Understanding Poverty in Uganda: Adding a Sociological Dimension

WPS/95-10

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January 1995

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1. Introduction

Neo-classical economists are used to criticism and opposition to their approaches from other social scientists and have become adept at ignoring it. We are not concerned here to try to establish that such approaches to African economies are wrong in principle, but to argue that, as they are presently conducted, they often fail to specify the problems, relationships and processes usefully. Some consequences are that variables are often defined and measured inappropriately, and policies are regularly recommended that either are inappropriate, or that fail to take account of both problems of implementation and unintended consequences. Economic analysis and policy-recommendations would be greatly improved if economists made use of the vast knowledge that exists in other disciplines about how real African economies work, and, in future, designed research and operational projects in collaboration with social scientists from other disciplines.

Macro sociologists of an empirical bent have done little research in Africa yet, and this paper is exploratory rather than definitive; we use a recent study of poverty in Uganda\(^1\), conducted in tandem with some economists, to show how multi-disciplinary collaboration in the study of African economies might be fruitful for both research and policy-making. A general discussion of theoretical approaches to the study of African economies, which includes an outline of the sociological model we are applying, is followed by a more detailed examination of recent approaches to poverty in Uganda by economists. This is followed by a description of our sociological approach to the study of poverty in Uganda. Some empirical evidence supporting and illustrating our arguments is given in the text and more is contained in the appendices. We then use the sociological model to explore a number of problems of relevance to poverty, growth and development in Uganda. These relate to: rural productivity; patterns of investment; what happens when top-down meets bottom-up; and ethnicity, political structures, and insecurity.

Finally we draw some research and policy lessons for neo-classical economists, Uganda and for IFIs, donors, and NGOs.

2. Theoretical approaches

2.1 Neo-classical economic approaches to African economies

In this section we will describe what we see as the main underlying features of the IMF/World Bank approach to African economies. We appreciate that there are disagreements within and between these organisations, and that particular economists are aware of the limits of their analyses and do stray into the institutional, organisational, political and cultural domains in their reports and policy recommendations. However, we would argue that their analyses and empirical explorations in these domains lack the academic rigour which they apply to their economics, and often make little use of the disciplines whose business they are. We are not economists and have constructed this section from a brief scan of some of the available literature. We hope and believe we have not constructed a totally straw man.

\(^1\)This research was financed by SIDA for the World Bank. The wider sociology research programme is supported by the Economic and Social Research Council and the Overseas Development Administration, although they bear no responsibility for the arguments of the paper. Comments by Simon Appleton, David Bevan, Anne Marie Goetz, John Mackinnon, Simon Maxwell and John Toye and participants in the CSAE Tuesday seminar were very helpful. We also greatly benefited from working on Uganda alongside our economist colleagues Simon Appleton, Arsene Balihuta, John Mackinnon, and Germina Stenogerere.
Economists believe (or act as if they believe) in universal models of behaviour and social process. These models are abstract and deductive and are verified and applied using quantitative analysis. Neo-classical economists explain, predict or hope for economic change (particularly, in this context, agricultural change) as a result of rational actor’s responses to market incentives (see Figure 1). While claiming to conduct research and analysis at the micro level, in fact most economic analysis in this area takes place at the meso level of household or enterprise. These organisations are usually assumed to act as if they were individuals. Individuals/organizations are assumed to act “rationally” with rationality defined in terms of Western cultural norms. Economic progress results from the forces of market competition. Rather than seeking to amass capital or corner markets the proper role of the state is to regulate market conduct in the interests of the whole society and to provide public goods which it is not profitable to produce privately. “Politics, law, and adjudication complement production, investment, and exchange, but are not considered integral to processes of resource allocation or economic progress.” (Berry, 1993).

Culture is also treated as exogenous to economic systems and processes. The assumption of "ceteris paribus" is applied to these exogenous variable. It is assumed that people’s preferences are independent of the process whereby resources are allocated among different uses, and that they are stable. Time can be incorporated into the model in terms of sequencing of policies and the measurement of changes (eg of prices, between distributions at different points in time) but the focus is on changes between points in time, rather than on processes of change. Implicit in this treatment of power and culture is the assumption that norms are unambiguous and tend to endure for long periods of time (ibid, p12). Spatial variables can be introduced but are not an integral part of the approach.

In order to assess the efficacy and effects of economic policies economists need data in the form of various statistics. As Figure 2 shows they have developed a number of constructs deemed to summarise aspects of economic performance. African governments, often with donor assistance,
regularly produce statistics at the macro level, and undertake household surveys. (The quality of these
data will be considered further below.)

Most economists work with a form of modernization thesis: rational policies should lead to
development.

Figure 2:

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<th>Constructs</th>
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<td><strong>Meso</strong></td>
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2.2 Ontology, epistemology and values: a brief comparison between neoclassical economics and sociology

Unlike most other social sciences mainstream economics has resisted the "reflexive" turn. Economists rarely examine their methodology in the light of the ontological, epistemological and value assumptions that underlie it. There are, however, problems in assuming that the "truth" about the economic world can be revealed only using the approach described above. Economic models are useful for informing but not for understanding how things work in the real world: the insights they provide are incomplete, particularly "when discussion moves from theory to policy and practice" (Booth, 1995).

Johnson et al (see Mouzelis 1991, ch 1) have recently argued that every social theory deals, explicitly or implicitly, with two basic questions. The first is ontological: what is the nature of social reality and in particular is it material or ideal? The second is epistemological: how is knowledge about social reality derived and, in particular, should it be approached using realist or nominalist assumptions. Figure 3 shows the typology they produce from these distinctions: