, i.e. "Real men don't hit women". Emphasizing the notion on what a *real man* or a *real woman* is would be considered a backlash according to post-modern, deconstructivist feminist theory. It is, however, so far an effective approach in many sub-Saharan African countries. It seems that notions on identity are deeply entrenched into cultural beliefs and hence difficult to overcome. It results more fruitful to work with these notions in order to promote women's rights. Whether in such way a more profound behavioral change on the individual level concerning gender relations can occur, remains however questionable.

The dilemma many sub-Saharan African countries are facing is the need to internalize a foreign concept of gender equality, which often comes as conditionality from development cooperation. Gwendolyn Mikell (1997) argues that male African politicians feel pressured to address the needs of women and other marginalized groups and to open up opportunities for public participation. As this participation for women is encouraged externally, the response from African women does not derive from "[...] indigenous African experience and gender roles." (Mikell 1997). African feminism must be distinguished from Western feminism. It mainly emerged as a response to Western hegemony, defending African cultures and diversity.

Therefore, it is not clear whether the Western approach of promoting individual female autonomy by questioning notions of identity is combinable with African cultures, which tend to promote collectivism and the importance of women in their caretaking roles. Deeply rooted beliefs on female and male characteristics make it difficult to address issues on identity and sexuality when it comes to inequalities between women and men. It seems that only by emphasizing women's so-perceived natural characteristics and behaviours, their agency can be promoted. As these *female* traits are known to promote development, by focusing on the family's wellbeing, children's education and health care, it turns out to hold positive results to focus on the concept of women's empowerment instead of gender equality in sub-Saharan African countries.

In sum, it can be argued that promoting female agency by enhancing so-believed *female characteristics* is a necessary step for many sub-Saharan African counties in order to enable women to seek social, political and economic participation. It remains yet to be examined whether such approach towards gender equality can automatically lead to questioning socially determined roles and responsibilities more critically, and whether it can cause significant social changes in the long run. In order to get an idea about how gender equality has evolved over the past, the second part of this article discusses female agency in sub-Saharan Africa in more statistical depth. It focuses on examining how female agency has changed historically and how these changes can be measured through various indices today. Furthermore, it provides evidence for the discussion on how female agency depends on the perception and definition of gender roles by a certain society and whether unequal conditions for men and women are perceived as obstacles or predetermined traits of life. As this is often manifested in cultural and religious beliefs, indices show that deviations in female agency can be observed between countries with different religious beliefs. Even though the issue of measuring gender equality remains highly complex, such research demonstrates the socially constructed nature of gender relations and the dominant discourse behind it, which enforces and legitimizes power imbalances. At the same time, it indicates that such notions are not static and can change over time, which is a necessary precondition for engaging into promoting gender equality.

2. Measuring female agency in SSA

The concept of female agency and gender equality, inevitably have substantial intersections. Only when women enjoy the capacity for autonomous decision-making to realize their potential agency they can also enjoy equal treatment within society. The concept of female agency is also an expression of a fundamental change of the classical gender paradigm which identifies women as patients and passive recipients of welfare-enhancing help to active agents of change – "the dynamic promoters of social transformation that can alter the lives of both women and men" (Sen 1999). In other words, an increase in women's voice and agency in theory can have far reaching positive effects not only on the lives of women but also on the lives of their men and offspring. For example, various studies about female vs. male control over resources and household spending patterns reveal that women tend to spend more on children's health and education than their husband's when their incomes increase (Benhassine et al. 2011, Duflo 2003, Lundberg et al. 1997).

Measuring female empowerment levels historically is not easy and is limited by scarcity and length of data. Given that most contemporary female empowerment indices are based on a composition of various variables, they do not date back long in history. This makes the study of long-term development of female agency complex and hence requires some creativity in the selection of proxy variables. Age at first marriage and the differences between spouses age acted as historical indicator for gradually changing power on the household level since the late medieval period for Western Europe, known as the European Marriage Pattern (Hajnal 1965, De Moor and van Zanden 2009). Therefore this article employs the latter two proxies as a measure female agency over time in SSA. A large age gap at marriage between men and women signals that the younger partner is likely to have less decision making power in the union. Marriage at an earlier age reflects much less agency and autonomy than the free choice of partner at a relatively advanced age. In other words, young girls who marry older men are likely to be left with little say in regard to the formation of the union. This power-imbalance from the 'beginning' onwards is likely to materialize into in later unequal decision making pattern on the household level (Carmichael 2011).

Both parameters, age at marriage and spousal age gap were then merged into a new index – the Girlpower Index by De Moor and van Zanden (2006), which is calculated by subtracting the spousal age gap from women's age at first marriage. Only recently Carmichael et al. (2011) tested in an exploratory approach marriage patterns as a historical measure of female agency against three current elaborated indices developed by the international development community (i.e. OECD, United Nations, World Economic Forum). Their findings lend support to a strong correlation between the historical measure of marriage patterns and the latter contemporary gender empowerment indices. Therefore, the Girlpower Index could also be suitable for the purpose of analysis of female agency in SSA after 1960 – since post-colonialism. It also represents a practical alternative in case of scarcity of historical data, which makes the proxy even more relevant in the SSA context where historical data is generally scarce. Furthermore, most modern gender indices only provide data for the more recent period, and thus fail to capture long-term trends of female agency. So far we only have an idea about female agency in Africa in the post-colonial period. Thus, the method could open ways in analyzing female agency for SSA in a long-term perspective from the beginnings of the colonial period in the late 19th century. It would be interesting to compare the distinct periods.Did the colonial period have any impact on female agency? Did female agency increase, stagnate or even reduced during the period of occupation? Did the nature of colonization matter (i.e. settler vs. extractive colony) and the colonizing nations themselves? Exciting questions, that could be uncovered when blowing the dust of SSA church archives that usually hold marriage certificates.

Table 1 shows age at first marriage, spousal age gap and the calculated Girlpower Index of the latter two variables. Niger has the lowest score (10.1) and Namibia (26.4) has the highest score in terms of female agency in SSA measured by this method. Uganda (16.2) scores below average of women's agency in SSA of 16.8. As a reference point, Western European countries score between 28 and 31 over the past decade.

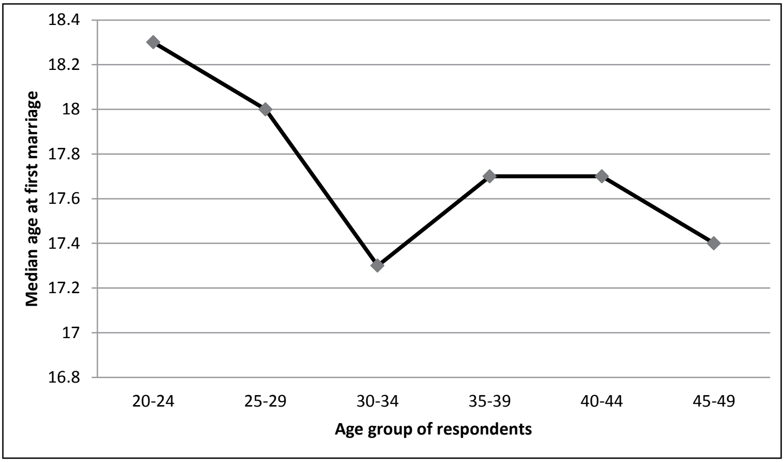
Table 1: Female agency in SSA

	Age at 1st marriage	Spousal age gap	Girlpower Index
Namibia (2007)	28.3	1.9	26.4
Rwanda (2005)	23.7	2.8	20.9
SSA average	21.6	4.8	16.8
Kenya (2003)	22.5	4.8	16.6
Uganda (2002)	20.2	4.0	16.2
Tanzania (2004)	20.0	5.1	14.9
Niger (2006)	17.6	7.5	10.1

Source: Author's calculations from United Nations (2008).

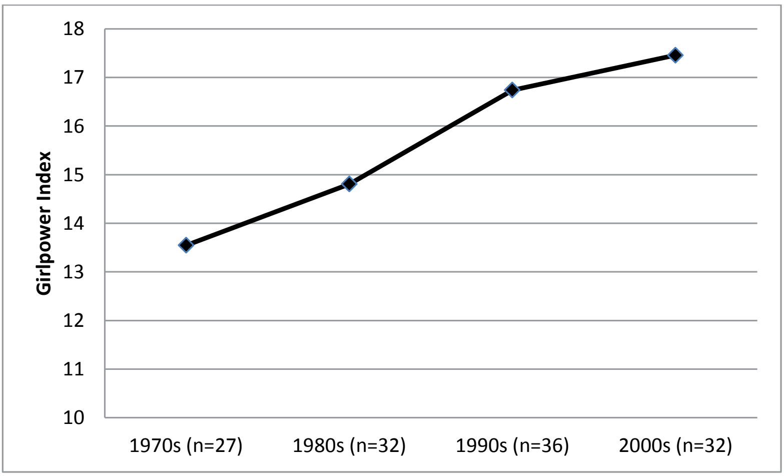
An alternative to retrieve historical information on female agency comes from comparing recent survey and census responses of age at marriage and spousal age differences from different respondent age groups. Figure 1, displays the median age at first marriage of six different age groups. It shows that today's female generation (survey respondents' age group 20-24 and 25-30) marries on average just after their 18th birthday in comparison to the previous generation that married at the age of 17 on average (age group 40-44 and 45-49). In other words, Ugandan women almost gradually increased their age at marriage over the past 30 years. This is in line with the regional trend of the Girlpower Index for SSA from 1970s to 2000s, illustrated in Figure 2. However, there exists a difference of 2 years when comparing the United Nations World Marriage data and the UBOS data (Figure 1) for women's age at first marriage (Table 1). The 2 years difference stems from UBOS using median age while the UN using mean age. Furthermore, among women aged 20-49, 16 percent were married by the age of 15 and 53 percent were married by age 18. The median age at first marriage in Uganda was 17.8 for women and 22.7 for men in 2006. Data was missing for male age groups, therefore the spousal age gap for the different age groups and Girlpower Index could not be calculated. Only 3% of women aged 15-19 were married before age 15 compared with 18.4% of women aged 45-49. In other words, early marriage has reduced from one generation to the other in Uganda.

Figure 2: Median age at first marriage of women in different age groups in Uganda



Source: Author's calculations from UBOS (2006).

Figure 3: Girlpower Index for SSA, 1970-2010

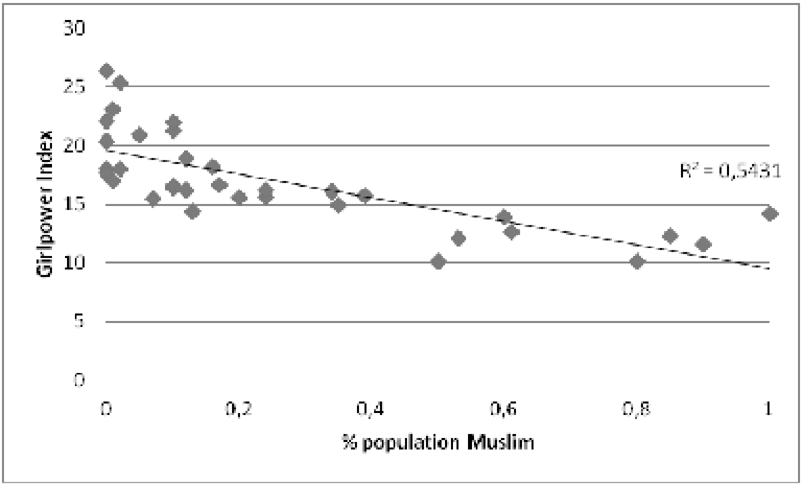


Source: Author's calculations from United Nations (2008).

Carmichael (2011) finds the level of education of females at age 15, and the rate of urbanization to have a positive influence on female age at first marriage and reduce spousal age gap in developing countries. Moreover, her regression results report that the percentage of Islamic population depresses age at marriage and increases the spousal age gap. The African family type which models marriage as a more fluid institution with frequently changing partners (Todd 1985) further reduces female age at first marriage and increases the spousal age gap. In this article we confirm the strong negative correlation (R^2 = 0.543) between percentage of population with Muslim faith and female agency for sub-Saharan African countries (Figure 3). Furthermore, Table 2 reveals that women marry on average 3 years earlier in SSA countries where the population with Muslim faith is above 30 percent in comparison to SSA countries which have a lower population practicing Islamic faith than 30 percent. Also, the spousal age gap is larger by 2.3 years in SSA countries where the Muslim population constitutes more than 30 percent. These differences in agency of course show in the Girlpower Index which is 5.6 points higher for SSA countries where the population with Muslim faith is below 30 percent.

In 2012, the Global Gender Gap Index of the World Economic Forum listed 18 countries where more than 60 percent of the population practices Islamic faith among the 20 countries with the lowest score (ranks 135-115) in terms of female empowerment. The only nations that are not predominantly Islamic in the bottom of the Global Gender Gap index were Benin and Cameroon. Finding reasons for this relationship is beyond the scope of this article but we suggest formal and informal gendered institutions, such as Sharia Law, the moral code and religious law of Islam that constrain women's legal position considerably and thereby their agency. However, Carmichael (2011) shows that during the last decade (1995-2005), Islamic developing countries witnessed a positive effect on female age, despite being Muslim. Hence, this describes a more dynamic and nuanced picture of Islam and female agency today than in the past.

Figure 4: Correlation Girlpower Index and percentage of population Muslim for 34 SSA countries



Source: Author's calculations from United Nations (2008) and CIA (2012).

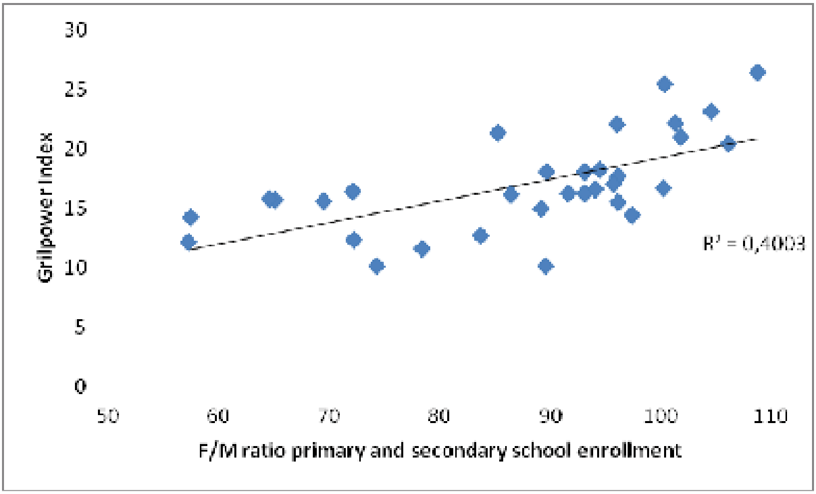
Table 2: Female agency and percentage of population with Muslim faith

	Female age at marriage	Spousal age gap	Girlpower Index
Total mean	21.5	4.7	17.0
<30% Muslim	19.6	6.4	13.3
>30% Muslim	22.6	4.1	18.9
Uganda	20.2	4.0	16.2

Source: Author's calculations from United Nations (2008) and CIA (2012).

Figure 3 reports a negative relationship between female agency and female/male ratio of primary and secondary school enrollment. However, we cannot be sure of the causality. In other words, does higher female agency contribute to an increased ratio of school enrollment or does higher school enrollment lead to increased female agency? Both causal directions are plausible. Certainly, education is important for female agency. Only if women have the opportunity to invest into their human capital they can also engage in wage labour and therefore will depend less on their husband's income and have more decision-making power. Also, Carmichael (2011) outlines the issue of reciprocity to make final conclusions but shows that education plays an important role for greater female agency since education increases women's age at marriage and decreases the age gap between husband and wife. Young women, who marry or have children early in life, typically drop out of school more often and thus are less likely to participate in the labour market later on, which has serious repercussions on their agency throughout life (Ambrus and Field 2008, Duflo et al. 2011).

Figure 5: Correlation Girlpower Index and F/M ratio primary and secondary school enrollment for 32 SSA countries



Source: Author's calculations from United Nations (2008) and World Development Indicators (2012).

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Interest Rate linkages and financial market integration: the path to economic growth for East Africa

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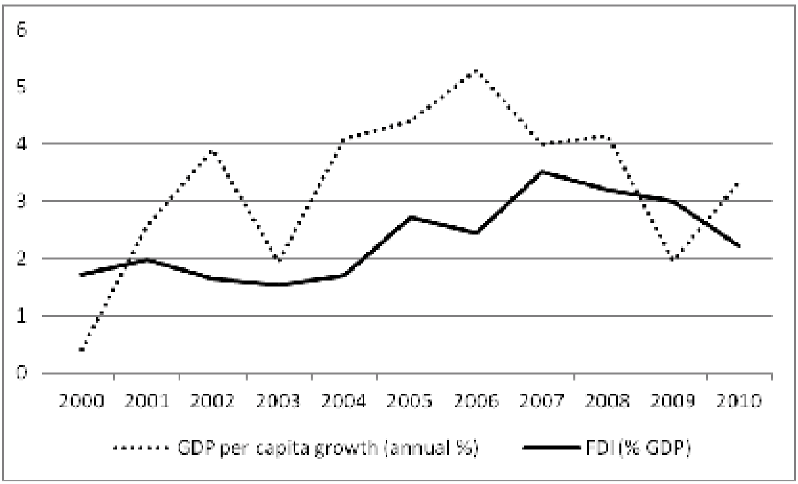
1. Introduction

In recent years, East African economies (namely, Burundi, Kenya, Rwanda, Uganda, and Tanzania) have witnessed a significant level of economic growth, resulting from the recent economic reforms adopted by individual countries, and the relative peace in the region. As a result, average GDP per capita in for the countries of the East African Community (EAC), has grown by 3.6 percent (excluding Burundi) over the last decade (World Bank 2012). Also, foreign direct investment (FDI) grew but only contributed on average to 2.3 percent to the national GDP per capita (Figure 1). Recognizing the advantages of pooling financial resources, East African countries created the East African Community (EAC) in 2000 to strengthen regional integration with the major focus of creating a single integrated financial market to enhance competition, promote efficiency and productivity. Moreover, the EAC aims at increasing intra-regional trade, market liquidity, capitalization and turnover (Wang 2010).

Figure 1: Economic indicators for the East African Community (excluding Burundi)



Source: UNCTAD (2012) and World Bank (2012).

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Despite the latter developments, East African financial markets have remained underdeveloped characterized by low capitalization and inadequate liquidity in capital markets. Consequently, the spread between lending and deposit rates has remained very high and the ratio of non-performing loans is also high, indicating a weakness in its financial market structure.

According to Van Zanden (2012), one of the keys to long-term economic development is access to well-functioning capital markets which enables people to invest into their future and that of their offspring. Furthermore, poverty to a large extent is the result of the fact that people have no access to well-functioning markets in that they cannot sell the products they produce at reasonable prices, and they have no access to credit at reasonable conditions and therefore find it difficult to invest into their micro-enterprises. The Peruvian economist Hernando de Soto (2001) identifies that an important reason for why capital markets are imperfect in many developing countries lies in the absence and unclearness of property rights or titles. In Uganda, most of the land is owned by the government and only the minority actually has official titles to the land they cultivate or live on. Typically, banks require collateral when granting loans. However, in a system that upholds property people cannot mortgage their possessions and therefore have a low or no creditworthiness. Also, because of that microfinance institutions (MFIs) like Mohammad Yunus' Grameen Bank have emerged over the past three decades to address this *capital market failure* and provide financial services to low-income clients, in particular women. Like informal moneylenders, MFIs rely on the ability to check on their customers. Therefore, MFIs loans to group of borrowers, who are liable for each other's repay.

Economic literature has also shown strong evidence of a positive relationship between developed financial markets and economic growth. For instance, already Gurley and Shaw (1955) strongly argued that one of the differences between high- and low-countries are that the financial system is more developed in the former. This is because strong financial markets and institutions enhance the exchange of goods and services, reduce transaction costs, mobilization resources (both domestic and international), allocate efficiently factors of production, and diversify risk. In principle, well-developed financial markets should increase savings and efficiently allocate capital to productive investments, which in turn accelerates the economic growth process in an economy. However, for price stability and financial stability to be fully effective in underpinning growth, there must be the right institutions on the capital market.

2. East African financial markets and regional integration

The ongoing economic integration of East African countries has raised a lot of expectations including the formation of an integrated single financial market which is expected to boost economic growth. In this article I will try to examine the effect the integration could have on the financial markets in the region. It's easy for one to conclude that the integrated markets are likely to boost economic growth. Indeed, there are several studies that have provided evidence on the contribution of financial markets to the economic growth of countries. However, this will depend on the level of integration and market development. For the integrated markets to enhance economic development there is need for respective countries to set up an institutional framework that will enable these financial markets to operate more efficiently; the assumption being that when financial markets are integrated, events in one country will have its impact felt in the financial markets of other countries (Bhalla and Shetty 2001). How quickly and to what extent these impacts will be felt depends on the degree of integration existing at the time. Market integration has far reaching implications for cross-border capital flows, arbitrage trading, financial management, and monetary policy autonomy. However, integrated financial markets will only boost economic growth when the integrated markets are efficiently operated (Zuijderduijn 2007 and Van Zanden 2008).

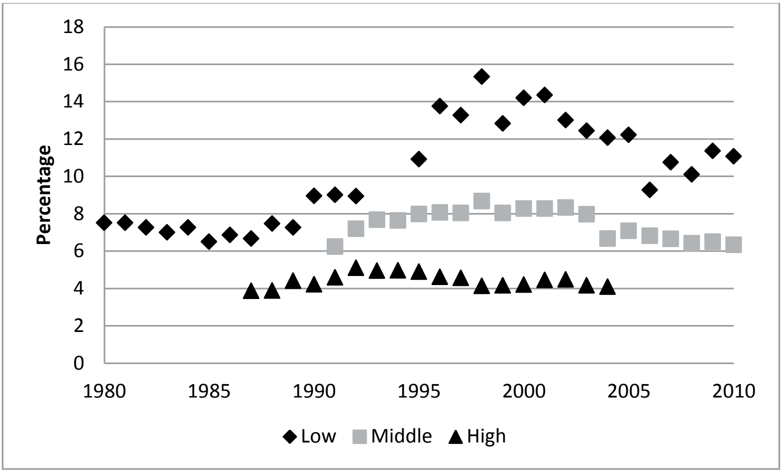
When we look at the evolution of well-developed financial markets of developed countries, it is clear that the development of these markets was due to the existence of relatively efficient institutions which resulted into low interest rates, low transaction costs and higher skill premium that increased the level of integration and eventually economic growth. Where markets were much less integrated, interest rates were high, and also the skill premium was much higher than anywhere else. Western Europe in the centuries before 1300 managed to develop a set of institutions that were more efficient than those found elsewhere.

Then if this is the case, in the face of the regional integration, what are we likely to see? Will all markets be the same; with the same products, the same policies, the same structures or the same prices? Will interest rates be the same across all the markets in the region? However, this can only be true if all economies adopt a fixed exchange rate and perfect capital mobility which may not be the case this time long. But, if the exchange rates are flexible and the capital market is imperfect, interest rate difference will definitely persist. It's however very true that the establishment of a single integrated market will reduce barriers to capital flow, increase liquidity and competition across markets but interest rates across markets will remain different due to the influence of the different exchange rate expectations, exchange rate risk and the default risk in these markets. Throop, 1994, admits that, that real interest rate difference will persist even in the face of substantial financial market integration and market efficiency due to currency risk premium and expectations errors. Therefore, even in the presence of well integrated markets, exchange rate expectation and exchange rate risk will prevent the convergence real interest rates to equality (Bhalla and Shetty 2001), meaning that each country will need to create an environment that will keep her interest rate low so as to foster financial market efficiency and economic growth in a long run.

3. Interest rates as a proxy to measure market efficiency

An efficient financial market is very important for the economic development process as it has implication for effective mobilisation of investible resources. Consequently, financial market efficiency plays a significant role in an economy. A good proxy for the efficiency of financial markets are interest rates. Moreover, interest rates are a good indicator of trust in an economy – the lower the more trust is in the economy. Figure 2, shows that high-income countries are characterized by fairly low interest rate spread margins while low-income countries have high margins and therefore less trust in their economy and higher transaction costs.

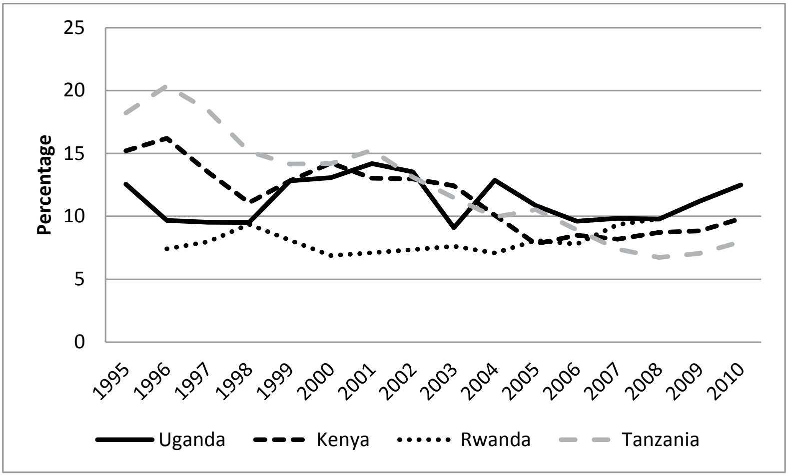
Figure 2: Interest rate spread in high, medium, and high-income countries, 1980-2010



Source: World Bank 2012.

Figure 3 illustrates that interest rates for East African countries range between 19 to 25 percent in comparison to developed countries' rates which lie between 5 to 6 percent (Figure 2). This could be one reason to why the former's financial markets have remained inefficient. Oosterbaan et al. (1999) shows the effect of a rising real interest rate on growth and claimed that growth is maximized when the real rate of interest lies within the normal range of say, minus 5 to 15 percent.

Figure 3: Interest rate spread (lending rate minus deposit rate) in East African countries, 1995-2010



Source: World Bank 2012.

This is because, a high real interest rate is not only an indicator of financial market inefficiency; it also reflects the level of development of the financial sector in a country. The prevailing interest rate in an economy has important implications for the growth and development of such economy; as confirmed by several economists there is a critical link between the efficient financial markets and economic growth. In this case, high interest rates discourage investment (e.g. FDI) due to high cost of capital.

According to Van Zanden (2012), there is a strong relationship between efficient financial markets and interest rates. The underlying problem of inefficient capital markets is that institutions surrounding the financial markets are inefficient, as a result interest rates are prohibitively high, and therefore limit access to credit to the few. North (1990), also asserts that interest rates to a large degree reflect long term trust and property rights protection. Moreover, interest rates are probably the classic measure of the extent to which institutions in a particular society protect property rights (of debtors and creditors) and enhance the amount of trust in a society, and therefore a low interest rate is arguably the best proxy of the quality of the institutional framework (De Soto 2001).

Taking a close examination of the behaviour of interest rates of Western Europe during the Middle Ages, studies have shown a strong relationship between efficient institutions, the low interest rates, and economic growth. In Western Europe interest rates fell from 30 percent in the 12th century to 5-6 percent at the end of the 15th century (Clark 1988; Epstein 2000) – rates that are still common today. In comparison to 19 percent for 24 sub-Saharan African countries for which data on lending interest rates was available for the year 2010 (World Bank 2012).

Indeed, interest rates express the risk or the importance of trust of investing on the capital market and therefore can be used as an indicator for institutional development. Transaction costs determine whether transactions are profitable. Reduced costs of capital reduced transaction costs considerably and therefore were crucial for economic growth, market exchange and the integration of economies (North, 1990) highlighting the importance of institutions that allowed for capital accumulation. However, low interest rates are only of use when people also have the means to mortgage individual property as potential collateral. According to the Peruvian economist Hernando de Soto (2001), most people in developing countries lack universal, well-protected, clear, and transferable ownership rights over capital goods (e.g. land) but possess 'dead capital' because of a lack of systems upholding property rights. Therefore, they cannot mortgage their possessions and hence have a low creditworthiness which has a detrimental effect on economic development. The expansion of Western Europe in the centuries before the industrial revolution was (also) based on efficient financial markets, embedded in institutions that facilitated it.

In contrast developing countries still have a confluence of bad institutions and poorly functioning financial markets with very high interest rates. This interaction between financial markets institutions, interest rates, and trust, is one of the "poverty traps" that is sustaining underdevelopment. When looked at from this angle, the view that Western Europe had already acquired an institutional framework that was relatively efficient in the late medieval period - more efficient than institutions regulating the financial market and property rights elsewhere - seems to be confirmed by the evidence on interest rates. This is further confirmed by the existence of high interest rates in low income countries compared to middle and high income countries (Figure 2).

4. Conclusion

What clearly emerges is that for the regional integration to have a great influence on the performance of financial markets in East Africa there is need for an institutional frame work that will facilitate institutional efficiency that is reflected in low interest rates across markets. This is evidenced by economic boom enjoyed by Western Europe during the late medieval period when Europe had a relatively efficient set of institutions, which led to low transaction costs, large-scale involvement of house-holds in factor (and product) markets, and a high degree of market integration. In particular, the very low interest rates suggest that property rights were well respected, and that a relatively high level of trust was common in Western Europe, which was especially important for the development of labour and financial markets.

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Stimulating innovation in the mobile money space for the benefit of the poor: The concept of savings as a deferred payment (Me2me)

The Grameen Foundation's AppLab Money Incubator[1] *(jmatovu@grameenfoundation.org)*

1. Background

Mobile money platforms are capable of providing a safe and affordable means of offering low cost financial services that scale in developing countries. The challenge is that the slow rate of innovation within mobile money industry is hindering this from happening. In this article, the Grameen Foundation's AppLab Money Incubator team (Uganda) shares ideas on how to stimulate innovation in the mobile money space and create products that reach every level of society. Also, the team explores the concept of savings as deferred payment (Me2me) - which is one of the many ideas they have developed based on customer insights. Various options that can make deferred payments comparable or even better than current saving methods are also presented and discussed.

2. Turning insights into products: Gambling on AppLap money

This section explains how customer insights can be transformed into viable products offered via mobile money. The key to innovation is a strong research process, and AppLab Money Incubator uses several complementary research methods to understand the financial lives of the poor. Data mining and surveys help us make generalizations about the needs and habits of potential customers. Financial diaries and ethnographic methods allow us to determine why such habits exist. What follows is one example of an interesting insight that emerged on a recent field visit that could be translated into a product that poor customers could find exciting: on our trip, we noticed that everyone loves gambling.

While visiting a village close to Fort Portal, we met a farmer named Arthur who enjoyed gambling in his free time. We watched him spending 5,000 UGX ($2) as an entrance fee to join three other players in a popular board game called Ludo (Photo 1). Arthur lost this round, and the entire pot of 20,000 UGX ($8) was handed over to his neighbour. When asked why he played if there was a risk of loss, Arthur explained that the potential returns were very high – in fact, it would take him one week of intensive labor (such as digging on his neighbour's farm) to earn what he could win from one round of Ludo. If he won the pot, he would set aside half as an "emergency fund" for his family to protect against shocks – such as an unexpected illness – and reinvest the rest into the game.

[1] Foundation's MFS Incubator is a CGAP funded project engaged in in-depth research (on financial literacy, savings and mobile phone usage behaviour) and rapid product testing to identify appropriate mobile financial products for the poor in Uganda (http://www.grameenfoundation.applab.org). All photos are provided by courtesy of AppLab Money Incubator team.

Photo 1: Men playing Ludo in a village close to Fort Portal

Many institutions have found success in leveraging the excitement of a game by offering prized-linked savings products (e.g. FNB Bank's million a month account (MAMA) in South Africa, savings lotteries in Detroit[2], or Kim Wilson's summary of prize linked savings accounts)[3] .

So imagine if Arthur had access to a formal financial product that provided what he needed (a safeguard against health emergencies) but also gave him what he wanted (the sensation of a game). What if Arthur could access health insurance that was structured like a lottery? It might look like this: Each month, about 5,000 UGX - $2 (the same it would cost him to play one round of Ludo) would be deducted from his mobile money wallet as his insurance premium. A portion of the premium would be allocated toward a lottery fund, which would pay out monthly and annual cash prizes via mobile money. Even if Arthur did not win the big prize, he would still protect himself and his family against health shocks.

Entering the lottery space would certainly be a gamble, but it is just one of many ideas that we are looking into at Applab Money. If we want to create products that are useful and that excite the hearts and minds of our target market, we have to start pushing boundaries. A good first step is to ensure that the process of innovation is exciting for all players involved, especially the poor users we hope to capture.

[2] See http://mi.savetowin.org/
[3] CGAP (2011).

3. The concept of savings as a deferred payment – Me2me

This section explores the concept of savings as a deferred payment over mobile money. Grameen Foundation's AppLab Money Incubator believes that mobile money is essentially a liquidity-management platform. Put differently, it could be described as connecting people to an electronic payment system via their mobile phones that provides liquidity with fidelity. What does it take to turn mobile money systems into a fully-fledged savings platform? A full savings proposition would address these additional key elements:

- Mechanisms to help people link their savings vehicles to particular savings purposes or spending goals.
- Incentives and discipline mechanisms to help customers set money aside into their savings vehicle(s), or "discipline in."
- Incentive and discipline mechanisms to help people keep money in their savings vehicle(s) once it is saved, or "discipline out."

Conversely, optimizing the mobile money environment by adding these sorts of features of course runs the risk of making the concept of mobile money more complex and practically unwieldy to manage on simple mobile phones.

Ignacio Mas and Colin Mayer (2011) suggest building a mobile savings proposition as a deferred payment scheme. In brief, the concept allows individuals to save money for various future events. That is to say, each time an individual makes a transfer, that cash is locked away in the system. When the earmarked time for event arrives, the money is sent back to the saver along with an SMS confirming the savings goal (type and amount) and noting the amount saved towards that event/goal (deferred payment). From the customer point of view, presenting savings as future payments to oneself has two advantages: (i) payments seem more purposive than savings; and (ii) savings can ride on the same user interface that mobile money customers use for payments today (it only requires adding an optional field for the date of effectiveness of a payment). This can be regarded as Me2me which is contraposition to the more standard P2P payments or even sharing airtime or credit between mobile phone users called Me2U.

Early this year, the AppLab Money team had an opportunity to test this concept in central and western Uganda. The team conducted several focus group discussions to test various options around this concept of savings as deferred payments. These options included usefulness, pricing and implementation of the service. In central Uganda, the research respondents had the opportunity to see paper prototypes to help them understand how the product might actually look and operate in practice.

People's reactions to the concept of Me2me and the notion of goal setting

All groups were found to grasp the concept of Me2me payments fairly quickly. That is, they saw the benefits of being able to "park" money for specific purposes (Photo 2), and having that money re-appear in the future. On the other hand, their financial management seems to be less explicitly goal-driven than much of the literature suggests. They have a notion of explicit goals, where the main one is paying for school fees at the beginning of each school term. Additionally, many of the goals tended to be aspirational - without a clear time-line (for instance, buying a motorcycle, a 'permanent' house, a plot of land). Also, users seemed to operate under a system of 'rolling goals:' I'm saving for a bicycle, but I may change my mind and buy a cow instead, or I might apply the funds in the event of a funeral or an illness at home."

Photo 2: Respondent using mobile money to save

In fact, spending decisions seem to be driven by the size of the savings pot, rather than the other way around. The overall savings pot is often fragmented across a portfolio of savings vehicles (for example, a range of livestock – chicken, goat, pig, and cow). The variety seems to be driven more by a diversification of risk and liquidity profiles than by assigning different vehicles to specific objectives.

This looser concept of goals leads to several implications for the design of a savings model based on deferred payments. First, ensuring there are liquidity options on saved amounts is important, because users' goals might shift, given that they are subject to unexpected events. Second, school fees could be a useful prototypical use case to drive marketing, much like "send money home" was used to drive the notion of P2P payments in Kenya. Third, future payment dates to oneself must be flexible enough to enable the user to indicate dates that are future financial decision points, rather than when certain payments are planned. Thus, I might push money to 1st of April simply so that I don't have to think about how to use that money until then; on 1st of April, I might decide to do something with the money, or simply roll it over to, say, 1st of July.

In fact, we were surprised how useful people found Me2me payments concept, despite them having few clear time-bound spending or financial goals in mind. Can a tool that provides them more effective management of goals lead them to articulate their goals more deliberately? Isn't that what financial education is all about?

4. Can cash compete with a pig?

This section delves into the rewards or incentives and mechanisms to help customers set aside money to meet their financial goals. Banks in Uganda are taking numerous measures to capture the market—from offering unusually high interest rates (Crane Bank is advertising 20% on fixed deposit accounts) to introducing lottery schemes that offer houses and cars for new savings account customers (*e.g. Vimba with Bank of Africa or Fuuka binojjo with Housing Finance Bank)*. But even within this context of fierce competition, the majority of Ugandans still prefer stuffing cash under the mattress or converting their cash into in-kind assets (i.e. livestock). Lack of access to formal financial tools is just one reason for this preference. There is something fundamentally important that the banks have not considered when cultivating their incentive schemes - the rewards offered by these in-kind assets (Photo 3) are hard to beat.

Take the example of the pig, which produces three cycles of eight piglets or 24 piglets per year. A grown pig can be sold for 200,000 UGX ($80), which amounts to a return of 4.8 million UGX or just over $2,000 per year minus cost of their up-keep. These in-kind investments also regularly produce other goods that can be consumed or sold—chickens have their eggs, and cows and goats, their milk.

Photo 3: In-kind livestock savings/assets

Within the context of such returns, cash can never really be king in such communities because it lacks the ability to multiply or produce anything of value. What you see is what is printed on the note. It is only what you can buy with it in the market that changes rapidly (i.e. inflation). With food inflation as high as 42 percent, cash is quickly losing its value. So why would anyone in their right mind keep their value in cash in the context of such high returns? More importantly, how can we design appropriate financial products in communities where it pays off to be "cash lite"?

The AppLab Money Incubator team went out to the field to answer these questions whilst testing Me2me payments. The concept is based on the assumption that people find value in setting savings goals and regularly put cash away to meet those goals. But we quickly learned that our informants capped the amount of their wealth that they held in cash, usually at 50,000-100,000 UGX (app. $20-$40). They did this not only to curb their own temptation to spend it but also because in-kind assets offered huge returns. The team further tested several different types of reward features—varying by type, timing, certainty and beneficiary. Reward types were either cash or in-kind (e.g., airtime, sugar, etc.) and most people preferred cash. When asked about timing, most preferred immediate rewards. That is, a small reward after each deposit was preferred over a large one at the end when the goal was met. They liked the certainty of a guaranteed reward, even if small (e.g., 2000 UGX or app. $1) compared to the likelihood of say winning a bigger but uncertain reward (e.g. through a lottery). They also wanted rewards to be personal as opposed to contributing towards a communal or group goal (e.g. building a school). They expressed that savings was a personal endeavour and rewards should be no different.

Although our informants preferred their rewards in cash, they stored their wealth in kind. But much of the literature tells us that such in-kind assets are risky - animals can get sick and can die, and wealth is gone (Rutherford, 2009). If you are only keeping pigs or only keeping cows then that makes sense. But most of our informants noted that they diversified their assets to minimize exactly such risks. They kept chickens, cows, pigs, goats, and a little bit of cash. When they needed more cash, they would liquidate an asset. But we did discover one small problem with the liquidation process. Most large expenses were recurrent and had to be paid by everyone in the community at the same time (e.g. school fees). One week before these fees were due, everyone started to offload their in-kind assets to get cash. With much more supply in the market than usual, the price of these assets (e.g. livestock) fell by as much as 50 percent.

There are two options to circumvent the asset deflation. The first is to sell the asset earlier, which few wanted to do because they feared that they would spend the cash. The second would be to lock cash away until the payment was due. This is where deferred or Me2me payments could potentially become interesting. We could never compete with the rewards offered by in-kind assets, and we shouldn't have to. But we could help the poor to mitigate the risk of asset deflation by keeping just a little more cash on hand, at least enough to meet the next school fees payment. While everyone else is scrambling around to sell their assets, the Me2me customer would have the cash sent back to them, and use the pay school fees function on Mobile Money to transfer the cash directly to the school. This makes sense to us but there is still one more thing that we need to explore further - will our customers see the value in this? If we are to offer them such a product, and ask them to use it to save, will they think more about the opportunity costs (buying 2 chickens that produce 20 eggs) than value lost on asset during the liquidation of the asset? Most importantly, how do we design appropriate financial products in a context where cash is not always King?

5. Liquidity is King

This section discusses liquidity options that contain discipline mechanisms that may foster customer behaviour to help keep money in their savings vehicle(s) once it is saved. During all focus group discussions (FGDs), besides grasping the notion of deferred payments quickly, one of the common questions that people asked across different groups was: “What if I need to access my money earlier?”

Liquidity was always top of mind, and we tested several features ranging from full *illiquidity* (can’t touch the money until a specified future date) to full *liquidity* (take out any amount, any time). But we also presented a few other options: applying social pressure (what if a friend had to approve early withdrawals?); preventing against impulse purchases (what if early withdrawals were possible, but not in small amounts – everything had to be withdrawn at once, on the assumption that it was only for large emergencies?); and deferred access (what if early withdrawals required a 24-hour waiting period to avoid impulsive spending?).

Each of the options drove pretty lively discussions (Photo 4). We found that people like extreme options for the standard reasons – prohibiting them from accessing funds would help them save, while having access anytime assures them that they can manage shocks.

Whereas FGDs participants in the central region liked the idea of a friend as gatekeeper, participants in the western region perceived goals as private and argued that changing their plan should be their individual choice. There were no clear winners of all the options, but there were also many participants who appreciated that a 24-hour delay period provided time to reconsider, while others said emergencies required money immediately. And while the all-or-nothing approach seemed like a good compromise in providing immediate access while minimizing impulse spending, one woman said that being forced to take all her money out, even when she needed a fraction, felt like failure – as if the system was punishing her. The challenge is how to strike a balance between helping people meet their savings goal on one hand while giving them the flexibility to access their savings to address unexpected risks on the other.

Photo 4: Participants during focus group discussion

6. Conclusion

As highlighted in the earlier sections, goals can be transitory; the key is to build up discipline for saving. Having the right incentives or rewards can help users set money aside to meet different savings goals. While the poor need discipline, they also want choice – the choice to leave funds untouched and out of sight, or the choice to tap into the pot if an emergency requires it. Some want more restrictions on access, while others want fewer. The trick will be providing a product that achieves the purpose of saving toward a target but is flexible enough to cater to unforeseen shocks. The poor can't afford to be illiquid, but they also can't afford to be unprepared. Savings goals are diverse in their nature and timeframe, so it is likely that people will want a variety of options. In a world where putting away money yields little reward and currency comes in the form of livestock and land, what's the best way to offer simple yet varied product features when it's no longer cash, but liquidity, that is king?

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An introduction to credit risk management with research findings from HOFOKAM Ltd.

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1. Introduction

Credit risk constitutes a major threat for microfinance globally, between 2008 and 2009 no other risk rose as fast. This reflects the effects of the world financial and economic crisis on microfinance customers, and particularly problem of over indebtedness (CSFI 2009). The shock waves of the global crisis have affected Uganda as well. Bank credit growth had reduced and Non-Performing Assets (NPA) peaked in the aftermath of the crisis; the latter have been expanding in 2011 again (BoU 2011).

HOFOKAM, the largest tier-4-microfinance institution in the Rwenzori region (Rusa 2012), faces according challenges. Tier-4-MFIs like HOFOKAM are legally prohibited from deposit-taking, and their performance is thus exclusively dependent on their credit business. They retail wholesale loans, e. g. from Microfinance Support Centre Ltd. (MSCL), or grant and owners' capital, e. g. the Catholic Dioceses Fort Portal, Kasese and Hoima. To this background, this article discusses the importance and causes of credit risk management for MFIs like HOFOKAM (Section 2) and the current state of HOFOKAM's credit risk management as found in a research project between April and July 2012 (Section 3); Section 4 concludes with some recommendations for Uganda's MFIs.

2. Credit Risk in MFIs

Importance of credit risk and its management

Credit risk is the chance that a Microfinance institution may not receive its money (amount lent out plus interest) back from borrowers. It is the most common and often the most serious vulnerability in a microfinance institution (Churchill and Franckiewicz 2006).

Taking credit risk is part and parcel of financial intermediation. Yet, the effective management of credit risk by financial intermediaries is critical to institutional viability and sustained growth. Failure to control risks, especially credit risk, can lead to insolvency (Wenner et al. 2007). One microloan does not pose a significant credit risk because it is such a small percentage of the total portfolio. Since most microloans are unsecured, however, delinquency can quickly spread from a handful of loans to a significant portion of the portfolio. This contagious effect is exacerbated by the fact that microfinance portfolios often have a high concentration in certain business sectors.

[1] The four tiers of financial institutions in Uganda are explained by Cwinya-Ai (2012, in this volume)

Credit risk management can be divided into pre- and post-disbursement measures:

- The preventive steps lenders take before issuing a loan; such as loan product design and client screening.
- The use of incentives and disincentives after loan disbursement to extract timely repayment.

'Once a loan is issued, a lender's risk management expands from controls that reduce the potential for loss to controls that reduce actual losses' (Churchill and Franckiewicz 2006).

Causes of credit risk

Accordingly arise the following causes of credit risk:

Pre-disbursement

- Poor screening of borrowers: Poor choice of clients results in delinquencies. If client with bad reputation or history of defaults are selected then it can result in credit risk
- Weak appraisal: Poor or weak appraisal of loans is one of the major reasons for credit risk. Before giving any loan, client's repaying capacity, status of business and cash flows must be assessed. This helps in taking loan decision that whether a client should be a given a loan and about appropriate volume of loan. Poor appraisal can lead to loans going to unworthy clients or disbursement of higher amount loans. Loans given beyond repaying capacity puts clients in stress situation as they do not have sufficient income to repay installments resulting in delinquencies.

Post-disbursement

- No immediate follow-up: MFI having strong overdue follow up system can control overdues to a large extent. It also gives clear message to the clients that the MFI is serious on repayments and thus prevents the future occurrences. MFIs which are weak in overdue follow up give a signal that it is not serious in overdue collection resulting other clients to imitate. Also if overdues are immediately followed up the chance of recovery are quite high but if the case becomes old then the chances of recovery also goes down. This is a major problem, HOFOKAM is facing.
- Poor Management Information System (MIS): MIS on loan outstanding, collection etc plays a critical role in generating reports and making them available in minimum time to the right people. A weak reporting system on overdue will result in delayed input on over dues to the top management and consequently result in delayed action by the top management. Sometimes weak MIS also results in generation of inaccurate report. If the correct and timely information is not generated and report the problem cannot be dealt with resulting in delinquencies getting aggravated.

Figure 1: Risks in MFIs

Financial Risks	Operational Risks	Strategic Risks
e. g. Interest rate risk, exchange rate risk	e. g. Human resources Risk, Fraud Risk, Information Technology Risk, **Credit Risk**	e. g. Reputation Risk, Governance Risk, Legal or political risk

These causes show that Human Resource (HR) management system also affects credit risk. That is because identifying and handling of risk factors depends on the people employed in the MFI. If people are recruited who are not qualified, and/or if they are motivated wrongly and if supervision and leadership are poor, then staff may neglect credit risk factors and even add to it by accepting bribes and other malpractices. However, these are usually classified not either as staff or HR risks, or as governance risks. Staff / HR risks, alongside credit risks, fall into the realm of operational risk. Governance risk falls into the realm of strategic risk (Figure 1).

Box 1: The 'five Cs' of loan applicants' screening

Assessment of the borrower's Capacity involves a full credit analysis, including a detailed review of the applicant's financial statements and personal finances; assessing whether the borrower is operating within his or her abilities and not attempting to accomplish something beyond their limitations or means; determining the business' position in the market, experience in the industry, and record of accomplishments.

Capital is defined as the portion of the total cost of the deal, which must be contributed by the borrower. Lenders will always limit their leverage in a transaction by requiring that the borrower also have a meaningful amount of capital at risk, thereby insuring the business owner's commitment to the deal as well as reducing the lender's exposure to loss.

Collateral and / or guarantees are additional forms of security an applicant provides the lender. Giving a lender collateral means that you pledge an asset the applicant owns to the lender with the agreement that it will be the repayment source in case they can't repay the loan. A guarantee, on the other hand, is just that - someone else signs a guarantee document promising to repay the loan if the applicant can't. Some lenders may require such a guarantee in addition to collateral as security for a loan. Lenders generally prefer collateralized assets to be valued on a discounted basis. This discounted value gives the lender a safe margin to cover the time and costs of converting those depreciated assets into cash, should the need ever arise.

Conditions refer to the description of the intended purpose of the loan: whether the money be used for working capital, additional equipment or inventory. The credit officer also considers local economic conditions and the overall climate, both within your industry and in other industries that could affect your business.

Although certainly the least quantifiable, Character may well be the most important assessment that you can make about a prospective borrower. Regardless of the positive attributes of capacity, capital, collateral and conditions that the borrower may show, if he or she does not demonstrate integrity and trustworthiness, you should reject the loan proposal. Character is important because, among other things, it can reveal intent. If the lender senses that the borrower is somewhat cavalier toward fulfilling responsibilities with regard to the deal, and even toward the business, the lender will most certainly back away from the proposal. The quality of the borrowers' guarantors and their background, and the experience levels of the business' staff should also be reviewed.

Source: MMU (2010).

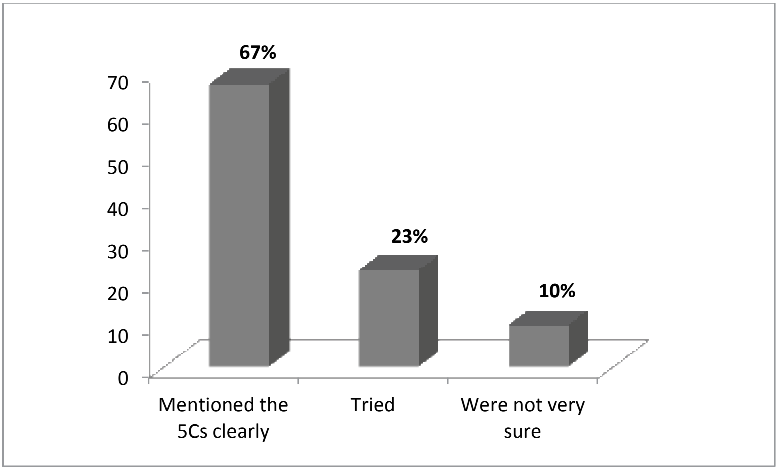
4. Research findings on credit risk management in HOFOKAM

This section shares two findings of a research project at HOFOKAM. Birungyi (2012) reviewed the provisions of HOFOKAM's credit policy and studied how well versed staff members in two branches (30 respondents) are with those provisions. The study is based on survey and observational data. Hereafter, two of the findings are presented: Screening of loan applicants (i. e. pre-disbursement) and the MIS (i. e. post-disbursement).

Screening of loan applications

HOFOKAM credit policy bases the appraisal of loans on the '5C'. The 5Cs is an internationally acknowledged screening or appraisal technique (Churchill and Franckiewicz 2006). HOFOKAM policy bases the screening of loan applicants on the five Cs (Box 1). Screening should limit the cost of in-depth appraisal to those applicants which are likely to qualify for a loan. If screening is reduced, the workload at appraisal level becomes unbearable, consequently appraisal accuracy is likely to reduce and credit risk exposure to increase. Out of the HOFOKAM staff members interviewed, about 90% had some knowledge about the 5C. However, only about 2 out of 3 were able to name them clearly. Several could only name parts. The remaining staff members had a blurred idea of the concept (Figure 1).

Figure 1: Level of understanding of the 5Cs, HOFOKAM respondents (in percentages)



Source: Birungyi (2012).

Poor management information system

HOFOKAM has put in place a computerised system to track loans and produce financial reports. It was observed that many staff members do not know how to operate it and how extract the reports that are the basis for monitoring loans, in particular delayed repayments. Some staff members do not even know how to log in to the system.

5. Recommendations for Ugandan MFIs

The findings from HOFOKAM offer valuable lessons for all Uganda MFIs, particularly in the tier-4-segment:

- MFIs should put in place well developed policies or manuals which build on international standards, like HOFOKAM did. Emphasis should be put on sound and well defined granting criteria. They should also ensure that staff is well conversant with the procedures in the policy. E. g. staff needs to have the 5C on their finger tips.
- MFIs should choose their MIS consciously and invest in thoroughly training staff members.

A comprehensive risk management system, with particular focus on credit risk, can help MFIs to have guidelines and principles that shape the decisions and work of board, management and field staff equally, effectively and consistently.

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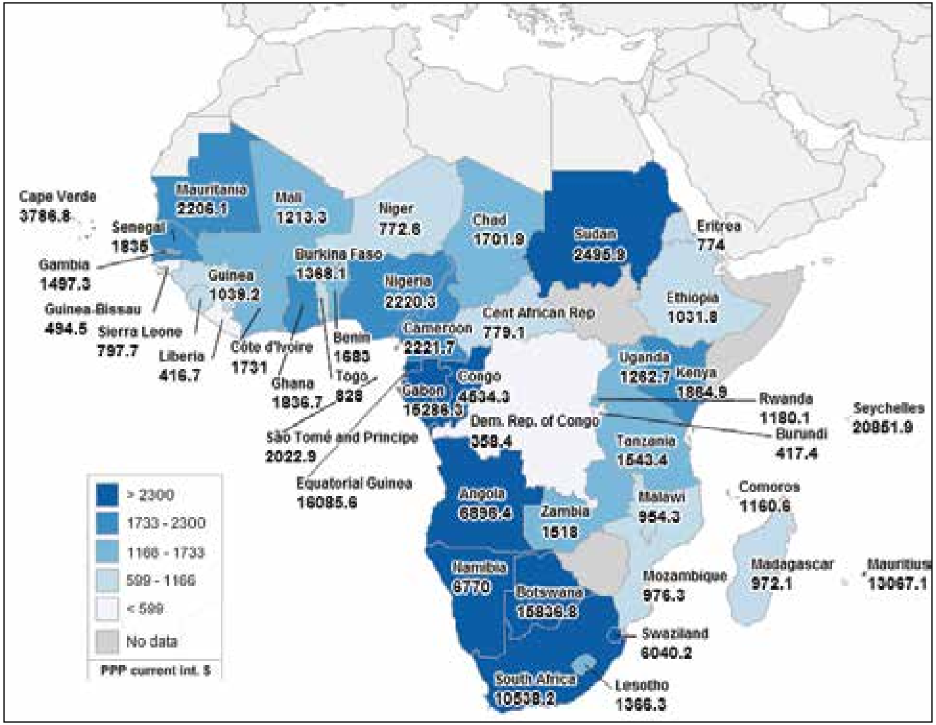
PART IV
UGANDA AND AFRICA IN NUMBERS

Map of GDP per capita (PPP) for sub-Saharan Africa, 2011, U.S.$



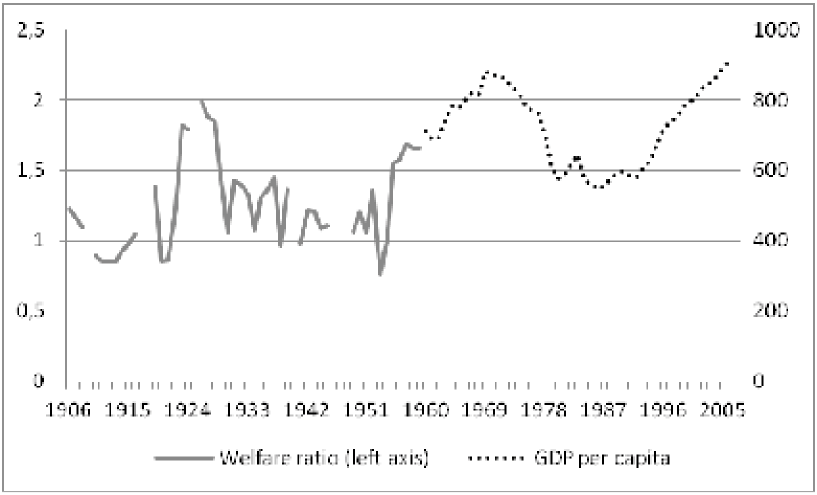
Source: Derived from World Bank (2012). World Development Indicators. Washington D.C. and map drawn with Stat Planet.

Variety of non-petroleum major export goods from sub-Saharan African countries, 2010

	Madagascar	Ghana	Mali	Zambia	Botswana	Kenya	Uganda
3 major export goods (% of total exports)	Shrimps and prawns (9.5%)	Cocoa beans, whole or broken, raw or roasted (46.4%)	Cotton, not carded or combed (35.7%)	Copper cathodes and sections of cathodes unwrought (48.0%)	Diamonds non-industrial unworked or simply sawn, cleaved or bruted (43.7%)	Coffee, not roasted, not decaffeinated (32.9%)	Coffee, not roasted, not decaffeinated (32.9%)
	Vanilla (6.6%)	Cocoa paste, not defatted (7.2%)	Petroleum oils & oils obtained from bituminous minerals (other than crude) & preparations (29.1%)	Unrefined copper; copper anodes for electrolytic refining (26.7%)	Nickel mattes (21,9%)	Cut flowers fresh (13.1%)	Tobacco, partly or wholly stemmed/ stripped (9.9%)
	Jerseys, pullovers, cardigans, waist-coats & similar articles, knitted/ crocheted, of wool (4.6)	Manganese ores and concentrates (5.7%)	Sesamum seeds (7.8%)		Diamonds non-industrial nes excluding mounted or set diamonds (8.9%)	Coffee, not roasted, not decaffeinated (6.1%)	Fish fillets and other fish meat (whether or not minced), fresh or chilled (9.3%)
Total (%)	20.7	59.3	72.6	74.7	74.5	52.1	52.1

Source: AFDB and OECD (2011). African Economic Outlook 2012. Tunis/Paris.

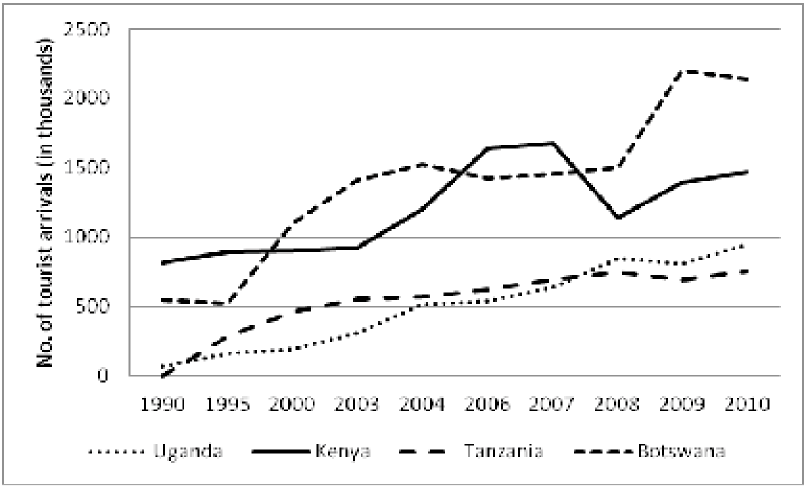
Long-term development of Uganda, 1906-2006



Note: *The welfare ratio (left axis) denotes the average number of number of daily family subsistence basket (Price of Millet, Cassava, Beef, Ghee, Sugar, Soap, Cotton, Kerosene) to be purchased with an average daily wage of an unskilled urban worker in Kampala. Price and wage data from Blue Book of the Uganda Protectorate, National Archive in Entebbe. GDP per capita data (right axis) in (1990) Int. GK. US$.*

Source: Derived from Frankema, E. and M. van Waijenburg (2011). "African Real Wages in Asian Perspective, 1880-1940." CGEH Working Paper 2; and Maddison, A. (2009). Historical Statistics for the World Economy: 1-2008 AD.

Tourist arrivals (in thousands) to East African countries and Botswana, 1990-2010



Source: Derived from UNWTO World Tourism Organization (2012). *Yearbook of Tourism Statistics. New York*.

Global production of cocoa, 2010

	Cocoa (metric tons), 2010	Percentage of global production
Cote d'Ivoire	1.242.300	29,8%
Indonesia	810.100	19,4%
Ghana	632.037	15,2%
Nigeria	427.800	10,3%
Cameroon	264.077	6,3%
Brasil	233.348	5,6%
Ecuador	132.100	3,2%
Togo	101.500	2,4%
Papua New Guinea	56.800	1,4%
Dominican Republic	53.000	1,3%
Peru	46.613	1,1%
Columbia	39.534	0,9%
Mexico	27.174	0,7%
Venezuela	21.300	0,5%
Malaysia	18.300	0,4%
Uganda	15.000	0,4%
Sierra Leone	14.000	0,3%
India	12.300	0,3%
Guatemala	10.600	0,3%
Madagascar	10.000	0,2%

Source: International Cocoa Organization (2011). Quarterly Bulletin of Cocoa Statistics, Vol. XXXVIII - No. 2 - Cocoa year 2011/2012

Financial inclusion in sub-Saharan Africa and Uganda, 2011

	Uganda	SSA
Account at a Formal Financial Institution		
All adults (%, age 15+)	20.5	24.1
Male adults (%, age 15+)	25.8	26.7
Female adults (%, age 15+)	15.1	21.4
Young adults (%, ages 15–24)	12.4	16.8
Older adults (%, age 25+)	26.1	27.7
Adults with a primary education or less (%, age 15+)	14.2	14.0
Adults with a secondary education or more (%, age 15+)	26.2	36.2
Adults in income quintiles I (lowest) and II (%, age 15+)	8.3	13.9
Adults in income quintiles III, IV, and V (highest) (%, age 15+)	28.6	31.9
Adults living in a rural area (%, age 15+)	20.2	20.7
Adults living in an urban area (%, age 15+)	26.9	39.7
Access to Formal Accounts (%, age 15+)		
0 deposits/withdrawals in a typical month (% with an account)	1.9	3.8
0 deposits in a typical month (% with an account)	3.6	6.3
1–2 deposits in a typical month (% with an account)	75.1	69.5
3+ deposits in a typical month (% with an account)	21.3	21.9
0 withdrawals in a typical month (% with an account)	6.9	11.7
1–2 withdrawals in a typical month (% with an account)	77.5	63.3
3+ withdrawals in a typical month (% with an account)	15.6	23.0
ATM is the main mode of deposit (% with an account)	10.4	6.6
Bank teller is the main mode of deposit (% with an account)	88.3	84.0
Bank agent is the main mode of deposit (% with an account)	0.4	2.7
ATM is the main mode of withdrawal (% with an account)	41.7	42.0
Bank teller is the main mode of withdrawal (% with an account)	57.3	49.2
Bank agent is the main mode of withdrawal (% with an account)	0.7	2.5
Has debit card	10.3	15.5

	Uganda	SSA
Use of Formal Accounts (%, age 15+)		
Use an account for business purposes	7.5	5.3
Use an account to receive wages	9.2	9.9
Use an account to receive government payments	3.2	5.7
Use an account to receive remittances	3.3	9.1
Use an account to send remittances	3.7	6.3
Mobile Payments (%, age 15+)		
Use a mobile phone to pay bills	3.3	3.0
Use a mobile phone to send money	20.0	11.2
Use a mobile phone to receive money	25.2	14.5
Savings (%, age 15+)		
Saved any money in the past year	44.4	40.2
Saved at a formal financial institution in the past year	16.3	14.2
Saved using a savings club in the past year	18.8	19.3
Saved for future expenses in the past year	33.0	26.0
Saved for emergencies in the past year	37.0	31.3
Credit (%, age 15+)		
Loan from a formal financial institution in the past year	8.9	4.7
Loan from family or friends in the past year	46.5	39.9
Loan from an informal private lender in the past year	4.6	5.4
Outstanding loan to purchase a home	1.0	2.0
Outstanding loan for home construction	3.6	4.4
Outstanding loan to pay school fees	11.5	9.0
Outstanding loan for health or emergencies	11.3	9.0
Outstanding loan for funerals or weddings	1.9	4.6
Insurance (%, age 15+)		
Personally paid for health insurance	0.7	4.6

Source: Demirguc-Kunt, A. and L. Klapper (2012). *"Measuring Financial Inclusion: The GlobalFindex Database." World Bank Policy Research Working Paper 6025. Retrieved 3 June 2012 from: http://data.worldbank.org/topic/financial-sector?display=graph.*

Financial and Microfinance Institutions (M/FIs), 2011

	Tier 1-3 (Numbers)[1]		Tier 4 (Numbers)[1]			Regulator, associations and other support organizations' outlets[4]
	M/FIs	Outlets[2]	M/FIs[3]	out of which SACCOs[3]	Outlets[2]	
RWENZORI REGION	13	46	127	116	175	BoU, KRC, MSC, PRICON, UCSCU
by districts						
BUNDIBUGYO	1	1	18	17	18	/
BULIISA	0	0	1	0	1	/
HOIMA	9	9	16	11	20	MSC
KABAROLE	10	10	33	27	36	BoU, MSC, PRICON, UCSCU
KAMWENGE	3	3	28	26	29	/
KASESE	6	7	51	47	57	/
KIBAALE	0	0	7	4	14	/
KYEGEGWA	0	0	9	7	9	/
KYENJOJO	1	1	13	10	14	/
MASINDI	5	5	8	4	10	UCA
NTOROKO	0	0	2	2	2	/

1. Tier 1 – Commercial Banks; Tier 2 – Credit Only Institutions (e. g. Postbank); Tier 3 – Microfinance Deposit-taking Institutions (MDIs); Tier 4: All companies and cooperatives providing (micro)financial services that are licensed (i. e. tier 1,2,3) and supervised by BoU.
2. Head-offices, branch-offices, field-offices (HOFOKAM), stand-alone ATMs (Stanbic), mobile unit (Postbank). Differences between number of M/FIs and number of outlets indicate that some M/FIs operate one or more branch-offices.
3. Tier 4 –M/FIs include companies limited by guarantee, companies limited by shares and savings and credit cooperative societies (SACCOs). Available figures are minimum numbers. The actual number of MFIs, particularly SACCOs, is likely to be considerably higher.
4. BoU– Bank of Uganda (Central Bank); KRC – Kabarole Research and Resource Center (Training and Advocacy); MSC – Microfinance Support Center Ltd. (Wholesale-Lender); PRICON – Private Sector Development Company (Training); , UCSCU – Uganda Cooperative Savings and Credit Union (Association),

Source: AMFIU (2011). Data from MSC and UCSCU, MMU research and compilation. Kampala

Demographic estimates for the world's regions and Uganda, 2010 and projection for 2030 and 2050

Region	Population (million) 2010	Growth rate (% per year) 2005-10	Death rate 2005-10	Birth rate 2005-10	Life expectancy (years) 2005-10	Total fertility (per women) 2005-10	Median age (years) 2010	% Urban 2010	Projected population (million)	
									2030	2050
Uganda	33	3.2	13.2	46.3	52.1	6.4	15.1	13	60	94
Sub-Saharan Africa	820	2.4	13.9	38.6	51.5	5.1	18.6	37.3	1,247	1,677
Middle East	446	1.8	6.1	24.2	69.5	2.9	24.6	59.1	589	693
South-Central Asia	1,780	1,780	1.5	8.1	64.0	2.8	24.5	32.2	2,232	2,495
South-East Asia	590	1.2	6.5	19.4	70.0	2.3	27.8	48.2	706	766
East Asia	1,564	0.6	7.2	13.0	74.1	1.7	35.2	48.5	1,666	1,600
Latin America	589	1.1	6.0	19.0	73.4	2.3	27.7	79.4	690	729
North America	352	1.0	7.8	13.8	79.3	2.0	36.9	82.1	410	448
Oceania	36	1.3	7.0	17.4	76.4	2.4	33.0	70.6	45	51
Europe	733	0.1	11.4	10.5	75.1	1.5	40.2	72.6	723	691
World	6,910	1.2	8.6	20.3	67.6	2.6	29.1	50.6	8,308	9,150

Source: United Nations (2009). World Population Prospects: The 2008 Revision, New York and United Nations (2008). World Urbanization Prospects: The 2007 Revision, New York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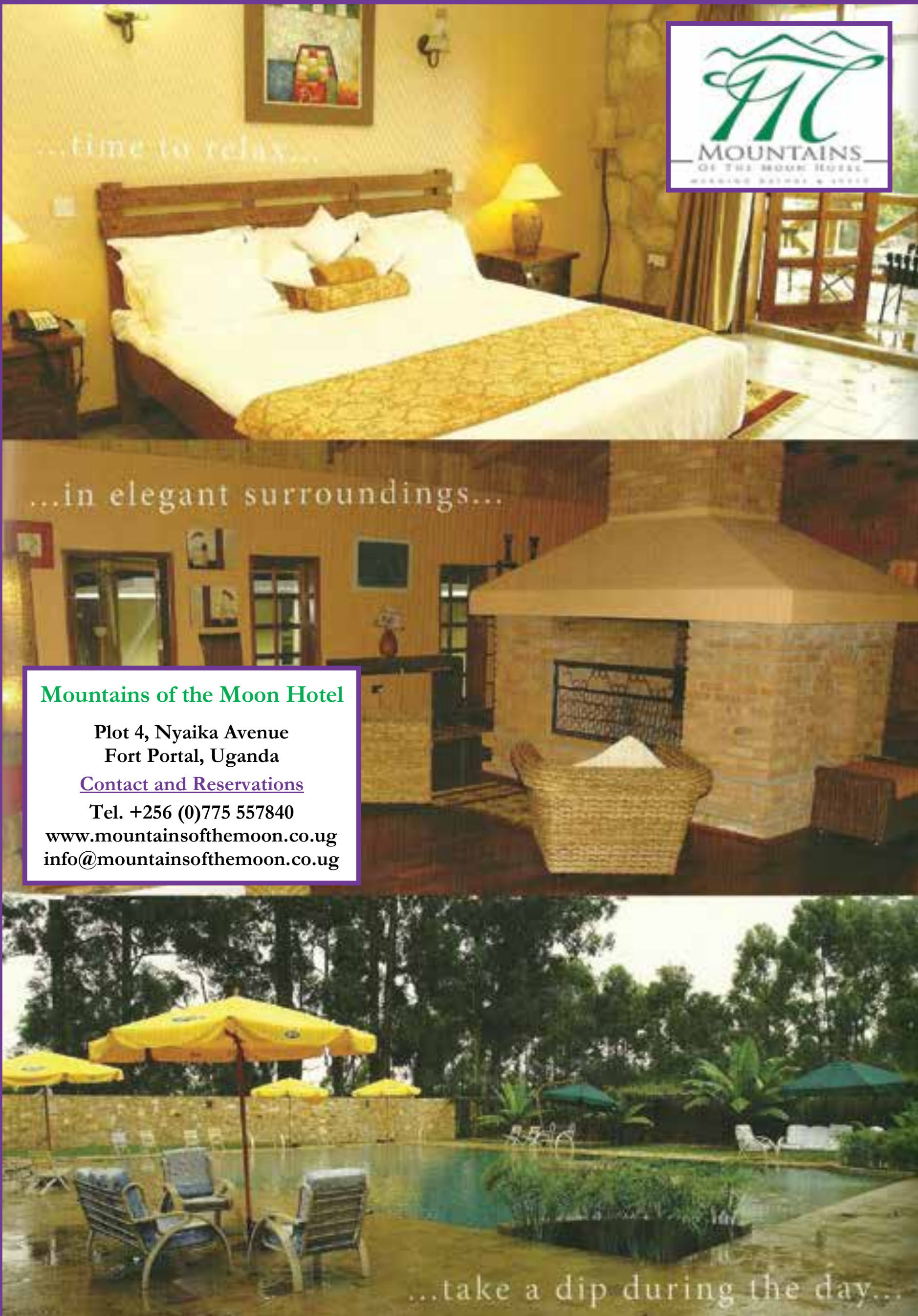
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