DIASPORA DIPLOMACY:
A CASE STUDY OF UGANDA

Michael Bulwaka

A dissertation presented to the Faculty of Arts in the University of Malta for
the degree of Master in Contemporary Diplomacy
July 2009
DECLARATION

I hereby declare that this dissertation is my own original work.

Michael Bulwaka
31 July 2009,
ACKNOWLEDGEMENTS

I would like to sincerely thank Prof. Dietrich Kappeler and all the Staff at Diplo Foundation for the constant support, encouragement and valuable insights that were vital in carrying out this study.

I am grateful to the Administration of the Ministry of Foreign Affairs Uganda for granting me the Career development opportunity to pursue graduate studies and enrich my knowledge in Contemporary Diplomacy.

I thank the Commonwealth Secretariat, London and in particular the Governance and Institutions Development Division (GIDD) for providing some of the funding for my studies.

I am indebted to the Ministry of Foreign Affairs Uganda, Diaspora Division; Uganda Investment Authority (UIA); Bank of Uganda; and Ministry of Gender, Labour and Social Development for supporting this study by providing the necessary data used for analysis.

Finally I thank the Almighty God who made everything possible for me to complete this study.
DEDICATION

This book is dedicated to all Ugandans in the Diaspora who are working hard to improve their livelihoods and making a contribution to the development of their origin and host countries.
ABSTRACT

International migration in the 21st Century is attracting a lot of attention of policy makers due to its global impact and increasing linkages to development in an era of increased cooperation and interdependence between countries.

As the movement of people crossing national borders in search of opportunities for better livelihood continues to grow, policy makers are faced with a challenge of broadening focus of migration policies from the narrow view of Migration Control to the wider view of Migration Management.

This study presents the argument that the Diaspora communities, formed as a result of continuous migration, can play an active and important role in development of their origin country but need coordinated efforts and implementation of appropriate policies by Government, Civil Society and other stakeholders to achieve maximum benefits to all parties.

It is estimated that 2.2% of Uganda’s population or approximately 660,000 Ugandan nationals live in the Diaspora. The Diaspora community is contributing to development of Uganda through Foreign Direct Investments, remittances, promotion of trade, public diplomacy and culture, technology and skills transfer, philanthropic activities, peace building and national reconciliation.

The need for a multi-stakeholder partnership and shared responsibility between all parties involved in international migration i.e. migrants, host country and origin country cannot be over emphasized. Governments need
to take the lead in consultation with other stakeholders in designing appropriate policies to ensure that the benefits from international migration are shared by all.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title page</td>
<td>i</td>
</tr>
<tr>
<td>Declaration</td>
<td>ii</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>iii</td>
</tr>
<tr>
<td>Dedication</td>
<td>iv</td>
</tr>
<tr>
<td>Abstract</td>
<td>v</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>vii</td>
</tr>
<tr>
<td>Acronyms</td>
<td>x</td>
</tr>
<tr>
<td>List of Tables</td>
<td>xi</td>
</tr>
<tr>
<td>List of Figures</td>
<td>xii</td>
</tr>
</tbody>
</table>

## Introduction

Introduction........................................................................................................1
Why engage the Diaspora...................................................................................7
African Union Agenda on Diaspora engagement..............................................9
Objectives of the Study....................................................................................11
Research Methodology......................................................................................12
Justification of the Study................................................................................12

## Chapter 2

**Role of Diaspora in Promotion of Foreign Direct Investment, Trade, Technology and Skills transfer**

Introduction........................................................................................................13
Role of Diaspora in promotion of Foreign Direct Investment.........................14
Challenges faced in mobilizing Foreign Direct Investment............................23
Role of Diaspora in Trade promotion and Market Access...............................25
Role of Diaspora in Skills and Technology transfer.................................30
Challenges faced by Diaspora in Technology and Skills transfer............37

Chapter 3
Impact of Diaspora Remittances on Uganda’s Economy

Introduction..................................................................................................40
Trends in Diaspora Remittance flows..........................................................41
Channels used by Diaspora in sending remittances...................................51
Use of Diaspora Remittances.......................................................................57
Future outlook for Diaspora remittances....................................................60

Chapter 4
Role of Diaspora in Public Diplomacy, Promotion of Soft Power, Philanthropy and Culture

Introduction..................................................................................................63
Role of Diaspora in promotion of Public Diplomacy & Soft Power...........65
Role of Diaspora in promotion of Culture.....................................................69
Challenges faced by Diaspora in Culture promotion..................................77
Role of Diaspora in Philanthropy and Community development.............84
Role of Diaspora in Peace building and National reconciliation..............87

Chapter 5
Uganda Government Diaspora Engagement Initiatives

Introduction..................................................................................................95
Government Initiatives towards engagement of the Diaspora..................96
Opportunities from Diaspora engagement..................................................99
Challenges in engaging the Diaspora..........................................................105
ACRONYMS

AGOA  - African Growth and Opportunities Act
AU    – African Union
CHOGM - Commonwealth Heads of Government Meeting
COMESA - Common Market for Eastern and Southern Africa
EAC   - East African Community
IOM   - International Organization for Migration
LRA   - Lord’s Resistance Movement
MIDA  - Migration for Development in Africa
PEAP  - Poverty Eradication Action Plan
PIRT  – Presidential Investor’s Round Table
UBPA  – Uganda Business and Professionals Association
UIA   – Uganda Investment Authority
UNAA  – Uganda North America Association
UNCST – Uganda National Council for Science and Technology
UNCTAD - United Nations Conference on Trade and Development
UNESCO – United Nations Educational Scientific and Cultural Organization
LIST OF TABLES

Table 1 - Trends in Foreign Direct Investment

Table 2 - Regional and International Markets by Value

Table 3 - Trends in Remittance Inflows to Uganda 1997/98 – 2006/07

Table 4 - External Financial flows to Uganda 1997/98-2006/07

Table 5 - Source of Remittances by Regional grouping

Table 6 - Remittance Channels

Table 7 - Monthly distribution of Remittances (cash) 2006

Table 8 - Use of Remittances


LIST OF FIGURES

Figure 1 - Trends in Foreign Direct Investment Inflows

Figure 2 - Uganda 2007 Share of Total Exports Destination by Region

Figure 3 - Trends in remittance Inflows

Figure 4 - Trends in External Financial flows to Uganda 1997/98 – 2006/07

Figure 5 - Remittance Channels

Figure 6 - Monthly distribution of remittances (cash) 2006

Figure 7 - Use of Remittances

Figure 8 - Acculturation Strategies in John Berry’s Model
INTRODUCTION

International migration in the 21st century is attracting a lot of attention from policy makers due to its global impact and increased linkages to development in an era of increased cooperation and interdependence between countries. As the pace of globalization increases due to significant advances in technology, so has the movement of people across national borders in search of opportunities for better livelihood.

In Uganda like many other countries, emigration of nationals has been on the increase and can be attributed to a variety of factors both voluntary and involuntary. Some of the involuntary factors include natural disasters, famine, wars and conflicts while on the other hand some of the voluntary factors include employment, trade, studies, tourism and marriage among others. It cannot be pointed out that one particular factor is the main cause of emigration of Ugandans to other countries but rather a combination of factors and this cuts across all sectors of society as opposed to a single age group, tribe or level of education.

In pre-colonial times, slave trade thrived on the African continent resulting in a massive exodus of Africans sold into slavery in the Middle East, Europe
and the Americas. This greatly affected the economic and social structure of African societies as the best talented and productive persons were taken away. Some of the people shipped out of Africa as slaves were returned and resettled in countries like Liberia and Sierra Leone after the abolition of Slave trade. However, a significant number of former slaves remained and integrated with the culture and ways of life of the host countries.

The colonial period saw an increase in influence of European countries in Africa. The Imperial British East Africa Company (IBEAC) was established in the year 1888 and took charge of trade and administration of both Kenya and Uganda that were colonies of Britain. Since Uganda was a landlocked country, the British embarked on construction of a railway line from the Kenyan coastal town of Mombasa to Uganda terminating at the town of Packwach in Northern Uganda. This rail line opened up the territory of Uganda to international trade, exploitation of natural resources and Influence of European culture brought by Missionaries mainly in the form of Western religions and education. Ugandans who had received some elementary education were urged to travel overseas to pursue higher education on scholarship.

The industrial revolution in Europe also fueled an increase in demand for raw materials from Africa. Explorers were sent to several countries in Africa
in search of vital minerals and other raw materials for industries in Europe. In Uganda and several other African countries, cash crop growing was introduced that provided a constant source for industrial production in Europe but also became a source of income for the local farmers. Some of the cash crops introduced in Uganda at that time are coffee, cotton, tea and tobacco. Africans were generally strong bodied and hardworking and it was not surprising that when the World wars came, young African men were swiftly incorporated in the colonial armies, this resulted in further movement of African natives abroad to participate in the first and second world wars on the side of their colonial masters.

Uganda was a British colony, achieving its independence on 9 October 1962. The post independence period between 1968 and 1985 witnessed massive emigration of Ugandans due to political instability and civil war that affected the country. The civil strife was as a result of the flawed system of governance left behind by the colonialists that empowered some tribal groups at the expense of others that is the divide and rule system. In addition, there were weak and undeveloped state structures of governance. The military was the dominant institution that controlled state power and was soon used by opportunistic leaders to abuse human rights and oppress those opposed to their rule. The result of this was more Ugandans fleeing to live in exile to guarantee their safety.
In modern times, fuelled by the forces of globalization, Ugandans are emigrating mainly for economic reasons to obtain work and enjoy a better standard of living in the more developed countries. Uganda is a developing country with about 35% of the population living below the poverty line that is living on less than a dollar per day. The rate of unemployment is high and similarly there is a significant number of those under employed. In addition, over half of the population is under the age of 15 years, this has led to a high dependency ratio and put a strain on utilization of natural resources and provision of social services. Uganda also has one of the fastest growing populations, it is estimated that on average each woman bears 7 children during her child-bearing years. This increases the burden of households to provide the basic needs like food, shelter, health care, clothing and education. Emigration is thus seen as a lifeline for people to earn higher incomes abroad and provide social support to their families back home in the form of remittances.

There is also an ever growing demand for pursuing higher education abroad from Ugandan nationals in a bid to become globally competitive and make progress in the field of knowledge and research. In addition there have been tremendous developments in the area of information and communications technology that have made people in Uganda and other
areas in the world to have an awareness of events and opportunities available globally that they can benefit from.

The growth in demand for skilled labour internationally has also attracted a large number of Ugandans to move abroad. Professionals such as teachers, doctors and nurses constitute an ever growing “brain drain” effect for Uganda as more skilled labour is lost than the country receives.

Uganda is a multicultural society and therefore Ugandan nationals have a positive attitude towards interacting and integrating with other cultures. This has resulted in an increased and ever growing number of cross-cultural marriages. This phenomenon has also contributed to Ugandan citizens traveling abroad to join their marriage partners and reunite with their families.

The result of these waves of movement has been the creation of a significant Diaspora community of Ugandans in the countries they emigrated to. The Diaspora is a diverse people representing several ethnic groups in Uganda and still has strong links and family ties to their motherland.
For purposes of this study, I adopt Gabriel Scheffer’s (1986, p.3) definition of Diaspora: “modern diasporas are ethnic minority groups of migrant origins residing and acting in host countries but maintaining strong sentimental and material links with their countries of origin.”

The presence of these diaspora communities has opened up several opportunities as well as challenges as they continue to grow in influence both in their destination countries as well as origin in Uganda. The Uganda Diaspora community is the human face or image around which their respective host country nationals form their perceptions and attitudes about Uganda. Good behaviour, achievement and reputation amounts to the benefit of Uganda’s image while bad behaviour, crime and negative reputation harms Uganda’s image. Therefore an origin country like Uganda faces a dilemma of how to effectively engage and work with its Diaspora community who are under the jurisdiction of another country and therefore not directly under its control to maximize opportunities and minimize challenges from this important partnership.

The perception in Uganda about the diaspora communities has evolved overtime from indifference and non-involvement to active engagement and interest. In the past Ugandan emigrants were looked down upon as desperate casual workers or “nkuba-kyeyo” which means “broom-welder”
in the local dialect. Today the diaspora community is held in high regard due to their contributions to poverty reduction in their families and the national economy through remittances and other investments.

Uganda is a land locked country and therefore suffers the disadvantage of remoteness and limited access to international markets, global trade and investment opportunities. Several efforts to attract foreign direct investment have resulted in minimal impact. The diaspora community provides a good opportunity to increase Uganda’s networking with the international community to promote trade and investment through contacts they make in countries they have settled in.

This paper aims at studying the role that the Diaspora is playing in the development of Uganda and what policies Uganda government has put in place to engage its Diaspora community.

**WHY ENGAGE THE DIASPORA**

A vital resource for the development of any country is its people both at home and those living abroad. While some effort has been put in place to build the capacity and empower citizens at home to contribute to national
development, not much effort and resources have been put in place to mobilize nationals abroad towards development of their home country.

The Uganda Diaspora is an important resource that needs to be engaged for national development. In addition to the goodwill the Diaspora has towards their country of origin; they help contribute in the following ways listed below:

• The Diaspora help in poverty alleviation at household level through remittances sent to their relatives;
• They help in direct investments in the country as well as attract other foreign direct investments (FDI);
• They help to promote trade across national boundaries by acting as middlemen and providing market information and preferences of consumers in both host and origin countries;
• They are instrumental in knowledge exchanges, transfer of skills and technology between host and origin countries;
• The Diaspora promote the image and culture of the origin country;
• The Diaspora promotes friendship and cooperation between the host and origin country through their personal contacts and networks.
AFRICAN UNION AGENDA ON DIASPORA ENGAGEMENT

The African Union (AU) that is composed of fifty three (53) member states established an agenda for engagement of the African Diaspora in the development of the African continent. This initiative was put in place at an African Union Executive Council Meeting in 2003.

According to the African Union the Diaspora are defined as: “peoples of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and building of the African Union.”

In this regard the African Union Diaspora engagement agenda identifies six areas of focus as follows:

i) Economic cooperation;
ii) Regional development and integration;
iii) Women, youth and vulnerable groups;
iv) Historical, Social-cultural and religious commonalities;
v) Peace and security; and
vi) Knowledge sharing and learning
Uganda is working in partnership with other member states, civil society and development partners to engage the African Diaspora through the African Union Diaspora engagement framework.

This multi-stakeholder approach initiated by the African union provides a platform for wider consultations, exchange of information, harmonization of policies and strategies to achieve better results from all parties involved. One of the benefits of this multi-stakeholder approach was the Open House forum hosted by the World Bank for the African Diaspora held in Washington D.C in November 2007.

The World Bank Open House forum is an initiative formed in partnership with the African Union aimed at mobilizing the African Diaspora for development of Africa. This provides an opportunity for the World Bank to interact with and exchange ideas with the African Diaspora on the best way possible of carrying out development activities in Africa in addition to learning more about other on-going activities and programmes at the Bank.

The World Bank Open House forum in partnership with the African Union and African Diaspora is expected to achieve the following objectives:
i) To facilitate the Diaspora to build on on-going efforts via blended strategy of virtual participation; short, medium and long-term placements; return and retention; institutional partnerships and networks;

ii) To assist governments create enabling environments including operational policies for Diaspora to provide services and products, and deploying professionals through national focal points;

iii) To promote business and investment networks through mechanisms for Diaspora and home country partners to access development funds; and

iv) To engage donor partners including the African Development Bank to support a Diaspora Investment fund based on global initiatives that exploit the benefits of Diaspora remittances.

OBJECTIVES OF THE STUDY

The study aims at achieving the following objectives:

- To study the role of the diaspora community in mobilizing Foreign direct investment (FDI);
- To study the impact of remittances from the diaspora community on Uganda’s economy;
- To study the role of the diaspora community in public diplomacy; and
• To study the role of government towards the diaspora community and come up with policy recommendations.

RESEARCH METHODOLOGY

The research methodology will involve mainly use and analysis of primary data obtained from Uganda government departments and other relevant international organizations handling diaspora issues.

The research will also make use of focus group discussions, personal interviews and information from Uganda Diaspora Associations and other knowledgeable persons on this subject.

JUSTIFICATION OF THE STUDY

The study will be helpful in increasing knowledge about the activities and role of Uganda diaspora communities in development of their country of origin and propose appropriate policies to Uganda government on more effective ways of engaging its diaspora.
CHAPTER TWO:
ROLE OF DIASPORA IN PROMOTING FOREIGN DIRECT INVESTMENT (FDI), TRADE, TECHNOLOGY AND SKILLS TRANSFER

INTRODUCTION

Ugandans in diaspora are increasingly making significant contributions to the economy through foreign direct investments. According to the Uganda investment authority (UIA), some of the investments put in place by the diaspora community include schools, hospitals, manufacturing plants and hotels among others.

The Uganda government has put a lot of emphasis on attracting foreign direct investment to boost economic growth and employment creation. This is evident from the investment incentives offered by the Uganda Investment Authority like tax waivers for a specified period of time, offers of government land and loan guarantee by government to access credit from financial institutions.

The diaspora community through networking has also helped to promote trade between Uganda and their host countries. Ugandan business people have benefited from opportunities opened-up through contacts abroad of
the diaspora community who have good knowledge of the local markets as well as foreign markets.

This chapter seeks to study the role of Uganda’s diaspora community in promotion of Foreign Direct Investment, trade, market access for local products, transfer of knowledge, skills and technology.

**ROLE OF UGANDA DIASPORA COMMUNITY IN PROMOTION OF FOREIGN DIRECT INVESTMENT**

Attracting Foreign Direct Investment to Uganda has not been an easy task due to the negative image the country got during the difficult post independence period between 1970 -1985 that was characterized by political instability, civil war and deterioration of the economy.

The country’s image suffered further damage in 1972 when then President Idi Amin expelled the Asian community, a key influence as the main entrepreneurs in the Ugandan economy and distributed their properties and businesses to indigenous Ugandans who lacked the necessary skills in business and investment. This led to near collapse of the economy with critical shortages of basic commodities.
The current government of President Yoweri K. Museveni has tried to reverse the bad policies and actions of the past by returning the confiscated Asian properties back to their original owners and encouraging them to return to live and invest in Uganda. Most of the Asian community expelled by President Amin in 1972 had since emigrated mainly to the United Kingdom, Kenya, South Africa and Canada but still maintained strong attachments to Uganda.

The Asian-Ugandan Diaspora community mainly comprising of ethnic Indians are a very successful group of entrepreneurs that were pioneers in establishing Manufacturing and Services sector enterprises in Uganda. Some of the most famous entrepreneurs in this group include the Madhvani group, Mehta group, Mukwano group and Meera group. “The return of the departed Asian properties was a strong re-affirmation of Uganda government’s commitment for the respect of private property rights. The entire process of verifying claims and returning property to the original owners had been completed by 1996” (Kasekende, 2000). This helped to restore investor confidence and provide justice to the Asian-Ugandan Diaspora community that had been wronged by past governments.
Uganda Investment Authority has taken the lead in reaching out to diaspora Ugandans to invest some of their money back home. In this regard, Uganda Investment Authority has ensured that it sends its officials to participate in annual conventions of Ugandans in diaspora. Some of the Uganda diaspora associations include: Uganda North America Association (UNAA), Uganda Business and Professionals Association United Kingdom (UBPA), Bamasaba in diaspora, Acholi diaspora and Baganda in diaspora.

Uganda Investment Authority and other national stakeholders have further gone ahead and organized two Uganda diaspora conferences. The most recent meeting called “Uganda Diaspora; Home is Best Summit” was held from December 27-30, 2008 in the town of Gulu and Kampala city respectively. This is testimony of Uganda government’s commitment to reach out and engage the diaspora and its recognition of the important contribution they are making towards foreign direct investment in their origin country.

The Uganda Diaspora; Home is best summit attracted several participants including; Government officials, private sector actors, academics, Non-governmental organizations, Think-tanks and representatives of Ugandans living in the diaspora. The objectives of the conference were the following:
i) To inform the Diaspora about trade and investment opportunities in Uganda;

ii) To appeal to the Diaspora to invest in Uganda; and

iii) To appeal to the Diaspora to mobilize the international business community to invest in Uganda.

The growing interest in engaging Uganda’s diaspora community to invest in their home country is because they have access to external funds, knowledge and skills that are important for boosting production, growth and creation of employment. Ugandans in diaspora are also more likely to invest in their homeland due to positive “home bias” (Ratha 2005, p.26) as compared to other opportunistic foreign investors who mainly look out for incentives and may withdraw at anytime when the economy experiences a decline.

In her presentation to the conference, the Executive Director of Uganda Investment Authority, Dr. M. Kigozi, recognized the important contribution made by Ugandans in Diaspora in alleviation of poverty through funds sent to their families and relatives. She urged the Diaspora to focus their efforts
in productive investments to generate income and employment instead of only remitting money for household consumption.

Following the success of the Uganda Diaspora Home is best summit 2008, Uganda government through Uganda Investment Authority and other stakeholders will hold a Diaspora conference annually in the month of December. This will help strengthen the links with Ugandans in the Diaspora and encourage them to invest more in their country of origin. As pointed out by K. Newland, E. Patrick (2004, p.16) “creating, rebuilding and maintaining bonds with migrant communities and encouraging patriotic sentiments” strengthen the effectiveness of a Diaspora engagement strategy. This emphasizes the importance of building and nurturing the relationship between the Diaspora community and the host country that the Annual Diaspora Conference hopes to achieve to encourage more Foreign Direct Investment in Uganda.

The Uganda government has put in place several market reforms and is strengthening financial and regulatory institutions in order to create a conducive environment for Foreign Direct Investment. Some of the reforms include; liberalizing the foreign exchange regime to be determined by market forces, establishment of the Uganda Investment Authority (UIA) as a one-stop-centre for investors, establishment of the Uganda Registration
Services Bureau to help in easing the process for investors to register a business and establishment of the Presidential Investor’s Round Table (PIRT). The Presidential Investor’s Round Table (PIRT) is a forum comprising of eminent persons from the private and public sectors that advise the President on investment issues.

The trend in Foreign Direct Investment inflows into Uganda is shown in the following table 1 and figure 1 below.

Table 1: Trend in Foreign Direct Investments

<table>
<thead>
<tr>
<th>Year</th>
<th>FDI (US $ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002/03</td>
<td>202</td>
</tr>
<tr>
<td>2003/04</td>
<td>222</td>
</tr>
<tr>
<td>2004/05</td>
<td>258</td>
</tr>
<tr>
<td>2005/06</td>
<td>380</td>
</tr>
<tr>
<td>2006/07</td>
<td>400</td>
</tr>
<tr>
<td>2007/08</td>
<td>368</td>
</tr>
</tbody>
</table>

*Source: UNCTAD World Investment Report 2008*
The above trend in Foreign Direct Investment inflows into Uganda reflects a gradual increase from the period 2002/03 to 2006/07. This annual increase in Foreign Direct Investment inflows is a result of investor confidence in the stable political and economic environment that Uganda has been experiencing following various reforms in the economic and political systems of the country.

The contribution made by Ugandans in the Diaspora to the growth in foreign direct investments has been very significant. It was observed that
after liberalization of the capital account by the Bank of Uganda, more external capital was attracted into the country with “most inflows being returning capital flight, capital from returning Asian-Ugandans and trade financing in the form of export pre-financing” (Kasekende 2000).

The decline in 2007/08 can be attributed to the slow down of the economy due to political unrest in neighboring Kenya, a major source of FDI to Uganda. The political unrest in Kenya was caused by post election violence after the controversial re-election of President Mwai Kibaki. The decline can also be attributed to the general harsh global economic conditions resulting from escalating fuel prices and the global recession arising from the USA credit crunch.

At the end of year 2008, Uganda Investment Authority had licensed three hundred and forty nine (349) projects with a planned investment value of approximately US $ 2.4 billion. The main ten sources of planned Foreign Direct Investments in 2008 include Singapore, Belgium, United Kingdom, India, Kenya, Pakistan, Mauritius, China, Finland and USA respectively.

**Top 10 Sources of Foreign Direct Investments to Uganda: 1991-1997**

1. United Kingdom;
2. Kenya;
3. India;
4. United Arab Emirates;
5. South Africa;
6. Canada;
7. U.S.A;
8. China;
9. Egypt; and
10. Pakistan

*Source: Uganda Investment Authority*

Some of the projects established through Diaspora investments include the following:

- Gulu Independent hospital;
- Community Hospital Mbarara;
- Paragon Hospital Kampala;
- Ugarose;
- Sembeguya;
- Jakana ltd;
- Executive Airport Hotel;
- Lindsay Apartments;
- Arkright Projects; and
African Power Initiative in Karamoja

Ugandans in Diaspora through their associations and networks have directly influenced Uganda government to institute better economic reforms and policies that encourage foreign direct investments. The increase in investments from the Diaspora has in turn acted as a pull factor for other foreign investors to invest in Uganda.

The potential for growth in Foreign Direct Investments from the Diaspora is big and needs to be fully tapped especially in areas like manufacturing, Information and communications technology (ICT), agriculture, tourism, financial services, education services and health services.

Business process outsourcing opportunities are also an untapped area that established Ugandan businesses could benefit from through contacts with the Diaspora. This can be enhanced by building capacity of local businesses and organizations to enable them compete favorably in international markets.

**CHALLENGES FACED IN MOBILIZING FOREIGN DIRECT INVESTMENTS (FDI)**
As earlier pointed out, numerous challenges have been encountered in trying to mobilize foreign direct investments from Uganda’s Diaspora. The negative historical incidents like civil war, expulsion of the Asian community and seizing of their properties by the Idi Amin government created a bad image for Uganda. This discouraged some Ugandans in Diaspora especially those who were directly affected from returning to invest in Uganda despite the stable political environment prevailing today.

Uganda is a landlocked country with under developed infrastructure. The undeveloped road and rail network make it difficult for local products to access both domestic and international markets. This therefore raises the costs of production and doing business in Uganda. Critical energy shortages have also hindered economic growth as the power generated is not enough to service the local industries and manufacturing plants.

The economic reforms implemented by Uganda government have helped to attract external capital flows, increase savings and investment. However, “the Uganda financial markets are not well developed and not fully integrated into the international financial markets” (Kasekende 2000). This has limited credit creation for businesses and therefore the amount of foreign direct investment attracted into the country.
There are challenges with institutional weaknesses resulting in a lot of bureaucratic procedures and processes that frustrate investors due to delays in registrations, licensing and fulfilling other requirements to operate their businesses. The growth of corruption in some public offices has also been a setback to attracting foreign investments.

**ROLE OF UGANDA’S DIASPORA IN TRADE PROMOTION AND CREATION OF MARKET ACCESS OPPORTUNITIES**

Ugandans are mainly engaged in agricultural production that about 80% of the population directly derives its livelihood. The scale of production is largely subsistence farming that generates unprocessed primary produce both for domestic consumption and export. Some of the products exported by Uganda include coffee, tea, hides and skins, flowers, maize, tobacco, cotton and fish among others.

The disadvantages Uganda faces of being landlocked with a small domestic market are being addressed by regional integration and bilateral trade agreements to boost trade and expand market access opportunities for her products. Some of the regional and bilateral arrangements to promote trade and market expansion include; East African Community (EAC), Common Market for Eastern and Southern Africa (COMESA), Africa growth
and opportunities Act (AGOA), EU everything but arms and bilateral trade agreements with China, Canada and other countries.

The increased access to regional and international markets has enhanced the free movement of factors of production like capital and labour. There is a growing trend of Ugandans moving across the East African and Great Lakes region to countries like Rwanda, Kenya, Tanzania, Democratic Republic of Congo and Southern Sudan to make use of the available trade and employment opportunities.

The high rate of emigration of Ugandans within the East African and Great lakes immediate region follows a similar pattern of migration observed in Sub-Saharan Africa by Maimbo and Sander (2005,p.61) that “most Sub-Sahara African migrants have tended to stay on the continent moving intra regionally or domestically”. This explains the large volume of trade within the African regional markets like Common Market for Southern and Eastern Africa (COMESA).

Table 2, and figure 2, show Uganda’s Regional and International markets by value.
Table 2:

<table>
<thead>
<tr>
<th>NO.</th>
<th>REGION</th>
<th>US $</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Common Market for Southern and Eastern Africa (COMESA)</td>
<td>506,509,072.02</td>
<td>38.99</td>
</tr>
<tr>
<td>2</td>
<td>European Union (EU)</td>
<td>324,395,335.65</td>
<td>24.97</td>
</tr>
<tr>
<td>3</td>
<td>Middle East</td>
<td>190,846,925.58</td>
<td>14.69</td>
</tr>
<tr>
<td>4</td>
<td>Other Europe</td>
<td>91,361,341.87</td>
<td>7.03</td>
</tr>
<tr>
<td>5</td>
<td>Other Africa</td>
<td>87,745,377.12</td>
<td>6.75</td>
</tr>
<tr>
<td>6</td>
<td>East Asia</td>
<td>64,228,561.26</td>
<td>4.94</td>
</tr>
<tr>
<td>7</td>
<td>North America &amp; Caribbean</td>
<td>23,777,340.43</td>
<td>1.83</td>
</tr>
<tr>
<td>8</td>
<td>South Asia</td>
<td>5,311,497.72</td>
<td>0.41</td>
</tr>
<tr>
<td>9</td>
<td>Oceania</td>
<td>2,476,295.63</td>
<td>0.19</td>
</tr>
<tr>
<td>10</td>
<td>South &amp; Central America</td>
<td>2,472,130.67</td>
<td>0.19</td>
</tr>
</tbody>
</table>

Source: Uganda Export Promotion Board Performance report 2007
The Common Market for Eastern and Southern Africa (COMESA) is the leading export destination for Uganda’s products with about 39% of the total value of exports. The Common Market for Eastern and Southern Africa (COMESA) is one of the largest trading blocks in Africa comprising of...
twenty three (23) member States and an estimated market size of over 400 million people.

According to the Uganda Exports Promotion Board, growth of trade within the COMESA region was due to increase in investment and demand for re-exports and wholesale trade in manufactured merchandise.

Sudan was the leading export destination in the COMESA region with a value of US $ 157,116,712 approximately 32% of exports to this region. Other major export destination countries in COMESA included Democratic Republic of Congo with a value of US $ 100 million and Rwanda with a Value of US $ 83.3 million. The growth in exports to the above-mentioned COMESA countries according to Uganda Export Promotion Board is due to the high demand for building materials and semi processed foods from Uganda.

Overall, the leading five export destination countries for Uganda’s products in 2007 according to the Uganda Export Promotion Board report were; United Arab Emirates, Sudan, Kenya, Democratic Republic of Congo and Switzerland respectively.
Exports to the big international markets of the European Union, North America and the Far East registered dismal growth due to stiff market access conditions and being geographically distant from Uganda. In addition, Uganda’s agricultural exports suffer an unfair disadvantage in markets like the European Union and the USA whose agricultural produce is highly subsidized. These and other non-tariff barriers continue to hinder the growth of exports from Uganda into some of the major International markets.

The Uganda and wider African Diaspora community resident in the U.S.A and European Union have played an important role in partnership with African governments in lobbying the governments of the developed world to grant market access to some selected products through preferential arrangements. This led to the African Growth and Opportunities Act (AGOA) with the U.S.A and the “Everything but Arms” agreement with the European Union.

**ROLE OF DIASPORA IN TRANSFER OF KNOWLEDGE, SKILLS AND TECHNOLOGY**

The impact of globalization in developing countries like Uganda has resulted in increased emigration of skilled and semi skilled persons to the
more developed countries in search of better opportunities also referred to as “brain drain”. This includes movement of some professionals that are in short supply and vital to the development of Uganda like medical workers and other highly skilled labour.

The focus in the past from policy makers in Uganda was on the remittances that this group of professionals in Diaspora send back home that helps in poverty alleviation. It is now appreciated that the Diaspora community through their exposure and experience in the countries they reside constitute a rich source of knowledge, skills and ideas that are yet to be tapped for the development of Uganda.

The professionals in the Diaspora have also benefited from higher education training, research and development opportunities that are limited or unavailable in Uganda. This therefore makes the Diaspora a vital “skills and knowledge bank” to contribute to the development of Uganda.

The growth and ever improving forms of modern technology have also brought about numerous opportunities for accessing global information, knowledge networks and production techniques. Institutions in Uganda are benefiting from facilities like the internet online learning, telemedicine and teleconferencing with their partners in the Diaspora.
The Arlington Academy of Hope School in Bududa district, Eastern Uganda, is an example of the growing partnership and contribution of the Diaspora community. Mr. John Wanda, President of the Arlington Academy of Hope, is a member of the Uganda Diaspora community in the United States of America and was inspired to start a school in his home town of Bududa due to his experience with the USA education system and his passion to provide quality education to Ugandan children.

In a keynote speech delivered at the North America Masaba Cultural Association annual convention in New York 2008, Mr. Wanda challenged other Ugandans in the Diaspora to make a contribution to their motherland as follows:

“We have learned much during our stay outside Uganda. If our hearts are back in Africa, we shall do what is right and take back what we have learnt in this country. An educated person in the Diaspora will bring back not just new schools but new ways of learning things” (Wanda 2008, p.4).

It is evident from the above statement that some Ugandans in the Diaspora have goodwill towards their country of origin and are well placed to contribute from their abundance of knowledge, skills and technology.
endowments gained abroad to the development of Uganda. Government and other development partners need to create an enabling environment to encourage the Diaspora community contribute through their skills and knowledge to national development.

The search for new inventions and innovations that help to stimulate production and improvement of service delivery cannot be overemphasized in positioning a country on the path of development. Universities and institutions of higher learning provide important platforms for accessing innovations. Ugandans in the Diaspora enrolled at various universities and institutions of higher learning abroad provide an opportunity for accessing modern inventions and innovations that are vital in transforming the economy of their country of origin. In addition to encouraging more nationals to pursue higher education abroad, a strategy needs to be put in place to encourage them return and apply their acquired knowledge back home.

The Uganda National Council for Science and Technology (UNCST) is the government institution mandated to develop and implement policies and strategies for integrating Science and Technology into national development policies, to advise on policy matters necessary for promoting science and technology and coordinating national research and
development. The focus has mainly been on developing local research and innovation in partnership with the private sector in Uganda. The Uganda National Council for Science and Technology needs to broaden its outreach and engage the Diaspora in the area of Science and Technology research and development.

Uganda government through the Uganda National Council for Science and Technology (UNSCT) is working in partnership with the World Bank to implement the Millennium Science Initiative (MSI) competitive grants project. This is a five year project that commenced in the year 2006 and expected to be completed in the year 2011 with the purpose of providing funding support to science and technology development activities. The objectives of the project are as follows:

i) To produce more and better qualified Science and Technology Graduates;

ii) Conduct higher quality Scientific research; and

iii) Enable private sector firms to utilize these outputs to improve productivity and enhance Science and Technology led economic growth.
The Millennium Science Initiative project Uganda provides a vital opportunity to engage Diaspora scientists to make a contribution to research, technological innovation and development in their country of origin.

The Uganda National Council for Science and Technology (UNCST) hosts the annual Presidential Scientific Awards ceremony to recognize Scientists for outstanding achievements and contributions in various fields of Science and Technology. The first awards ceremony was held in 2006 and was presided over by H.E. President Yoweri Museveni. This is an important initiative aimed at promoting and encouraging scientific research and technological innovation in Uganda. It has been observed, however, that the Presidential Scientific Awards since the first ceremony held in 2006 to date have been awarded to only scientists based in Uganda. The scope of the Presidential Scientific Awards and other initiatives in Science and Technology should also be expanded to include Ugandan Scientists in the Diaspora. This will encourage them to participate more and contribute to Science and Technology development in their origin country.

It is unlikely that the trend in emigration of skilled persons from developing countries like Uganda will stop despite efforts to put in place incentives to retain skilled persons. The attractive payment and career offers in
developed countries continue to attract the highly skilled from developing countries. Uganda can however achieve significant benefit by working in partnership with host countries to build a database of skilled persons and expertise in the Diaspora communities to encourage knowledge exchanges.

Origin countries and destination countries of migrants need to conclude bilateral agreements to allow circular migration to ensure benefits to both countries. “Circular migration is a continuing long-term and fluid pattern of international mobility of people among countries that occupy now what is increasingly recognized as single economic space” (Newland. K et al 2008, p.1). This enables migrants to be gainfully engaged in both origin and destination countries with opportunities of returning.

The International Organization for Migration (IOM) through its Migration for Development in Africa (MIDA) capacity building project is working in partnership with several countries in Africa including Uganda to engage the African Diaspora to contribute to the continent’s development by transfer of skills and knowledge acquired in host countries. This is done in collaboration with the host countries to grant and preserve migrants’ rights to enable them move freely between the host and origin country.
According to International Organization for Migration (IOM), the proposed methods of transfer of skills, financial and other resources of Africans in the Diaspora are as follows:

i) Virtual/tele-work or satellite based information technology systems;

ii) Sequenced/ repeated visits;

iii) Investment; and

iv) Permanent relocation.

The need therefore, for commitment and cooperation from the multi-stakeholders i.e. country of origin, host country, migrants and multilateral institutions cannot be over-emphasized for the IOM-MIDA capacity building project and any other initiatives to tap skills, knowledge and expertise from Diaspora communities to succeed.

CHALLENGES FACED BY THE DIASPORA IN TRANSFERING SKILLS, KNOWLEDGE AND TECHNOLOGY

Ugandans in the Diaspora face challenges integrating in the job markets of their host countries. The skilled migrants often are unable to obtain jobs that match their qualifications especially if the qualifications were not obtained in the host country. Most host countries do not recognize
education credentials of immigrants obtained in their origin countries because of the perception that they are inferior and not compatible with the work environment and other requirements of the host country. The migrant ends up settling for a lower skilled job or has to spend more money to obtain the host country qualifications to be accepted. For instance a graduate doctor, engineer or accountant taking up a job as a taxi driver, waiter, shop assistant etc. This leads to “brain-waste” as the migrant’s skills are under utilized and not developed.

There is also discrimination against migrants depending on the region or country of origin they come from. It can be generally observed that migrants who come from countries with similar culture, language and business practices with the host country are more likely to be preferred for job placement than migrants from distant and unfamiliar cultures. As observed by Batalova and Fix (2008, p.19) a study done on employment of migrants in the United States of America as follows: “in terms of origin, immigrants from Europe were the least likely to be unemployed while African-born immigrants were most likely to be unemployed”. Ugandans in the Diaspora have an uphill battle to overcome such disadvantages brought about by the differences in their origin and wide difference to some host country practices.
There is also a challenge of racial discrimination faced by Ugandans in the Diaspora. They are sometimes denied some opportunities even when they merit the qualifications required. For instance it is difficult for a Ugandan national to get a job for teaching English in China despite their level of skill, qualifications and the fact that English is one of the official languages used in Uganda. This is because of the negative perception that its only nationals of the “native” English-speaking countries like United Kingdom, USA, Australia, Canada and New Zealand that should teach English language. This hinders Ugandans in the Diaspora from developing their knowledge and skills to maximum potential.

There is also a big challenge that Ugandans face as a result of limited exposure and time spent abroad to be able to acquire and learn new skills, knowledge and new technologies that would be useful back home. This is especially true for temporary migrants working abroad on short-term contracts and therefore have to return on termination of their employment contracts. It usually takes some time for the migrants to adapt to the work environment, language and culture in order to effectively develop their skills and be competitive. In addition they would not have made significant savings to invest back home or send as remittances to support their families.
CHAPTER THREE:
IMPACT OF REMITTANCES FROM THE DIASPORA ON UGANDA’S ECONOMY

INTRODUCTION

Uganda is a developing country with a population estimated at about 30 million people with approximately 50% of the population below the age of 15 years. This has resulted in a high dependency ratio with a strain on the working population to provide for their basic needs. Ugandans in Diaspora are playing an important role in providing social support to their families back home through remittances.

The local economy of Uganda is largely dependent on Agricultural traditional exports of coffee, tobacco, cotton and tea whose prices on the world market are highly unstable characterized by massive fluctuations. This therefore makes export earnings for Uganda’s agricultural products unpredictable and unreliable in supporting the local economy. This has led to the growth in importance of remittances from the Diaspora as an alternative source of vital financial flows into the economy.
While the Uganda economy receives approximately 30% of its external financing through Foreign Aid, it’s been observed that remittances estimated by the Ministry of Finance at US $ 1,392 million in the Financial Year 2007/2008, are an important source of foreign exchange earnings and play an important role in supporting macro economic stability and private investment.

This chapter seeks to study the trends in remittance flows from Ugandans in the Diaspora, impact of remittances on Uganda’s economy and future outlook for remittances in view of the current global economic situation.

TRENDS IN REMITTANCE FLOWS FROM UGANDANS IN DIASPORA

Remittances or “kyeyo money” as they are commonly known in Uganda are becoming a significant source of foreign exchange and major external financial flows to the local economy. In a speech to the Uganda North American Association Diaspora Meeting in September 2005, the US Ambassador to Uganda at that time, Jimmy Kolker, pointed out that “remittances from Ugandans overseas are by far the largest source of foreign exchange earnings and the single largest benefit to Uganda from the world economy.”
According to the Ministry of Finance, remittances from Ugandans in Diaspora for the period 2007/08 are estimated at US $ 1,392 million (Budget Speech FY2008/09, p.5). This is a significant increase from the amount registered in the previous period 2006/07 of US $ 866 million. The continued growth in the amount of remittances has not only helped to boost individual household incomes but also helped in growth of private investment and savings.

Workers remittances are private funds sent by individuals or group of people to families and friends mainly used for domestic consumption. It has been observed in Uganda that a large amount of remittances are still sent through informal channels and therefore not recorded despite the increase in remittances registered through the formal channels. This is due to the insufficient access to financial services especially in rural areas and high costs of sending money through the formal channels.

The legal status of migrant workers in Diaspora also influences the method they use for sending remittances. The category considered illegal migrants with no proper documentation generally send their remittances using informal channels while those with proper documentation and legal residence status in the host countries use more of the formal channels for sending remittances.
The private nature of remittances brings about a challenge to policy makers seeking to channel these financial flows for development activity. As observed by Sander and Maimbo (2005) “the development effects of remittances depend on their continued flow and availability of investment opportunities.” Hence, in addition to household consumption, there is need to encourage utilization of remittances for increasing private savings and investments.

Table 3 and Figure 3 below highlight the trends in remittance inflows to Uganda during the period 1997/98 to 2006/07.
<table>
<thead>
<tr>
<th>Year</th>
<th>Remittances (US $ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997/98</td>
<td>193</td>
</tr>
<tr>
<td>1998/99</td>
<td>77</td>
</tr>
<tr>
<td>1999/00</td>
<td>253</td>
</tr>
<tr>
<td>2000/01</td>
<td>194</td>
</tr>
<tr>
<td>2001/02</td>
<td>435</td>
</tr>
<tr>
<td>2002/03</td>
<td>310</td>
</tr>
<tr>
<td>2003/04</td>
<td>329</td>
</tr>
<tr>
<td>2004/05</td>
<td>406</td>
</tr>
<tr>
<td>2005/06</td>
<td>634</td>
</tr>
<tr>
<td>2006/07</td>
<td>866</td>
</tr>
</tbody>
</table>

*Source: Bank of Uganda*
The trends in remittance inflows in Uganda show a positive growth between the period 1997/98 to 2006/07. This may mainly be attributed to the growth in emigration of Ugandans moving and settling abroad hence increased remittances sent to their families back home.

The government of Uganda has also played an important role to improve the economic environment and create favorable conditions to attract more remittances by liberalizing the foreign exchange regulatory regime in 1997.
hence allowing nationals to operate bank accounts with foreign currency (Bank of Uganda, 2006).

Uganda is a major recipient of Foreign Aid that constitutes about 30% of the national budget. However, Official aid has been declining as donors scale down their commitments in harsh economic times. The growth in remittances from the Diaspora community has helped to provide a stable source of external funds that has improved the balance of payments position of the local economy.

The performance of remittances from Ugandans in diaspora in comparison to other external financial flows is highlighted in Table 4 and Figure 4 below.
Table 4: External Financial Flows to Uganda 1997/98 – 2006/07

<table>
<thead>
<tr>
<th>Year</th>
<th>Remittances (US $ Million)</th>
<th>Exports (US $ Million)</th>
<th>FDI (US $ Million)</th>
<th>Official Aid (US $ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997/98</td>
<td>193</td>
<td>457</td>
<td>120</td>
<td>728</td>
</tr>
<tr>
<td>1998/99</td>
<td>77</td>
<td>550</td>
<td>146</td>
<td>616</td>
</tr>
<tr>
<td>1999/00</td>
<td>253</td>
<td>460</td>
<td>177</td>
<td>490</td>
</tr>
<tr>
<td>2000/01</td>
<td>194</td>
<td>459</td>
<td>134</td>
<td>671</td>
</tr>
<tr>
<td>2001/02</td>
<td>435</td>
<td>474</td>
<td>190</td>
<td>713</td>
</tr>
<tr>
<td>2002/03</td>
<td>310</td>
<td>508</td>
<td>186</td>
<td>742</td>
</tr>
<tr>
<td>2003/04</td>
<td>329</td>
<td>646</td>
<td>204</td>
<td>841</td>
</tr>
<tr>
<td>2004/05</td>
<td>406</td>
<td>786</td>
<td>246</td>
<td>858</td>
</tr>
<tr>
<td>2005/06</td>
<td>634</td>
<td>889</td>
<td>261</td>
<td>671</td>
</tr>
<tr>
<td>2006/07</td>
<td>866</td>
<td>1,221</td>
<td>353</td>
<td>633</td>
</tr>
</tbody>
</table>

Source: Bank of Uganda
The pattern as observed in fig 4 shows that from 2005/06, remittances from Ugandans in Diaspora have become the second largest source of external financial inflows to the economy surpassing official aid and Foreign Direct Investment (FDI). Revenues from exports of goods and services are the leading source of external funds inflows.

The continued growth in remittances currently estimated to be 8.1% of GDP provides an important opportunity for boosting the financial sector, strengthening the balance of payments position and credit worthiness of
Uganda. It will also be helpful in reducing the over dependence on Official aid that is unreliable and showing a steady decline.

According to a survey carried out by Bank of Uganda, Uganda Bureau of Statistics and GTZ on inward remittances 2006, it was observed that the source of remittances from abroad according to region were as shown in table 5 below.

Table 5: Source of Remittances by Regional Grouping

<table>
<thead>
<tr>
<th>No.</th>
<th>REGION</th>
<th>REMITTANCES %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>AFRICA</td>
<td>37</td>
</tr>
<tr>
<td>2.</td>
<td>EUROPE</td>
<td>35</td>
</tr>
<tr>
<td>3.</td>
<td>NORTH AMERICA</td>
<td>22</td>
</tr>
<tr>
<td>4.</td>
<td>MIDDLE EAST</td>
<td>03</td>
</tr>
<tr>
<td>5.</td>
<td>AUSTRALASIA</td>
<td>03</td>
</tr>
</tbody>
</table>

Source: Bank of Uganda, Inward remittance Survey 2006

As observed from the above table, Africa region registered the largest source of remittances from the Diaspora at 37% closely followed by Europe at 35%, North America at 22%, the Middle East and Australasia both registering 3% of remittances.
The migration patterns of Ugandans have a direct influence on the source of remittances and amount by region. Most Ugandans emigrate within the immediate region due to close proximity and shared historical, cultural and trade ties with other African communities. Hence the largest source of remittances from Africa region.

The growth in remittances contributions from Europe and North America can be attributed to increased emigration of skilled labour to these regions and with high wages and salaries paid to expatriates in the Diaspora that enables them to send a significant amount of remittances back to their families at home. Skilled migrants also tend to settle for longer periods and hence are able to send even more remittances in the long run.

The small amounts of remittances registered from the Middle East can be attributed to migration controls and quotas by the countries in this region that only allow migrant workers to stay for a short period of time and return immediately their work is completed. Most Ugandan migrants in the Middle East are lower skilled/ temporary workers who work on short term contracts and are expected to return after the contracts are expired. This lowers the amount of remittances they can send back home.
There are generally few Ugandans migrating to Australasia as compared to other regions hence the small amount of remittances received from this region.

**CHANNELS USED BY DIASPORA IN SENDING REMITTANCES**

Ugandans in the diaspora send remittances back to their families using both formal and informal means. “The formal means include commercial banks, forex bureau, and money transfer operators like Western Union and Money Gram” (Muwanga- Zake, 2004). The informal means on the other hand involve sending friends and relatives to physically deliver the remittance funds to the recipients.

A significant amount of remittances are sent through informal channels due to high cost of sending through formal channels approximately 13% of the remittance value. The cost of remitting funds through formal means is even higher if the amount to be remitted is small and the destination its being sent is distant. It is also important to note that there are hardly any existing financial institutions and services in the rural areas in Uganda hence the inevitable need to send remittances to beneficiaries through informal channels.
Details of channels used for sending remittances by Ugandans in diaspora are highlighted in table 6 and figure 5 below.

Table 6: Remittance Channels

<table>
<thead>
<tr>
<th>REMITTANCE CHANNEL</th>
<th>PERCENTAGE %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial banks</td>
<td>24.5</td>
</tr>
<tr>
<td>Money Transfer Operators</td>
<td>25.4</td>
</tr>
<tr>
<td>(MTOs)</td>
<td></td>
</tr>
<tr>
<td>Microfinance Institutions</td>
<td>2.2</td>
</tr>
<tr>
<td>Forex Bureau</td>
<td>8.5</td>
</tr>
<tr>
<td>Post Office</td>
<td>4.9</td>
</tr>
<tr>
<td>Friends/Acquaintances</td>
<td>27.8</td>
</tr>
<tr>
<td>Traders</td>
<td>3.4</td>
</tr>
<tr>
<td>Others</td>
<td>3.2</td>
</tr>
</tbody>
</table>

*Source: Bank of Uganda, Inward Remittances 2006 Report*
It can be observed from the above figure that the most common channel used by Ugandans in the diaspora to send remittances back home is through friends and acquaintances at 27.8%. The significant use of this informal remittance channel poses a challenge in collecting data on actual amounts remitted and hence resulting in under reporting of remittance inflows.
The above figure also shows that Ugandans in the Diaspora send significant amounts of remittances through formal channels using mainly Money Transfer Operators (MTOs) and commercial banks at 25.4% and 24.5% respectively. This can be attributed to the need for faster and secure means to get the funds to the recipients.

The increased use of formal channels to send remittances to beneficiaries provides an opportunity to leverage these funds for development purposes in addition to other private uses. Hence there is need to improve access to financial services to beneficiaries especially in rural areas.

The remittances from Ugandans in the diaspora follow a seasonal pattern. It has been observed that remittances tend to increase in months where there are festive events and opening of school terms. The table 6 and figure 6 below highlight the monthly pattern of inward remittances.
Table 7: Monthly Distribution of Remittances (Cash) 2006

<table>
<thead>
<tr>
<th>Month</th>
<th>Remittance (US $ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>52.9</td>
</tr>
<tr>
<td>February</td>
<td>34.2</td>
</tr>
<tr>
<td>March</td>
<td>18.7</td>
</tr>
<tr>
<td>April</td>
<td>36.3</td>
</tr>
<tr>
<td>May</td>
<td>29.0</td>
</tr>
<tr>
<td>June</td>
<td>25.5</td>
</tr>
<tr>
<td>July</td>
<td>26.0</td>
</tr>
<tr>
<td>August</td>
<td>39.0</td>
</tr>
<tr>
<td>September</td>
<td>29.5</td>
</tr>
<tr>
<td>October</td>
<td>15.3</td>
</tr>
<tr>
<td>November</td>
<td>25.0</td>
</tr>
<tr>
<td>December</td>
<td>57.3</td>
</tr>
</tbody>
</table>

*Source: Bank of Uganda*
It can be observed from figure 6 that the highest amount of remittances were sent in the month of December that is US $ 57.3 million closely followed by January with US $ 52.9 million. This period is characterized by festive events of Christmas and New Year holidays. This is a season that most people in Uganda have their holiday and join their families in the rural areas to celebrate. Ugandans in Diaspora also use this occasion to send remittances to their families to celebrate this festive season.

Source: Bank of Uganda
The months of April and August recorded an increase in remittances as these are the seasons that the school terms usually commence. Hence the increase in remittances from the Diaspora is mainly channeled towards paying school fees during this period.

**USE OF REMITTANCE FUNDS FROM DIASPORA**

According to the Bank of Uganda inward remittances survey report 2006 on the use of remittance funds by the beneficiaries, it was observed that recipients use most of the remittance funds for consumption while the senders channel most of their funds into investment activities. The remittance senders from the Diaspora usually determine the intended use of the funds they remit to their families. Figure 7 and table 8, below highlight the different uses of remittance funds by beneficiaries and senders.
<table>
<thead>
<tr>
<th>Remittance Use</th>
<th>Recipient (%)</th>
<th>Sender (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption</td>
<td>37%</td>
<td>26%</td>
</tr>
<tr>
<td>Education</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>Investment</td>
<td>20%</td>
<td>39%</td>
</tr>
<tr>
<td>Health</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>Others</td>
<td>9%</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Source: Bank of Uganda*
The figure above shows that the main use of remittance funds by recipients is consumption up to 37% while the remittance senders use most of their funds for investment activities up to 39%. This implies that remittances from the Diaspora are pivotal in boosting incomes of recipients hence improved purchasing power and standard of living. This helps alleviate income poverty of recipient households.

Source: Bank of Uganda
The high priority placed on investment at 39% by remittance senders helps to boost the economy as the funds are used for production, business capital, value addition and creation of employment. Some of the items Ugandans in Diaspora have invested in include housing, land and capital markets (shares and securities).

The inclination of recipients to use remittances mainly for consumption more than investment and other productive activities has the negative effect of creating a dependency habit. This constrains growth and development in the long-run if remittances from the sender decline or stop.

**FUTURE OUTLOOK FOR REMITTANCES FROM UGANDANS IN DIASPORA**

Remittance inflows from Ugandans in the Diaspora have shown a big potential for growth and are relatively more stable as compared to other financial inflows like Foreign Aid. The opening up of the economy after several reforms including liberalization of the capital account by the Central Bank (Bank of Uganda) not only permitted opening of foreign currency bank accounts but also had the effect of encouraging growth of inward remittances.
The increased trend of emigration of skilled and temporary workers to meet the demand in labour importing countries is also a factor that will have a positive influence on the growth of remittances as new persons joining the diaspora community start to remit funds to support their families in Uganda. It is expected that regional destinations in Africa especially Eastern, Central and South Africa will receive the most inflow of Ugandan migrants. This is because of regional integration initiatives that will enable free movement of people, goods and services within the region.

On the other hand, the current global economic down turn poses a big challenge for growth of remittances. Currencies of several developing countries including Uganda have experienced big losses in value against the US dollar. The Uganda shilling has depreciated by about 34% against the US dollar from July 2008 up to March 2009. This may result in reduction in remittance value in US dollar terms hence negatively affecting savings mobilization and investment.

Migration policies in the host countries that aim at limiting entry of foreigners and protection of domestic labour markets will also negatively affect growth of remittances. There is increasing pressure on governments of labour importing countries to protect the few jobs left for their nationals as a result of massive job losses as many companies and businesses
restructure due to the global financial crisis. Under extreme circumstances nationals of host countries have turned to xenophobic violence forcing foreign workers to leave as witnessed in South Africa in May 2008.

The return of temporary workers after completion of their employment contracts abroad will have an impact on remittances. According to the Ministry of Gender, Labour and Social Development Uganda, there are about 11,052 Ugandan temporary workers in the Middle East. About 10,502 that is 95% are employed by private firms contracted by United States of America (USA) bases in Iraq. The decision made by the current US administration of President Barack Obama to withdraw US troops from Iraq will lead to termination of the employment contracts for the Ugandan temporary workers and cause them to return home. This will lead to a decline in remittances in the long run if the temporary workers are unable to obtain alternative employment abroad.

Despite the above challenges, remittances from Ugandans in the diaspora are projected to contribute significantly to the growth of Uganda’s economy and foreign exchange reserves. Uganda government needs to put in place policies that will help reduce the costs of sending remittances and extend financial services to the rural areas to improve efficiency in remittance transactions.
CHAPTER FOUR:
ROLE OF DIASPORA IN PUBLIC DIPLOMACY, PROMOTION OF SOFT POWER, PHILANTHROPY, CULTURE, PEACE BUILDING AND RECONCILIATION

INTRODUCTION

The Image of Uganda internationally is linked in many ways with its past leaders. The most infamous of the past leaders being the late President Idi Amin who is widely remembered more for the negative than positive acts he committed during his regime period 1971 - 1979. This is because the foreign press focused a lot of attention on Uganda during this period of crisis. It is therefore not surprising that most foreigners’ image of Uganda is that of the country of Idi Amin.

The old stereotype image Uganda has been associated with is still looked at as one of the big challenges that have to be addressed in order to attract more tourists, investment and other opportunities for better performance of the economy. This concern was pointed out by the Executive Director Uganda Wildlife Authority (UWA), Mr. Moses Mapesa, while meeting the Parliamentary Committee on Tourism, Trade and Industry on 15 July 2009 as follows:
“The bad image abroad created by Idi Amin’s regime needs to be changed if Uganda is to have more foreign tourists. Many people in Europe and the United States of America still perceive Uganda as that of the 1970s when the country was a no-go area.” (The New Vision, 15 July 2009)

Uganda currently has twenty seven (27) Diplomatic Missions abroad with limited capacity to reach out to foreign publics. Ugandans in Diaspora in their respective host countries are increasingly playing an important role to bridge the gap of limited foreign presence as the mirror through which foreign publics interact with and perceive Uganda.

Numerous skilled Ugandans in Diaspora have established themselves as reputable Entrepreneurs, Expatriates, Academics, Civil Society leaders, Musicians and Cultural performers in their host countries. This projects a positive image of Uganda and promotes cultural diversity and development.

Some Ugandans in the Diaspora are active participants in peace building and national reconciliation initiatives of their country of origin. Their voice and other advocacy efforts help to rally support for action against injustices and protection of vulnerable groups in society. In this way the Diaspora
has an advantage of putting to work the leverage they have over different parties in their origin country as well as maximize connections and networks in the host country. Therefore the Diaspora is able to achieve an all inclusive approach and solution to challenges arising from conflicts in their origin country.

This chapter seeks to study the role of Uganda’s Diaspora community in Public Diplomacy, promotion of Soft Power, Culture, Peace building and national reconciliation and role played by Diaspora associations in philanthropy and community development.

ROLE OF DIASPORA IN PUBLIC DIPLOMACY AND PROMOTION OF SOFT POWER

Uganda like several other small and geographically remote developing States has had a big challenge in projecting its image abroad due to limited attention and publicity. This challenge is similarly observed by Bátora as follows:

“A major challenge for small and medium-sized states is receiving recognition by the rest of the world for who they claim to be. Foreign perceptions of small and medium-sized states are usually characterized by
lack of information and at best by long established stereotypes” Bátora (2005, p.8).

The first country brand “The Pearl of Africa” was obtained through comments made by former British Prime Minister, Sir Winston Churchill. While visiting Uganda on a trip to Africa. Sir Winston Churchill commented as follows:

“No where in Africa will little money go so far. No where else will results be more brilliant, more substantial or more rapidly realized. Uganda is from end to end one beautiful garden where the staple food of the people grows without labour! Does it not sound like paradise on earth? It is the Pearl of Africa”. (Churchill, 1908)

The Pearl of Africa brand has helped focus attention and position Uganda as a good tourist destination with friendly people. Otherwise prior to Sir Winston Churchill’s comments, not much was known about Uganda or anything that would attract the attention of foreign publics to it.

Further attempts to re-brand Uganda as a country “gifted by nature” in a 2005 Publicity campaign done on CNN television network have achieved little success in trying to shift impressions from old stereotypes of the
country’s international image. This is mainly because of limited appeal and publicity both to home and foreign publics.

The successful hosting of the Commonwealth Heads of Government Meeting (CHOGM) in Kampala, November 2007, created a strategic opportunity that helped to project a positive image of Uganda as a good destination for conferences and tourism. The meeting was attended by Her Majesty Queen Elizabeth II and about fifty three (53) Heads of State and Government and their delegations.

Ugandans in Diaspora are increasingly playing an active role in promoting Uganda’s image abroad and similarly influencing the home public to harness the nation’s soft power and attractiveness. The use of new information and communications technology (ICT) like the internet has been a principle medium through which the Diaspora community has been able to keep in touch with events at home and also convey their information.

The Uganda Diaspora community plays an influential role in the politics and governance of Uganda. Through their Associations, Ugandans in Diaspora come together and voice their opinions on important issues affecting the governance and development of their origin country. The Diaspora
community also work in partnership with several non-state actors like NGOs, Media houses, Think-tanks and Civil Society in influencing public opinion which in turn influences government policy.

Some well established persons of the Uganda Diaspora have helped to act as a link between Uganda’s diplomatic Missions and the local authorities of the cities they live in the host countries. In this regard, some have been appointed as Honorary Consuls to carry out mainly basic consular functions, tourism and trade promotion activities. A case in point is Engineer David T. Mureeba, a Ugandan-American currently serving as Honorary Consul of Uganda in Dallas-Texas, USA.

The diaspora community has also played an important role in conflict resolution in Uganda. Members of the diaspora community residing mainly in North America and the UK helped to draw international attention to the over 20 years conflict between the Lord’s Resistance Army rebels and the Uganda government. This helped to put pressure on both parties to cease armed confrontation and resort to peace talks and resolution of the conflict through non-violent means.

Uganda is a highly indebted developing country that has been largely dependent on foreign aid for funding its activities. Some influential
Ugandans in the Diaspora like the Archbishop of York, Second highest position to the Archbishop of Canterbury in the Anglican Church, Dr. John Sentamu, and other friends of Africa abroad like the Musicians Bob Geldoff and Borno have played an active role in lobbying developed countries to cancel some of the debt owed by Uganda and other developing countries and to demand better accountability in use of donor funds from governments of the aid recipient countries.

The Diaspora community is also active in the Media both at home and abroad. Renowned journalists like Paul Bakibinga host of the BBC Network Africa programme and Shaka Ssali of Voice of America have helped reach out to Foreign and home Publics promoting understanding and awareness of Uganda and opportunities in Africa generally. Other Ugandans in Diaspora occasionally make contributions in the local Media through writing articles and filming documentaries.

**ROLE OF DIASPORA IN PROMOTION OF CULTURE**

The Diaspora communities are important cultural Ambassadors of Uganda. They represent the vast diversity of the sixty five (65) indigenous ethnic groups in Uganda. The rich cultures of the different ethnic groups practiced
by Ugandans in diaspora help to attract the attention of foreign publics to Uganda and instill a desire to learn more and discover Uganda.

Culture gives identity to a group of people and distinguishes them from other groups. Culture influences people’s way of thinking, values, norms and attitudes. Hofstede (2004, p.26) defines culture as “the collective programming of the mind distinguishing members of one group or category of people from another”. A broader definition of culture used in the Uganda Culture Policy is “the sum total of the ways in which society preserves, identifies, organizes, sustains and expresses itself.” Ugandans in the Diaspora carry along with them their languages, traditions and ways of life that reflect the culture of their country of origin.

In Uganda, the Ministry of Gender, Labour and Social Development is the institution charged with formulation of cultural policy and coordinating activities that promote and develop national culture. The Ministry works in partnership with the Private Sector, Civil Society and Non-governmental Organizations in promoting cultural development.

In the past, cultural development has been undermined and given low priority in national programmes because of poor perceptions and attitudes of the indigenous cultures as backward and inferior to the Western cultural
influences introduced into the country by the colonialists. It is now generally recognized that culture plays an important part in national development hence the need to promote and develop indigenous cultures.

The previous national development strategy outlined in the Poverty Eradication Action Plan (PEAP) policy document puts little emphasis on culture as a resource to be enhanced in order to achieve economic growth and development. However, shift in policy focus in the new development strategy that is the National Development Plan places higher emphasis on the important role played by culture in development hence the need to increase support to cultural activities and programmes. Therefore culture is now perceived as “the bottom of the basket” (Cross Cultural foundation of Uganda 2007 Report, p.11) or the locus from which other strands or development plans and activities are built.

At the multilateral level the need to support cultural development has been emphasized at various forums and the need to promote understanding and harmonious co-existence among different cultures. A case in point is the Commonwealth Peoples Forum held as a parallel event during the Commonwealth Heads of Government Meeting (CHOGM) 2007 in Kampala, Uganda. The communiqué issued at the end of the meeting recommended as follows; “noting that culture in the Commonwealth is a driving force for
people-centered development; we call on the Commonwealth Member States to:

i) Recognize and promote awareness that cultural diversity within and between member states is a fundamental pillar for the Commonwealth alongside development and democracy;

ii) Create an enabling environment to: foster unity in diversity, ensure respectful dialogue between people with different identities and values within communities, regions, nation states and the Commonwealth and address issues conflict, social exclusion and marginalization;

iii) Ratify the United Nations Educational, Scientific and Cultural Organization’s (UNESCO) Convention on the protection and promotion of the diversity of cultural expressions and meaningfully involve and support Civil Society in its implementation at national, regional and international levels, notably in the development and application of cultural policies and strategies.

The above framework and other multilateral initiatives that support cultural development should act as a guide to states in formulating their culture policies to promote cultural expression and development by both indigenous communities and foreigners living in the country. In this way
Diaspora communities will be empowered to make a contribution to cultural enrichment and development in a multicultural society.

Ugandans in the Diaspora cannot develop their culture in isolation but need the support of both host and origin countries to be able to benefit from cultural diversity. The Diaspora need to integrate with the culture of the host country and actively participate in society without losing their cultural heritage from their country of origin through constant interaction with their country of origin and participating in cultural orientation programmes. In this way they are empowered to contribute to the cultural development of both origin and host country.

Some Ugandans in diaspora have established restaurants in their host countries where the local dishes like matooke (steamed banana), kalo (millet bread) and other traditional delicacies are prepared. In addition, locally brewed spirits like “waragi”, also known as the spirit of Uganda, and locally made beers like “malwa” made from millet flour and “tonto” made from banana juice are served at social gatherings of the diaspora community. This helps project Ugandans as out-going and friendly people.

In the performing arts and entertainment, Ugandans in diaspora have been instrumental in promoting local music dance and drama. Musical groups
like the Afrigo band and Ndere troupe have participated in overseas concerts and cultural exchange performances. Ugandans in the Diaspora have played an active role in promoting and providing funding for the tours of local Ugandan musical groups and artists abroad. The Ugandan traditional music, dance and drama is a source of entertainment but also a platform for communicating, advocating and educating the masses about issues that affect day to day life in society.

A traditional dance group called Afro Drum Sound Entertainment group based in China has played an important role in providing traditional cultural entertainment at celebrations marking Uganda National day celebrated annually on October 9th. The Uganda Embassy in Beijing, China has been working with Mr. John Senyonyi, a Ugandan in Diaspora based in China and Operation Manager of Beijing Afro Culture Developing Company ltd, the company that manages the Afro Drum Sound Entertainment Group to promote Ugandan culture and music in China.

The Afro Drum Sound Entertainment group also performed at a dinner held at CATIC hotel next to the Beijing Olympics stadium hosted by Uganda Embassy and friends of Uganda in China for visiting Members of Parliament from Uganda on 4th June 2009. The head of the delegation of Members of Parliament, Hon. Reagan Okumu, thanked Ugandans in China for their
initiative in promoting culture and image of Uganda through cultural entertainment. He noted that Uganda is blessed with a rich diversity of cultures and encouraged Ugandans in the Diaspora to promote their cultural identity in order to enhance Uganda’s image internationally and open up opportunities for development.

The people of Uganda have a strong religious culture. It is estimated that about 80% of Ugandans are Christian, 12% Muslim and the other 8% subscribe to local African traditional beliefs. Ugandans in Diaspora have maintained these religious ties and identities in their host countries where they occasionally congregate and worship in local Ugandan languages.

As observed by Kasibante (2009, p.2) “religion constitutes an important medium through which Ugandan immigrants construct their identity and the church is at the fore-front of the places that they and other African immigrants look out for or seek to join…” This was noted after a study on three Ugandan Diaspora religious communities in the United Kingdom namely; Acholi London Christian Fellowship (ALCF), Okusinza mu Luganda (Worship in Luganda) and Ekkanisa y’Oluganda (the Luganda Church).

Ugandans in the Diaspora also actively participate and celebrate religious festivals, observed in Uganda, in their host countries. The Ugandan
Christian Diaspora community living in Boston, USA, hosted a grand Martyrs day celebration on June 15, 2008 in Waltham, MA (Fr. Odomaro, 2008). Martyrs day is an annual religious festival in Uganda held in the month of June to celebrate the life of forty five (45) Ugandans who were martyred for their Christian faith in 1885 by Kabaka Mwanga, King of Buganda. The Martyrs day celebrations usually attracts several pilgrims within Uganda and from abroad who visit the Martyrs shrine at Namugongo near Kampala city.

Traditional practices and other important norms and values are also taught to the youth of Ugandans in the Diaspora. Some of these values and norms include respect for elders, hard work, conduct in public, household roles and chores etc. This cultural orientation is helpful in reminding the youth especially about their identity and teaching them to cherish their culture and preserve it. In Buganda tradition, this cultural orientation is also known as “ekisaakata” or enclosure.

Ugandans in the Diaspora also carry with them some traditional skills and knowledge that they use in their host country. For instance the knowledge of making traditional medicine and other alternative treatments made from local herbs other than modern medicine. Ugandans also have a rich collection of traditional crafts and cloth that they carry with them abroad.
For instance the art of making bark-cloth and other items like drums, mats, baskets etc. This adds to the beauty and expression of the African traditional art and crafts. Most of these products made locally are then sold as souvenirs.

The role played by Uganda Diaspora artists, writers and authors cannot be underestimated. The Diaspora artists, writers and authors have made significant contributions to literature and art works on Ugandan culture and society. An example is the Art Exhibition of Ugandan-born Ismael Kateregga’s art works at the Royal Commonwealth Society in London, United Kingdom. The exhibition organized in collaboration with the Royal Commonwealth Society and the British Council was opened by H.E. President Yoweri Museveni of Uganda on March 12, 2009. “Ismael Kateregga’s art works show-case a variety of themes on life in Kampala, the capital city of Uganda” (New Vision, 14 May 2009). This has helped to increase on knowledge and appreciation of Ugandan culture by foreign publics.

**CHALLENGES FACED BY UGANDANS IN THE DIASPORA IN PROMOTION OF CULTURE**
While the cultural diversity of Ugandans in the Diaspora avails enormous opportunities for Uganda in showcasing its rich cultural heritage, it also creates some challenges in that it is often used by some opportunistic local leaders in Uganda who emphasize the differences with a view of creating division and animosity between different ethnic groups. This weakens any attempts to unite the Diaspora community to effectively contribute to national development.

There is also a challenge of communication and language expression by Ugandans in the Diaspora. Uganda has no national language to unite its people of various ethnic backgrounds to be able to effectively communicate with one another. English and Swahili are the two official languages used but this is mainly limited to people who have received some formal education to have the opportunity to learn especially English which is the main language of instruction. In addition, each of the sixty five indigenous ethnic groups has their own distinct language. This challenge is further elaborated in the Uganda Culture Policy 2006 as follows:

The development of languages in Uganda has not been uniform and tended to privilege some languages over others. In addition, the multiplicity of languages doesn’t facilitate direct communication amongst communities. Information in indigenous languages has to be translated to
English and vice versa if it is to be shared. This often results in gross distortion of information and loss of meaning. In relation to literary arts, the available literature is limited because some languages lack orthographies. (Uganda Culture Policy Paper 2006, p.6).

There is also a challenge of preserving traditional or indigenous knowledge and skills that the Diaspora community have learned from their country of origin. For instance knowledge of traditional medicines and cures made from herbs, making of traditional crafts, making of the traditional bark cloth mainly used for ceremonies, local proverbs and other items resulting from local inventions and creativity. This is largely a problem because of lack of or inadequate documentation of this indigenous knowledge to enable it be taught and passed on to future generations.

The attitude of the host country nationals towards the culture of the Diaspora community also creates a challenge especially in countries where multiculturalism is viewed negatively. As Matteucci (2007, p.1) points out that “crossing the border is not just a simple matter of personal mobility. People have the delightful or disgraceful habit of taking with them their life style and prejudices – what we call culture and their beloved objects from pots to pets. This gives rise to all sorts of collateral cross-cultural complications”. This implies therefore that some cultural practices of
immigrants may be offensive to the host country nationals hence a source of conflict and social tensions.

Ugandans in the Diaspora also sometimes face discrimination in their host countries for instance obstacles faced by foreigners to obtaining work permits, unfair treatment by the law and law enforcement agencies, pay higher charges for basic services like education and health care as compared to host country citizens.

There are also differences in the common law between some host countries and Uganda. While there is freedom of speech, religion and expression in Uganda that enables people to actively practice their cultures, religions and enjoy civil liberties, the case is not the same in some host countries for instance those that are governed under Sharia law or impose restrictions on some cultural and religious practices. This constrains Ugandans and other foreigners living in such countries from promoting their culture as they have to forfeit some of their rights that they would have otherwise enjoyed in their origin country.

Lack of knowledge of the host country language is another significant challenge faced by immigrants. The lack or limited ability of immigrants to communicate with nationals of the host country impedes their ability to
integrate and co-exist comfortably within the local communities in the host country. This leads to them being isolated or alienated and hence unable to effectively contribute to cultural development and enrichment of the local community.

Ugandans in the Diaspora also face a challenge regarding the method of interaction or acculturation with the host State society. This varies from country to country depending on the culture of the host State and the public attitude and policies towards foreigners. For instance some host countries like France promote assimilation policies of acculturation where the migrants adopt the language and culture of the host State and in so doing disown their origin language and culture. Some other host countries like USA promote integration policies whereby the migrants adopt the host country language and culture along side their origin language and culture. A detailed look into acculturation strategies is illustrated in Figure 8 below in John Berry’s Model.
The above illustrated model by John Berry assumes that a migrant is faced with two questions that when answered with either “Yes” or “No” will influence his/her choice of acculturation in the host country. The two questions are as follows (IJMS 2006-Vol8-No.1, p.107):

i) “Do I find it important to maintain positive relationships with my original culture?”

ii) “Do I find it important to maintain a positive relationship with other cultures and the mainstream in society?”
The acculturation strategy of “separation” represents a high level of preference for migrants to maintain their origin culture and low preference to adapt to the mainstream culture of the host State. A common example of this separation model can be observed among Chinese migrants who usually establish small “China towns” in the host countries they settle in order to maintain their culture and way of life.

The “Integration” acculturation strategy represents a high level of preference for migrants to adapt to the mainstream culture of the host country as well as maintain their origin culture. This strategy is ideal as it empowers the migrant to make positive contribution to development of both host and origin State society by embracing cultural diversity.

The “Assimilation” acculturation strategy represents a high level of preference of migrants to adapt to the mainstream culture of the host country and low level preference to maintain their origin culture. This strategy is usually preferred by host countries but is unfair to migrants and may lead to conflicts between different communities in the host country.

The “Marginalization” acculturation strategy represents a low preference for migrants to maintain their origin culture as well as low preference to adapt to the mainstream culture of the host country. An example is the
Gypsy communities living in Europe. This disempowers the migrants and hinders their ability to contribute to either host or origin country development.

In conclusion, host and origin countries need to work together to promote cultural diversity to help migrants settle in comfortably and contribute to the development of both countries. There is need to promote understanding and respect of other cultures to appreciate their contribution to development of society. “Multiculturalism requires multidisciplinary endeavour, multiculturalism policies cannot deviate much from public attitudes and should start from a profound knowledge of these attitudes to enable better management of diversity” (IJMS 2006-Vol8-No.1, p.117).

**ROLE PLAYED BY DIASPORA IN PHILANTHROPY AND COMMUNITY DEVELOPMENT**

Ugandans in the Diaspora through their networking and interaction with organizations and partners in host countries have helped raise funds and other items in kind to send back home as donations to charity. Some of the organizations and partners through which the Diaspora mobilize donations for community development in Uganda include; companies, foundations, churches and other institutions that support charitable causes.
The donations from the Diaspora communities are mainly channeled into community development activities like building schools, health centers and caring for orphans. These charitable donations from the Diaspora go a long way in helping provide important social services to local communities hence complimenting efforts of local governments that are faced with the challenge of limited resources to provide these services.

Some Diaspora Associations like the Uganda North America Medical Society (UNAMS) that is composed of health workers (Doctors and Nurses) in the U.S.A and Canada have made significant contributions to local communities in Uganda. They have contributed through donating medical equipment and sending experts to train health workers in Uganda on how to use the donated equipment.

Ugandan sportsmen and other sports lovers in the Diaspora have made a significant contribution to the development of sports in Uganda. An example is the Proline soccer academy that is currently developing the football talent of about 250 kids in the U-8, U-10, U-15 and U-18 age groups. Proline soccer academy Director and former Ugandan International footballer, Mujib Kasule, founded the academy on returning home after a playing career in the USA College football. Proline Academy and other
sports establishments continue to receive several donations from Uganda Diaspora partners and well-wishers.

The education sector in Uganda has also received significant charitable contributions from the Diaspora community. Ugandans in the Diaspora have contributed to building of class rooms, laboratory equipment, text books, computers and other school equipment. The Arlington Academy of Hope (AAH) established in the year 2000 in Bududa district, Eastern Uganda, is an example of an educational institution built with the help of donations from the Diaspora.

The Diaspora community is also playing an important role through their charitable donations in helping resettle former Internally Displaced Persons in the districts of Gulu, Amuru, Kitgum and Pader to their original homes after the end of the war in Northern Uganda between Uganda government and the LRA rebels.

In conclusion, Ugandans in Diaspora are key partners in promotion of their home country’s Public Diplomacy, Culture and Community development. Their physical presence in the respective host countries, the networks and relationships they build with other peoples helps open doors and opportunities for cooperation that would otherwise not have been possible.
due to Uganda’s disadvantage of being geographically remote, landlocked and invisibility on the international scene. The national image is boosted through the achievements made by Ugandans in the Diaspora in their various fields of expertise.

**ROLE OF DIASPORA IN PEACE BUILDING AND NATIONAL RECONCILIATION**

Uganda as a nation has been plagued by numerous conflicts in the past both in pre-independence and post independence times. These conflicts were mainly caused by ethnic, tribal and religious differences that Ugandans have within the same country. These conflicts have had a devastating impact in modern Ugandan society where there still exist some elements of bitterness, suspicion and mistrust between peoples of different ethnic groups. This has negatively affected national unity, reconciliation and development.

Several Ugandans in the past were forced to leave their homeland and flee to exile during periods of civil strife and unrest. The early governments established after independence inherited a fragile state with weak institutions and were vulnerable to being overthrown through Military coups. The military had a very strong influence on the politics and
governance in Uganda and this caused a challenge of building other institutions of governance necessary to bring about democracy and the rule of law.

Ugandans who constituted the mass exodus and other nationals who left the country during the periods of conflict and unrest now form part of the Diaspora community living in different countries abroad. The most notable persons of this category of Ugandans in Diaspora include past national leaders who fled for their lives when their governments were overthrown. Some of these former leaders like Sir Edward Mutesa II, Milton Obote and Idi Amin lived the rest of their lives and finally died in exile. It has been a common trend in Uganda whenever governments changed for the ousted leaders to flee into exile and in so doing join and become part of the external enemies of the new government.

Ugandans in the Diaspora can therefore not be ignored in the wider context of resolving and finding a lasting solution to conflicts affecting their country of origin. Some groups in the Diaspora are looked at with suspicion due to their linkages to opposition groups of the government and their past involvement in human rights abuses and violations. Rebuilding trust among the different parties involved in conflict remains one of the biggest
challenges for any Peace building initiative aimed at promoting reconciliation and unity in Uganda.

Uganda government has taken steps to put in place an inclusive multi-stakeholder approach in peace building and national reconciliation. This involves input from religious leaders, the Diaspora, local authorities, NGOs, the media, development partners, members of parliament and cultural leaders. This kind of approach to conflict resolution according to Carstarphen (2004, p.1) aims at “developing shared understanding as part of the larger need of building relationships between conflict parties”. This acknowledges the challenges faced with peace building and conflict resolution in a multi-cultural country like Uganda where most of the misunderstandings that breed conflict arise from ethnic and cultural differences.

Ugandans in the Diaspora have played an important role in advocacy for justice and protection of the rights of minorities and vulnerable groups in their country of origin. An example is the campaign spear-headed by the Diaspora to draw the world’s attention to the rights of children and women affected by armed conflict in Northern Uganda. Some of the activities carried out by the Diaspora involved peaceful demonstrations in their host countries and presenting petitions to leaders in their host countries and
other world leaders to take action and stop the wars and seek peaceful solutions to conflicts.

Ugandans in the Diaspora have also been instrumental in organizing conferences for peace and exchanging ideas on the way forward for national reconciliation and development. An example is the “Kacoke Madit” (a big gathering) conference, the first of which was held in London, United Kingdom in 1996. This conference was aimed at finding a lasting solution to the armed conflict in northern Uganda between the Lord’s Resistance Army (LRA) rebels and Uganda government. The conference drew participants from Government, Civil Society, Members of Parliament, Cultural Leaders, Local Authorities and other community leaders. Subsequent Diaspora conferences have continued to be held annually to strengthen dialogue and exchange of ideas on peaceful means of resolving conflict.

The Diaspora has also been active in disseminating information and networking between stakeholders in their country of origin and those in the host countries. This information is passed on through various channels of communication especially through the internet and Media fraternity and is helpful in updating all parties involved about new developments and on-going initiatives in peace building and reconciliation. This is evident from
the activities of the Kacoke Madit Secretariat and its structures established in 1996 by the Uganda diaspora community in London, United Kingdom to coordinate the open forum of various stakeholders seeking a peaceful solution to the conflict in Northern Uganda. “The Secretariat works through a network of Regional coordinators in Uganda, South Africa, United States of America, Canada, Scandinavia and the rest of Europe. The Secretariat also works with local partner groups in Uganda including the Acholi Religious Leaders Peace Innitiative (ARLPI), the Acholi Parliamentary Group (APG), Acholi Development Association (ADA), People’s Voice for Peace (PVP), the Council of Acholi Chiefs (Rwodi Moo) and other local stakeholders” (Nyeko 2002).

The Diaspora conferences have played an important and pivotal role in urging the different sides involved in the conflicts to renounce violence and engage in peace talks to achieve a peaceful settlement to the conflict. In this way the Diaspora plays a vital role in confidence and relationship building between conflicting parties and continues to influence the mediation process using the leverage they have with both parties involved in the conflict. A case in point is the peace talks between the Lord’s Resistance Army (LRA) and Uganda government held in Juba, Southern Sudan.
In a bid to draw international attention to the conflict in Northern Uganda, the war crimes and atrocities committed against women and children, some Diaspora groups in partnership with Civil Society and other stakeholders in the host State started the “Gulu Walk” event. This is an event aimed at mobilizing funds and other support to help the war affected children of Northern Uganda. The first Gulu Walk event was held in the year 2005 in Toronto, Canada. The Gulu Walk has since then been held as an annual event and “grown into a worldwide movement for peace. In the year 2007 alone, over 30,000 people in 100 cities in 16 countries took to the streets to urge the world to support peace in Northern Uganda. Walkers have raised over US$1 million for programs that provide education and rehabilitation to Uganda’s war-affected youth.” (Gulu Walk, 2008)

In China, the Gulu Walk 2008 event was held in the capital city, Beijing. The event took place at one of the most popular tourist and cultural sites in China, the Mutianyu section of the Great Wall. The participants in the Gulu Walk event each contributed a minimum of Yuan 150 part of which was donated to the affected communities in Northern Uganda. All participants in Beijing and other cities where the Gulu Walk event took place were dressed in orange t-shirts with the words “Gulu Walk” engraved

---

on to show solidarity and support for the war-affected children and people of Northern Uganda.

The Diaspora together with local community leaders and Civil Society in Uganda were instrumental in convincing the government of Uganda to grant general amnesty to those involved in armed rebellion against the State through enacting the Amnesty Bill in 1998. This was aimed at encouraging perpetrators of violence and conflict in the country to renounce their armed rebellion, make peace and hence enable reconciliation and forgiveness take place for past injustices. This is in the spirit of solving deep rooted conflicts in society through traditional methods that encourage forgiveness, compensation and reconciliation over contemporary justice systems that demand punishment of the wrong doers. This has brought about hope for peaceful settlement of conflicts in Uganda and encouraged more persons both in the Diaspora and at home, previously involved in armed rebellion against the State to renounce their activities, receive pardon for their offences and be reintegrated in society.

In conclusion, the Ugandans in Diaspora are playing a proactive role in peace building and national reconciliation of their country of origin. Their efforts to reach out across the different ethnic and tribal groupings in Uganda as well as networking with partners from their host countries
demonstrates their commitment to building relationships and finding common ground for dialogue to bridge differences and come up with peaceful solutions to conflicts. While ethnic conflicts and tensions still exist in society today, initiatives that promote dialogue at all levels of society including the Diaspora create opportunities for confidence building and reconciliation. These efforts need to be strengthened by increased support from both origin and host country governments in order to achieve maximum benefits for all parties involved.
CHAPTER FIVE

UGANDA GOVERNMENT DIASPORA ENGAGEMENT INITIATIVES

INTRODUCTION

The current global environment characterized by increased movement of people, integration of markets, economies and rapid advancements in Information and Communications Technology (ICT) has brought about numerous opportunities as well as challenges for States. It is no longer possible for any State to be self-sustaining without interdependence and cooperation from other States. In addition, the rise in influence of Non-State actors like Civil Society, NGOs, Diaspora communities and other development partners has left States with no choice but to open up to more public scrutiny and transparency in their actions. In a highly competitive global environment for trade, investment, tourism, natural resources and influence, States are turning to multi-stakeholder partnerships to advance their interests.

Government of Uganda has taken steps to reach-out to its Diaspora community to encourage them to play an active role in national development. In the past, the attitude of government towards the Diaspora was marked by indifference since they were considered as unpatriotic and...
seeking personal gratification. However, with the continued emotional attachment to their home country hence a sense of obligation to support their families back home through remittances, direct investment, skills and technology transfer, has endeared them to the home public and earned recognition for their efforts and support by government.

This chapter seeks to study the Uganda government policy and initiatives towards engaging the Diaspora community, the opportunities and challenges in Diaspora engagement.

GOVERNMENT INITIATIVES TOWARDS ENGAGEMENT OF DIASPORA

Uganda government has taken positive steps to reach-out and engage its Diaspora community to make a contribution to national development. The goodwill and continued emotional attachment and material support from Ugandans in Diaspora make them a vital constituency that the government cannot afford to ignore but utilize and partner with to achieve maximum benefit for all.
Government is using a multi-stakeholder approach in engaging the Ugandan Diaspora. Some of the key partners and institutions involved include:

- Ministry of Foreign Affairs;
- Ministry of Internal Affairs;
- Ministry of Gender, Labour, Culture and Social development;
- Ministry of Finance, Planning and Economic development;
- Bank of Uganda;
- Uganda Investment Authority;
- Missions abroad; and
- International organizations i.e. World Bank, UNDP and IOM.

A Diaspora division was established in the Ministry of Foreign Affairs to act as the coordinating unit of the different stakeholders. The Diaspora Social and Professional Associations and groups in the host countries are the main points of contact and communication between the Diaspora community and Uganda government.

In a bid to encourage sending of remittances from the Diaspora through formal channels and leveraging Diaspora remittances for development activity, government instituted several economic reforms like liberalization
of the capital account. This opened-up the foreign exchange market, helped reduce costs of sending remittances and other inconveniences that were faced due to strict government controls on foreign currency use in the past.

Government has also helped to put in place favorable policies that have encouraged financial institutions expand their services to rural areas. Micro finance institutions through which most people access financial services especially in rural areas are now permitted to engage in remittance services through the Introduction of the Micro Finance Deposit Taking Institutions Act 2003. This has further helped to improve efficiency in the flow of remittances. Information on available financial services for sending remittances is periodically conveyed to the Diaspora communities through their Associations (Muwanga-Zake, 2004).

Uganda government in partnership with UNDP is in the process of setting-up a database of Ugandans in Diaspora. This database will enable gathering of information on the Diaspora community by region and skills they possess. This will help Uganda government know where its Diaspora communities are, what skills they possess and hence develop appropriate policies of supporting and working in partnership with them.
Government in partnership with the Private Sector and Civil Society participates in organizing the annual Diaspora Summit held in Uganda. The previous Diaspora Summit – “Home is Best 2” was held in Gulu municipality on 27 December 2008 and Kampala city from 29-30 December 2008. The Diaspora Summit is held annually in the month of December. This provides an opportunity for Ugandans in Diaspora to travel home to explore investment opportunities, expand business partnerships with home counterparts, and visit their family and friends.

Uganda government is in the process of reviewing its laws to allow citizens hold dual citizenship. The current law does not allow Ugandan citizens to have dual nationality. For the case of Ugandans in Diaspora who had acquired nationality of their host states, meant automatic renunciation of their Ugandan citizenship and right to own property in Uganda. The implementation of dual citizenship will help Ugandans in the Diaspora to freely travel home, own property and make a positive contribution to the nation.

**OPPORTUNITIES FROM DIASPORA ENGAGEMENT**

Government initiatives and strategies to reach-out to the Diaspora will hopefully help strengthen the bond of affection, identity and sense of
obligation of the Diaspora community to participate actively in the development of Uganda. As important stakeholders in national development, Ugandans in Diaspora want recognition for their efforts and their views to be heard and respected by Government. As pointed out by Wanda, while referring to the Rt. Hon. Henry Kajura, Second Deputy Prime Minister, who led the Uganda government delegation attending the North American Masaba Cultural Association meeting in New York, May 24-25, 2008 as follows:

Your presence is a clear indication of how much you care about us Ugandans in the Diaspora and recognition of the important role that Ugandans in the Diaspora can play in the development of our country. We hope that through our discussion today and tomorrow, we can reach common ground on the issues that face us as Ugandans and the way forward for our country. Wanda (2008, p.1).

Uganda faces critical skills shortages especially in the Sciences and Management skills. The Diaspora possesses a wealth of skills and expertise in these areas that can be harnessed through engaging them and creating favorable policies and incentives to promote joint ventures, technical consultations and knowledge exchanges, organizing short-term and long-term return opportunities for Diaspora experts to utilize their acquired skills
back home to fill the skills gap. The skills gap challenge Uganda faces is well articulated by former Commissioner of Education and currently Education Consultant, Fagil Mandy, as follows:

Few Ugandans train in Science based courses. Out of 108,000 at tertiary institutions, 89,000 study Arts based courses. Hence the knowledge of Sciences e.g. management of nature and making technology is low and causes over dependence. Few students join middle management institutions therefore shortage of manpower to support industrialization and commercial activities. Out of 108,000 at tertiary institutions, only about 18,000 are at Commercial and Technical institutions. Those who join universities are prone to brain-drain to other countries. The education product is lop-sided and ill-skilled, not all round. Multi-skill is low leading to low productivity and preparedness to global challenges. Mandy (2008, p.5)

The Diaspora has a big potential in mobilizing external resources for national development. The remittances currently being sent by Ugandans in Diaspora estimated to be about US $ 1,392 million are mainly channeled towards consumption by family and friends or for small scale investments. Government needs to develop a strategy that will encourage group remittances that can be used for bigger community development projects. The local governments at districts and sub county level can act as
coordinators and identify projects that can benefit the local communities to be developed in partnership with the Diaspora Associations.

The local community leaders need to build a relationship of openness, trust and accountability to ensure proper use of donated funds from the Diaspora. Lack of trust in Local community leaders has been one of the obstacles hindering collective remittances. This concern is also pointed out by Wanda as follows:

Ugandans in the Diaspora send home about $ 300 million every year, our contributions create jobs, sustain families, enable children to stay at school, provide health care for our families and generally aid the National economy. Despite this huge flow of funds to Uganda, efforts of the Diaspora are not organized. We do not have a single project or projects that we all contribute to. A few years ago...efforts to raise money to rebuild the administration block of Nabumali High School, estimated at $10,000, fizzled because of lack of organization and trust in the management of those funds. Wanda (2008, p.3).

Uganda stands to benefit enormously from direct investments by its Diaspora. Engaging the Diaspora and providing incentives will attract more investments from them that will help create employment, boost trade and
technology transfer with host countries thus enabling economic growth and development. Increased inflow of investment from the Diaspora in the Services, manufacturing and value-addition of agricultural products sectors will help diversify Uganda’s economy and make it more competitive. Mr. Patrick Bitature, the Uganda Investment Authority (UIA) Board Chairman, in a speech read for him at the opening of the Diaspora Summit meeting held in Gulu town on 27 December 2008, emphasized the importance of Diaspora investments as follows:

Globalization will spare no one in this knowledge based economy. We find ourselves today at an age of muddled concepts, misguided values and pervasive ignorance. More than ever before, we stand in dire need of a fresh vision and we have to re-define our goals to meet our development priorities. I do believe that the Diaspora fraternity can mainstream its investment initiatives and adapt flexibilities in crusading for their country, diffuse new technologies and become better change agents in this highly competitive global environment. Bitature (2008, p.4).

Engaging the Diaspora will provide an opportunity for Uganda government in peace building and national reconciliation. Some of the Ugandans in Diaspora fled the country at the height of civil strife and persecution by past governments that had a bad record of human rights abuses. They
need to be given assurance that there is political stability, rule of law and other favorable conditions to convince them to return home. On the other hand, some individuals in the Diaspora are opposed to the government and have been supporting rebel groups seeking to overthrow the government. Reaching out to such groups will be helpful in promoting dialogue to resolve misunderstandings and conflicts hence strengthening National peace and reconciliation.

Ugandans in the Diaspora provide a vital link with the outside world that government can utilize through engaging them. Social and business contacts made by the Diaspora in their host countries can be helpful if made available to Government in accessing and building external partnerships for development. This would otherwise be a big challenge in the absence of participation and presence of the Diaspora. The importance of Diaspora participation in networking and building international partnerships is pointed out and encouraged by Wanda as follows:

We are largely absent from the world scene where important decisions are made. We can’t talk of empowerment and participation when we are absent from the room where important decisions are made. We need to be involved in every major event and ensure that we are at the table when the international cake is being distributed. It takes many years to build
networks and relationships that enable you to be invited to these events. It doesn’t happen overnight. If we want to be players though, we must be ready to participate. Wanda (2008, p.11).

A developing country like Uganda can also benefit through engagement with the Diaspora to mobilize money for financing development activities by issuing Diaspora bonds. “A Diaspora bond is a debt instrument issued by a country or potentially, by a sub-sovereign entity or by a private corporation to raise financing from its overseas Diaspora”, Ratha et al (2008, p.15). According to World Bank estimates, the potential market for Diaspora bonds in Uganda from an estimated Diaspora stock of 155,000 would be approximately US $ 0.7 billion of potential Diaspora savings. Ugandans in the Diaspora would be attracted by patriotic sentiments to invest in Diaspora bonds as a means of securing savings for future investment back home as stakeholders in National development. This would go a long way in reducing the current over dependence of Uganda’s economy on foreign aid.

**CHALLENGES IN ENGAGING THE DIASPORA**

Ugandans in the Diaspora come from various ethnic groups, speak different languages, and belong to different social, economic and political
groupings. Uganda government therefore faces a challenge of communicating effectively to its Diaspora bearing in mind all these existing differences. This concern is also pointed out by Newland et al (2004, p.3) as follows; “generalizations about Diaspora are perilous, given the tremendous variation in historical experience, relations with authorities in the home country, levels of prosperity and education, religious background and ethnicity both within and among Diaspora communities.” There is therefore need for flexibility to accommodate the needs and issues of each category within the Diaspora.

There is also a challenge faced by Ugandans in the Diaspora as they seek to donate items in kind to individuals, society and organizations back home. These items are usually subjected to a stringent taxation system by the Uganda Revenue Authority. This discourages Ugandans in Diaspora from further sending donated items in kind.

There is also a challenge of encouraging Ugandans in Diaspora to return home and fill the skills gap because of the very attractive offers and career opportunities that exist in their host countries. Uganda is a developing country and still evolving in many aspects socially, economically and politically. The longer Ugandans in Diaspora stay in their host countries,
the more difficult it becomes for them to return as they lose touch with close relatives and develop stronger attachments to the host country.

There is also a challenge of data collection of Ugandans in the Diaspora. Many Ugandans in the Diaspora do not bother to register with Uganda embassies and consulates abroad. This creates an information gap on the actual numbers of Ugandans in the Diaspora, their location and activities they are involved in. It is mostly when Ugandans in the Diaspora are having difficulties or need consular assistance in their host countries that they approach the Uganda Embassy or Consulate nearest to them.

Some groups in the Diaspora are openly hostile and engage in destructive activities like supporting rebel groups fighting against the government. A case in point is the prolonged insurgency in Northern Uganda by the Lord’s Resistance Army (LRA) rebels that has lasted for over twenty years with part of its financial and logistical support coming from some groups of Ugandans in the Diaspora.

There is a challenge of under developed infrastructure, financial system and institutions. This discourages Ugandans in the Diaspora from investing in their country of origin. The absence of a vibrant financial system and institutions reaching out to the most remote areas in the country makes it
expensive and inconveniences Ugandans in the Diaspora in sending remittances back home. Similarly this creates a big challenge in accessing credit for investment.

Engaging the Diaspora is also a challenge for government due to limited resources and capacity to reach out effectively and provide services to all Ugandans in Diaspora. There is no specific fund available to offer protection and provide other vital services to Ugandans in the Diaspora. All the government institutions involved in engaging the Diaspora have to work within very limited resources that are inadequate to effectively engage the Diaspora. This causes frustration on the side of Ugandans in the Diaspora and resentment towards government.

There is also an attitude problem that Ugandans at home have towards their brothers and sisters in the Diaspora. Many Ugandans have taken on a negative attitude of becoming over dependant on remittances and other free handouts from the Diaspora. This has made some people lazy, irresponsible and stifled initiative and creativity. This trend also impacts negatively on Ugandans in the Diaspora from returning home because they feel they are being sought after just for their money and material possessions. This negative perception was also re-confirmed when the author during a discussion with a Senior Official of Uganda Investment
Authority asked why some in the Diaspora were reluctant to invest in Uganda. His response was that some Ugandans in the Diaspora were reluctant to invest in their origin country because they feel they are being exploited for their money and that they are not receiving enough support from Uganda government and their relatives in return.

In conclusion, while government has taken some positive steps in reaching out and engaging the Diaspora, there is still need to design and implement appropriate and sustainable policies tailored to suit the needs of the Diaspora to maximize the opportunities and minimize the challenges of engaging them. There is also need to periodically review these policies to assess if they are effective in meeting the desired goals and improvements made where possible.
CHAPTER SIX

OBSERVATIONS, RECOMMENDATIONS AND CONCLUSION

INTRODUCTION

The growing scale of international migration due to increased global trade, investment, employment opportunities and tourism has made States more interdependent than ever before and the need for cooperation inevitable. The focus in the past regarding Diaspora policy was mainly looked at as a responsibility of the host State but now it is increasingly clear that the origin State also has a big role to play.

The challenge for policy makers is to design appropriate policies that will enable all parties involved that is migrants, the host state and origin state to achieve maximum benefits from migration.

This chapter outlines observations made from the study, proposes some practical recommendations of policies and initiatives that government of Uganda and other stakeholders could consider to strengthen the partnership and engagement with Ugandans in the Diaspora.
SUMMARY OF FINDINGS

Ugandans in the Diaspora are making significant contributions to the economy through direct investments and have a big potential for growth if given some incentives, a stable political and economic environment. The study has shown that the countries or regions that are main sources of foreign direct investment (FDI) are also host to a significant number of Ugandans in Diaspora. It can therefore be concluded that Ugandans in Diaspora not only contribute directly through investment but also through their networks and business contacts attract other foreign investors from their host countries to invest in Uganda.

The Ugandans in the Diaspora are playing an important role in promoting trade between their host and origin countries. It was observed from the study that the volume of trade increased most between Uganda and her neighbours in the immediate East and Central Africa region due to proximity, historical and cultural links but also this region hosts the largest number of Ugandans in the Diaspora due to regional agreements enabling free movement of people, goods and services. It was also observed that there was increased market access for Ugandan products both within the immediate region and also other trading partners outside the region that
host a significant Uganda Diaspora population and have bilateral trade agreements with Uganda.

Ugandans in the Diaspora are making an important contribution to Uganda’s economy through remittances sent to their relatives and friends. It is currently estimated by the World Bank that Uganda receives on average about US $0.9 billion in remittances and this constitutes approximately 8.7% of GDP. Uganda ranks 5th in Sub-Saharan Africa in recorded remittances received from the Diaspora after Nigerian, Kenya, Sudan and Senegal respectively. It was observed from the study that the flow of remittances to Uganda follows a seasonal pattern with the months of January and December recording the highest amounts of remittances received. It was also observed that the most common means of sending remittances is through informal channels by friends and acquaintances followed by money transfer operators like Western Union and Money Gram. Most of the money remitted is used for household consumption and investment especially in the housing sector.

Remittances from the Diaspora constitute the second largest source of foreign exchange to Uganda’s economy after proceeds from exports. It was also observed that remittances have surpassed Official Development Aid (ODA) as a major source of external financial inflows to the economy. The
three main sources of remittances from the Diaspora by region are Africa, Europe and North America respectively.

It was observed from the study that Ugandans in the Diaspora actively participate in promoting culture, traditions and public diplomacy of their country of origin. This enhances the image and soft power of Uganda internationally. It was observed that the use of modern information and communications technologies like the internet, blackberries, I-pods, I-phones etc in addition to the Media are the main means of communication used by the Diaspora community with the communities of both origin and host countries. It was also observed that Ugandans in the Diaspora are promoting their Cultural identity and image or soft power through religious organizations, performing artists, writers & book publishers, art and sports.

It was observed that mainly highly skilled and trained persons in Uganda have emigrated to developed countries seeking better opportunities. This has caused the “brain-drain” effect and led to critical shortage of vital skills such as Doctors, Nurses, and University Lecturers among others. However, the negative effects of the “brain-drain” are being turned around to “brain-gain” by Ugandans in the Diaspora contributing through technology transfer, bridging the skills and knowledge gap. It was observed that Ugandans in the Diaspora often share their skills indirectly through internet
or virtual means but also directly by organizing exchange visits and capacity building with their counterparts back home to share knowledge, skills and international best practices.

There is a steady growth of lower skilled temporary migrant works in the Diaspora as a result of bilateral agreements with host countries that import external labour. It was observed that most of the temporary migrant workers are based in the Middle East countries like United Arab Emirates, Iraq and Syria. They are mainly employed in the Services sector.

Ugandans in the Diaspora are playing an important role as philanthropists. The networks and relationships they have built in the host countries are a vital channel of donations both financial and material to the local communities back home in their country of origin. It was observed that most of the donations are individual donations with very few group donations. It was observed that most of the causes that required group donations were not followed through due to poor organization, coordination and mistrust in the Diaspora community of the local leaders in the country of origin entrusted to manage the use of the donations.

Ugandans in the Diaspora are active participants in peace building and efforts aimed at national reconciliation in Uganda. It was observed from
the study that the Diaspora community often convenes meetings involving various stakeholders in Government, Civil Society, Think Tanks, Community leaders and other partners to promote dialogue and advocate for peaceful resolution to conflict in Uganda. A case in point is the Kacoke Madit initiative started by the Diaspora community in London, United Kingdom that has played an important role in sharing information, mediation and promoting dialogue between the Uganda Government and the Lord’s Resistance Army rebels to reach a peaceful settlement to the conflict in Northern Uganda.

It was observed that Uganda government has taken active steps to engage and work in partnership with its Diaspora by sending delegations to participate in Diaspora Associations’ conventions, meetings and activities. Uganda government also in turn hosts an annual Diaspora Summit to encourage the Diaspora community to actively participate in the development of their country of origin. It was observed that Uganda government has established a Diaspora division in the Foreign Ministry to work in partnership with other government and non-government stakeholders to formulate and coordinate the national Diaspora strategy. It was also observed that there is need for regular data collection and establishment of a database of Ugandans in the Diaspora. Currently there is insufficient data on Ugandans in the Diaspora.
RECOMMENDATIONS

Uganda government needs to work on setting up a data collection mechanism and building up a database for her nationals in the Diaspora. This will help in ascertaining the actual numbers of nationals in the Diaspora, their location, skills and activities they are involved in. The data collection needs to involve all stakeholders both government and private. Regular and efficient data collected will help provide vital information for planning and policy making.

In addition to regular and quality data collection on Ugandans in the Diaspora, further research needs to been done especially in setting-up an efficient multi-stakeholder system or structure for better protection and empowerment of the Diaspora community. Lessons and ideas can be drawn from other countries like the Philippines, India, Mexico, Israel and China that have built-up impressive models from their Diaspora engagement strategies. Improvements and adjustments can then be done to fit within locally available resources in order to address the particular issues faced by Ugandans in the Diaspora.
Government needs to provide adequate information and sensitization to migrants, pre-departure, about the conditions, rules and obligations required of them in the host countries, information on how to register and access consular services from Uganda Embassies and Consulates abroad. Government can also assist migrants, through bilateral agreements with host countries, in negotiating reasonable employment contracts abroad and protecting them from exploitation.

Ugandans in the Diaspora have goodwill to contribute to the development of Uganda through direct investments, technology transfer, trade and remittances. Uganda government needs to support them obtain legal status in their host countries and also pass a law allowing nationals in the Diaspora to hold duo-citizenship. This will free Ugandans in the Diaspora to move freely back and forth between host and origin country. This promotes circular migration that encourages migrants make significant contributions to both host and origin countries.

There is need for increased capacity building within the various Uganda government institutions and other stakeholders involved in Diaspora policy formulation and implementation. Sharing of knowledge and best practices at bilateral level between host and origin countries and at multilateral level through forums like the Global Forum on Migration and Development
(GFMD), the African Union (AU), and the United Nations (UN) will be helpful in improving and enriching Uganda’s Diaspora engagement strategy.

In addition to the annual Uganda “Home is Best” Diaspora Meeting that gives an opportunity for Ugandans in the Diaspora to return home and connect with their country of origin, government should ensure that it is represented and actively participates in other events organized through the Diaspora Associations abroad. Every opportunity should be utilized by government, Civil Society and business leaders to interact, bond and network with Ugandans in the Diaspora.

Uganda government needs to put in place appropriate economic policies and reforms that will help reduce the cost of sending remittances from nationals in the Diaspora. This may include encouraging and licensing more private financial institutions to provide remittance services, increase competition and hence lowering of costs. This will also encourage more people to send remittances through formal channels. Currently a large amount of remittances from the Diaspora goes unrecorded because of the preference of sending through informal channels. This distorts data collection and makes it difficult for policy makers to plan appropriately for better management of remittances.
Government needs to offer Ugandans in the Diaspora some incentives like provision of land, access to credit from financial institutions and tax holidays among others to encourage them to make direct investments at home. The Diaspora investors are generally more stable and risk averse in regard to their country of origin due to historical links, family ties, patriotic sentiments and generally home bias as compared to other foreign investors.

Government can encourage philanthropy and increase in charitable donations from Ugandans in the Diaspora by removing or significantly lowering the tax charged on donated items. Government can also take the initiative by working with local community leaders to identify community development projects that can be implemented with the support and partnership of Ugandans in the Diaspora. In addition, government needs to put in place and enforce appropriate laws that will curb the vice of corruption in public offices, protect donations, ensure proper utilization of donated funds and build trust with partners in the Diaspora.

Government needs to support and encourage Ugandans in the Diaspora in their efforts to promote language, culture and public diplomacy. This could be done by providing some financial assistance and networking with both
government and private institutions to promote Uganda’s soft power. The Ministry responsible for Cultural development in partnership with Missions abroad and the Diaspora communities need to utilize all opportunities for cultural promotion and exchanges with the host countries and in so doing promote the image of Uganda and open doors for cooperation in other sectors mutually beneficial to both countries. Promotion of culture and national image will also help to attract tourists as foreign publics get more interested in experiencing Uganda’s rich cultural heritage.

There is need to promote and develop indigenous knowledge and research. Traditional knowledge and skills such as making of bark cloth, art crafts, herbal medicines and alternative treatments. This knowledge should to be properly documented to enable it be taught and shared both by nationals at home and by members of the Diaspora community. This will promote creativity and innovation which are vital for improvements in production and provision of better livelihoods of people in society.

Uganda government in partnership with Diaspora Associations and the host countries need to establish a migrant welfare fund to help protect and empower migrants. This fund will be helpful in providing assistance to migrants like providing health care, repatriation in case of death or natural
disasters and generally cater for those essential needs that would have been difficult for migrants to provide themselves.

CONCLUSION

Ugandans in the Diaspora represent a vital resource that needs to be fully tapped and encouraged to participate in the development of their country of origin. A productive human resource is an important aspect for the development of a country. It is estimated that there are about 2.2% or approximately 660,000 Ugandans in the Diaspora. The Diaspora community consists of some of the most educated and highly skilled persons that can create a significant impact if they could transfer some of that knowledge and expertise back home to develop Uganda.

Ugandans in the Diaspora are also playing an important role in the development of their country of origin through remittances, foreign direct investment (FDI), philanthropy, trade and culture promotion. Uganda government increasingly recognizes the contribution they make in poverty alleviation and economic development of their home country and has taken some positive steps to engage the Diaspora.
While there are enormous opportunities available as a result of strengthening the partnership with the Diaspora, some challenges are still being faced that need to be addressed taking into consideration the interests of all concerned parties i.e. the migrants, host country and origin country. There is need to emphasize shared responsibility for all stakeholders in protecting migrants and putting in place favorable policies to ensure that the benefits of migration are also shared.

It is important that governments take the lead but work in partnership with other non-government stakeholders in designing policies of engaging the Diaspora. This is because the process of managing migration involves people crossing State borders to access opportunities that enhance their livelihood. Hence States are in better position to provide protection to migrants.


Available from:


Kampala.

Association Meeting. September 3, 2005. Available from:
http://kampala.usembassy.gov/kolkerunaaspeech.html [Accessed 01 May
2009].

countries could benefit from their immigrant populations. UNESCO
international journal on multicultural societies (IJMS) [online]. Vol.8, No.1,
2006, pp.25-42. Available from:
01 July 2009].

opportunities in Uganda. A presentation made at Uganda Diaspora “Home

century [online]. A paper presented at the conference, Foreign Ministries:
DiploFoundation. Available from:
[Accessed 30 June 2009].


http://www.bou.or.ug/TRANSFERINGFUNDS.pdf [Accessed 01 May 2009].


http://siteresources.worldbank.org/EXTDECPROSPECTS/Resources/476882-1157133580628/Remittances-
DevelopmentImpcat&FutureProspects.pdf?resourceurlname=Remittances-
DevelopmentImpcat&FutureProspects.pdf [Accessed 01 May 2009].


multicultural societies (IJMS) [online]. Vol.8, No.1, 2006, pp.102-118.

Available from: