South-South Cooperation: Growing Imperatives for Uganda-Bangladesh Development Partnership

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Abstract: With a similar historical and development context, Uganda and Bangladesh have demonstrated impressive development over the last four decades. while both countries still face several development challenges, the paper aims to show the potential of South-South cooperation in fostering sustainable development in both countries. Drawing inspiration from existing grassroots development cooperation initiatives, notably those spearheaded by BRAC and Grameen Foundation that have shown strong potential for mass transformation, the paper highlights the potential of enhanced exchange of experiences and best practices for the advancement of development aspirations for both countries. The paper also identifies key areas for collective engagement including agriculture, health, global governance, among others.

Keywords: South-South, cooperation, Uganda, Bangladesh, development.

Introduction

South-South Cooperation (SSC) has emerged as an important modality for catalysing the realisation of the United Nations (UN) Sustainable Development Goals (SDGs). SSC is particularly critical for fostering peer learning and collective self-resilience among developing countries through the exchange of experiences and best practices, capacity building, technological transfer, trade and investment, among others. Given the commonality of development challenges experienced among developing countries, SSC provides an opportunity to leverage experiences and best practices arising from successful development interventions undertaken to overcome similar development challenges.

Uganda and Bangladesh have a striking historical resemblance as well as similar development trajectories. Historically, both countries are former British colonies – Uganda acquired independence in 1962 while Bangladesh, formally part of East India, broke away from Pakistan in 1972. Additionally, both countries have a history of post-colonial wars – in Uganda it was a civil war which ushered the government of President Yoweri Kaguta Museveni credited for the country's democratic rule and political stability following nearly a

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decade of military rule under President Idi Amin. As for Bangladesh, it was the independence war in 1971 that lead to its breakaway from Pakistan.

In terms of development pathways, both countries experienced impressive development gains, especially in the 1990s. In the case of Uganda, the era post-1986 when the dictatorial regime of Idi Amin was defeated, the country has experienced economic stability with impressive GDP growth rates averaging 6.5 per cent per annum, throughout the 1990s and 2000s. While growth has primarily been driven by the agricultural sector, there are visible signs of economic transformation with the service and industrial sectors emerging as key drivers of economic growth. The service sector registered the fastest growth rate of 7.7 per cent, up from 5.4 in the previous year, and generating over 47 per cent per cent of the GDP. But most importantly, the country has attained significant development progress. Notably, the poverty rate has fallen by more than half, from 56 per cent in FY 1992/1993 to 20.3 per cent in FY 2019/2020, mostly due to improved agricultural incomes among poor households (UNDP, 2022). Uganda has also recorded significant gains in human development, particularly in improving access to primary health services and free primary and secondary school education. The country has attained over 90 per cent per cent enrolment of children in primary school, and access to health services has increased leading to a significant reduction in infant mortality per 1000 live births and maternal mortality per 100,000 live births from 87 and 461 in 2000 to 32 and 284 respectively from 2020 (World Bank, 2024). Additionally, and life expectancy has increased from 48 years in 2000 to 63 years in 2020 (World Bank, 2024).

Similarly, Bangladesh was ranked the second poorest country in the world at independence. However, the country's economic growth over the last fifty-five years is a phenomenal success story. Pivoting on the agricultural, industrial and service sectors, Bangladesh has transformed an economy of USD 8 billion inherited in 1972 to over USD 416 billion as 2021. In the decade leading to 2021, the country attained an average annual GDP growth rate of 7 per cent (General Economic Division, 2020). Extended periods of sustained economic growth have led to improved living conditions and a decline in extreme poverty to just 5 per cent (World Bank, 2023). The country has also attained noteworthy progress in food security, gender parity in primary and secondary education with more girls enrolled in both primary and secondary schools (BBS, 2020). It is also notable that the infant per 1000 live births and maternal mortality ratio per 100,000 live births has declined from 63 and 441 in 2000 to 24 and 123 respectively in 2020, according to the World Bank data. Consequently, the country graduated from low-income country to lower-middle income-status in 2015 and has met the UN threshold criteria for graduating from the UN's least Developed Countries. Bangladesh aims to end absolute poverty and to be graduated into higher middle-income status by 2031.

Whereas both Uganda and Bangladesh have attained significant development progress over the last decades, several challenges persist. Most notably, the human development gains (education and health) have led to a significant population growth mostly dominated by young people, but both countries struggle to harness the demographic dividends. In Uganda, other key challenges include high proportions (68.9 per cent) of the population in a subsistence economy, high cost of doing business (capital, electricity), limited capacity of the health system especially considering the rising burdens of non-communicable diseases, rising costs of debt financing, among others (NPA, 2020). For Bangladesh, reliance on Ready-Made Garments (RMG), energy shortages, and infrastructural deficit are key challenges. Additionally, Bangladesh`s recent LDC graduation has come with challenges particularly the loss of International Support Measures (ISM) which has mostly affected preferential market access enjoyed under the various Generalised System of Preferences (GSP) schemes (Rahman, 2023). Most importantly, both countries face the devastating impacts of climate change adverse impacts, geopolitical conflicts, and changes in global commodity prices. In view of the above common challenges, there is an important opportunity for both countries to leverage SSC for mutual advancement.

Uganda-Bangladesh Development Cooperation Initiatives

Uganda-Bangladesh development cooperation has been driven primarily by non-state actors especially the Bangladeshi nongovernment organisations – BRAC and Grameen Foundation. It has been 18 years since BRAC launched operations in Uganda in 2006. BRAC Uganda started by providing micro-finance services in rural areas targeting women and other vulnerable communities. Over the years, BRAC has expanded the scope of their development programmes to cover other sectors of health, education, among others. As a core component of its social development portfolio, BRAC collaborating with Living Goods–US-based NGO–implemented a community health promoter's programme in 2007. Leveraging on experience in Bangladesh, the programme complemented existing government efforts by empowering Community Health Promoters (CHPs) to ensure that people from the most disadvantaged communities, especially children and mothers, can access critical health care and live healthy and productive lives (BRAC, 2024). Mostly, women, CHPs were selected through a competitive process from within the community to serve their own communities. CHPs conduct home visits to educate households on essential health behaviours, provide basic medical advice and refer the more severe cases to the closest health facility. Most importantly, BRAC innovated a revenue model through which CHPs can make modest income by purchasing a basket of basic health goods, ranging from anti-malaria drugs and vitamins to soap and fortified foods on a large scale at a wholesale price from BRAC and selling it at a margin while keeping the price lower than the prevailing market price. In short, the CHPs became micro-entrepreneurs in their communities' earning incomes but also availing affordable last mile health services in communities. After three years of implementing the CHPs programme, studies revealed significant health gains in target areas: under 5 mortalities declined by 27 per cent, infant mortality declined by 33 per cent while neonatal mortality declined by 28 per cent (BRAC, 2021). These gains were driven by increased health knowledge, higher use of preventive and treatment health services, and increased maternal, newborn, and child health service coverage.

Over a period of nearly two decades, BRAC Uganda has emerged as a vital development agency working in rural communities across the country providing holistic services including integrated, quality health care; early childhood development through play-based education; safe spaces for adolescent girls and young women to empower themselves; vocational education and training for skills and employability; emergency response and preparedness; and time-bound interventions to help families escape extreme poverty long-term. In 2019, BRAC Uganda's microfinance services were transformed into a tier 3 credit institution and renamed BRAC Uganda Bank Ltd. At present, BRAC Uganda Bank Ltd has the largest network of banking services in the country, providing inclusive financial services for low-income communities to build sustainable livelihoods. It is particularly important to emphasise BRAC's community-based approach which has the potential for mass transformation.

Prior to BRAC's intervention, Bangladesh's leading microfinance and community development bank – Grameen Bank had made a significant impact in Uganda working through its not-for-profit wing – Grameen Foundation. In 2003, the Grameen Foundation collaborated with Uganda's leading Telecommunication Company – MTN Uganda, and International Finance Corporation (IFC), to replicate Bangladesh's Village Phone programme in Uganda. In Bangladesh, the Village Phone Programme not only enhanced access to telephone services but also enabled 40,000 village operators to sell phone time to residents and thus earn an average net income of $700 per year–almost twice the national average (IFC, 2003). Based on the experience in Bangladesh, the Grameen Foundation and IFC collaborated with MTN to implement the initiative in Uganda. Launched in 2003 as MTN villagephone, the initiative identified and supported individuals living in rural areas to become operators. The village phone operators were linked to micro–finance institutions where they obtained loans of about USD 230 – payable over up to 12 months – used for purchasing equipment for mobile phone services. The village phone operators generated income by selling mobile phone services in areas where electricity is unavailable and the existing MTN network can be accessed only with a booster antenna and other equipment. Upon two years of implementation, the initiative engaged over 2000 vilage phone operators, enhancing access to mobile phone services and as well as improving incomes for village phone operators (New Vision, 2005).

Building on their experience of implementing grassroot development intervention in Bangladesh, BRAC and the Grameen Foundation have undertaken highly impactful development interventions with the potential for mass transformation. Mostly targeting rural areas targeting rural areas, the initiatives show a strong for enhanced Uganda-Bangladesh development cooperation.

Potential Areas for Further Collaborations

As is the case with many developing countries, agriculture is an important sector for both Uganda and Bangladesh. It is, however, notable that while the contribution from the sector to Bangladesh's GDP has declined from 60 per cent in the 1970s to just 13 per cent in 2019 (General Economic Division, 2020), Uganda's economy heavily relies on the sector. Nonetheless, the sector continues to employ a considerable proportion of the population in both countries – 60 per cent in Uganda over 40 per cent in Bangladesh and hence the best chance for mass transformation.

Bangladesh's strategy for agricultural advancement entails increasing agriculture diversification while maintaining food security through improvements in farm productivity, supply of inputs, price policy support, water supply, farm credit and marketing support. While the agricultural sector in Uganda is also facing several challenges, the country has developed a strong capacity for research and development of high-yielding and disease-resistant crop varieties. Uganda National Agricultural Research Organisation (NARO) is recognised by the African Union as a regional Center of excellence in agricultural research. Bangladesh has expressed interest in fostering collaborations with Uganda to enable access to quality seeds (Ministry of Foreign Affairs, 2010). It is also notable over the years that Uganda was among the leading producers of cotton. However, in recent years, cotton farmers have abandoned cotton production mostly due to low and fluctuating prices arising from unstable global demand and commodity prices. With a potential market in Bangladesh, there is a wonderful opportunity for both countries to revitalise cotton production in Uganda which can be supplied to Bangladesh's prominent garment industry. It is also important to note that the private sector has gone a step ahead to rent land in Uganda where mostly paddy and rice are grown for export to Bangladesh (New Age, 2012). During a recent visit to Uganda for Non-Aligned Movement (NAM) summit in 2024, Bangladeshi Foreign Minister – Dr Hasan Mahmud – further expressed interest to rent 20,000 hectares of land for palm oil and cotton cultivation (Hasib, 2024). Moving forward, it would also be vital to encourage private sector investments in agro-processing to align with Uganda's agri-business and agro-industrialisation agenda. As articulated by Uganda's minister for trade during the Commonwealth Trade and investment Forum held in Bangladesh, Uganda aims to position itself as a leading investment destination in the region.

The health sector is another important area for engagement. One of the key challenges to Uganda's healthcare system is access to quality and affordable medicines and medical equipment. In view of its competitive advantages in the pharmaceutical industry, including low labour costs and the ability to formulate generic medicines (Rizwan & Kathuria, 2016), Bangladesh can be an important source of pharmaceutical products for Uganda. Additionally, Uganda has also prioritised the development of the pharmaceutical industry and as such it is also important to foster collaborations with the private sector for local production of pharmaceutical products. On the other hand, Uganda has vast experience and acquired globally recognised good practices in managing epidemics owing to previous experiences of handling the Sudan ebolavirus in 2012, the Zaire Ebola virus in 2019 and several cholera outbreaks in the country. This was also exemplified in the containment of the COVID-19 pandemic (Saki, Ezeh, & Stranges, 2020). Therefore, Uganda can be an important partner for Bangladesh in strengthening its capacity for preparedness and response to epidemics.

Described as one of the greatest development success stories, Bangladesh's economic transformation of the last five decades has been driven by the manufacturing sector, especially Ready-Made Garments (RMG). Ranked as the third largest source of RMG, Bangladesh has seen a twofold increase – from 11 per cent in 2000 to 22 per cent in 2022 – in the value-added from the sector, with 20 products accounting for 84 per cent of total domestic exports. Despite the tremendous success of RMG, there is an urgent need for diversification of its production and export structure to reduce vulnerability to global commodity prices (OECD/UNCTAD, 2023).

Since the 1990s, Bangladesh has made efforts to diversify its production and export structure. Uganda and Bangladesh have shown interest in signing an MoU on trade which is an important opportunity for both countries to enhance their trade relations. The MoU would enable Bangladesh to supply more textile as well as Jute products to Uganda. As Uganda strives to move away from plastic packaging to biodegradable materials (Monitor, 2021), more trade in Jute is a win for Uganda and on the other hand, Bangladesh would attain its export and product diversification agenda.

Other than the specific bilateral areas of interest between Uganda and Bangladesh, it is also important Bangladesh and Uganda foster collaboration on issues of global importance, especially of importance to the global south. It is particularly important to highlight the grave impacts of climate change on both countries. Like other developing countries, both countries are the most affected, yet with the least capacity to respond. Additionally, conflicts, non-representative global governance systems, and development finance systems, among others, are critical areas for collective action. Given Bangladesh's important contribution in peace-keeping missions in the region with 5303 peacekeepers in several countries including Mali, DRC, Sudan, South Soudan, Central African Republic, and Western Sahara, collaboration with Uganda – a stable country in the region–is critical. Already, Bangladesh has established a transit and logistics hub for its peace-keeping operations in the region (Molla, 2018). It is also worth noting Uganda's leadership of two key groupings of the South - Non-Aligned Movement (NAM) and G77+ China, which can be leveraged to advocate for the interest of the Global South.

Conclusion

Uganda and Bangladesh have similar historical as well as development pathways. It is particularly interesting to note that at Independence, both Uganda and Bangladesh were nearly at equal levels of development (Misha, 2020). Against all odds, both countries have experienced impressive development. The plurality of development experiences in both countries provides an opportunity for mutually beneficial partnerships especially, in view of the emerging development challenges. Over the last decades, non-state actors especially BRAC and Grameen Foundation have led the way in fostering development cooperation between the two countries by undertaking highly impactful grassroot interventions. It is also worth noting key challenges to enhanced cooperation including low volumes of trade, limited people to people contact, absence of direct air and water transport connectivity, among others. Moving forward it is critical to foster more engagements between state actors. But more importantly, it is particularly imperative for both countries to strengthen trade linkages and foster more people-to-people connections for sustained relations.

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