

## LSE Research: Museveni's changing strategies for political control mean continued uncertainty for Uganda's informal workers

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In the days of Idi Amin, the formal organisations of the state in Uganda were emasculated vis-à-vis Amin's informal networks of corrupt military and businessmen. The economy spiralled into informality, with the black market – known locally as *magendo* – comprising over two thirds of the economy by the time Amin was ousted in 1979.



This had long-term implications for Uganda. While every subsequent President has railed against urban chaos and proclaimed their intention of clamping down on informal activity, its roots are deep. The web of clandestine pacts and bargains linking informal workers to politicians, bureaucrats and law enforcers is dense, and urban employment is considerably more informalised than in most countries in the region.

However, much has changed in Uganda in recent decades and people who find work in the unregulated and illegal sectors of the urban economy have had to adapt to protect their space on city streets. In this paper we trace some of these changes and show how informal workers have increasingly been able to position themselves as “political capital” with value to those at the very top.

In the early 1990s, President Museveni – then relatively new in office – was poster boy for Western donor creeds of structural adjustment and new models of urban public management. These squeezed the public sector to the extent that bureaucrats were ever more inclined to extract bribes from the likes of illegal street vendors to top up their meagre salaries, as well as often moonlighting in certain informal activities themselves. This arrangement facilitated survival on both sides of the bargain, and the informal sector continued to thrive; yet at this time strategies of survival were for the most part locally-negotiated affairs, even in the capital Kampala.

By the late 2000s, however, the evolution of Uganda's political system had again altered the context in which informal actors operated – particularly in Kampala. While privatisation and under-resourcing persisted, two major changes – the introduction of a comprehensive decentralisation

programme in the 1990s and the restoration of a multi-party system in 2005 – further reshaped strategies for survival in the informal economy.

These changes meant, somewhat ironically, that sectors of the urban economy that had previously been the fiefdoms of petty local bureaucrats were now of great interest to national politicians. Decentralisation in theory empowered the city government, but increasing jealousy at the centre over powers ceded downwards combined with the return of multipartyism to raise the political temperature in Kampala, and Museveni himself stepped into the frame to try and claw back support lost to the opposition.



In the paper we present research on the informal trade and transport sectors to show how, in recent years, Museveni has repeatedly intervened to prevent the city government effectively regulating, taxing or generally exerting any control over the informal economy. These informal groups swiftly realised how to make the most of their new ally, finding ways to leverage interventions in their favour by Museveni at every turn. For them, this new survival strategy had an added bonus: unlike local bureaucrats, the President required no bribe; all he was after was their vote.

One effect of these interactions between the President and the urban poor was to render Kampala City Council even more dysfunctional, demoralised and impotent than it already was. So much so in fact that Museveni decided to effectively formalise his interventions by drawing up a new law that recentralised the running of the city government, installing a team of unelected City Directors accountable directly to him.

This new arrangement came into effect just after the 2011 election, when Museveni had secured his precious votes and thereafter hardened his stance on urban informality. Some of the consequences of this shift were discussed in a [previous blog post](#). Despite sporadic “clampdowns” on certain informal activities, it is too early to say what the future holds for informal workers under the new system. However, with urban growth rates soaring and little sign of efforts to generate formal urban employment, it is difficult to believe that groups who have proved adept at surviving on the streets in the past will not find ways to adapt again.

[Read the full paper](#)

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