**Tittle: Rural Development Theories in Action: Implementing Uganda's Parish Development Model**

Nakayiso Eseza1, Nyakundi Andrew2, Nyambane David3

Faculty of Business and Management, Kampala International University, Western Campus, Kampala, Uganda

**Email:** [eseza.nakayiso@kiu.ac.ug/](mailto:eseza.nakayiso@kiu.ac.ug/)nakayisoeseza@gmail.com

**ABSTRACT**

The Parish Development Model (PDM) is a multi-sectorial strategy launched in February 2022 to transform Uganda's economy by converting 39% of households from subsistence to money economy. Despite a 4.7% annual economic growth rate, Uganda's poverty rate increased from 19.7% in 2012/13 to 21.4% in 2016/17, affecting 8.7 million individuals. To address this, President Yoweri Kaguta Museveni emphasized Financial Inclusion as one of the 17 implementation strategies. The PDM aims to eliminate poverty in rural areas through financial inclusion and rural development principles. This study explores how these principles guide effective PDM implementation and provides recommendations to align with rural people's long-term aspirations.The PDM is part of Uganda's third National Development Plan, which incorporates Vision 2040 goals. Three more identical projects will be undertaken to complete the 2040 vision cycle.

**Key words:** Rural Development theories, Uganda, Parish Development Model

1. **Introduction**

Financial inclusion means the availability and equitable distribution of financial services. It is a method of obtaining relevant, inexpensive, and timely financial products and services for individuals and enterprises. These include banking, lending, equity, and insurance products. Financial inclusion theories propose explanations for observed financial inclusion behaviors. Individuals cannot be denied formal financial services because they are deemed public goods. Everybody will have free access to fundamental banking services. Financial inclusion refers to the ease with which all members of a community may obtain essential financial services. Individuals and businesses that practice financial inclusion have access to relevant and competitively priced financial goods and services that meet their needs in an ethical and long-term way. It stresses how concepts and perspectives on financial inclusion may be grouped into theories in order to allow meaningful discussions in the literature. Basic Resource Theory, System Theory, Power Structure Theory, and Growth Center Theory are some of the concepts that drive rural development.

The Parish Development Model is a government strategy or approach for organizing and delivering public and private sector interventions at the parish level, which serves as the most basic level of economic planning. The government has recently established organizations and methods for planning, budgeting, and providing public services based on the parish development model. Parishioners will select development priorities in line with national objectives. In the Model, the PARISH serves as the focal point for multi-sectorial community development, planning, execution, oversight, and responsibility. Parish is the lowest level of reference for intervention strategy, finance, and execution of socioeconomic development (National Plannning Authority, 2020).

President Yoweri Kaguta Museveni's ambitious plan to boost Uganda's annual GDP growth rate to at least 7% by 2040 is anchored in the Parish Development Model (PDM). This model, launched in February 2022, aims to transform 39% of Ugandan households from subsistence to money economy. The PDM is a multi-sectoral strategy that involves creating new organizations and techniques for planning, budgeting, and providing public services at the parish level. Each parish, with populations ranging from 450 to 30,000 people, is required to establish development goals consistent with national plans. The model's primary objective is to strengthen decentralization, increase household income, and foster local responsibility. By empowering individuals at the lowest administrative levels to identify and allocate resources for their specific social needs, the PDM seeks to benefit the most vulnerable populations. The PDM has been hailed as a game-changer in Uganda's fight against poverty, with President Museveni emphasizing the need for community-led development and decentralization. However, some experts, like Madina Guloba, have raised concerns about the model's effectiveness and potential challenges in implementation.

* 1. **Research Questions:**

1. What are the opportunities and challenges of implementing the Parish Development Model (PDM) in Uganda?
2. How can the PDM be used to promote sustainable rural development in Uganda?
3. What are the theoretical frameworks that underpin the PDM, and how can they be applied to promote rural development in Uganda?
   1. **Research Objectives:**
4. To examine the opportunities and challenges of implementing the PDM in Uganda.
5. To assess the potential of the PDM to promote sustainable rural development in Uganda.
6. To provide recommendations for policymakers, practitioners, and other stakeholders on how to improve the implementation and effectiveness of the PDM.
7. **Literature Review**
   1. **Uganda and Planning its Development**

The finance, planning, and economic development ministries, as well as the National Planning Authority, have now consolidated their planning. Uganda is now implementing its third national development plan, which alludes to Vision 2040's goals. To complete the 2040 vision cycle, three further identical activities must be undertaken. Uganda implemented development plans similar to the parish model both before and after independence, which served as the foundation for local government administration and were supported by village leaders. Parishes kept track of everyone in their community. In terms of food security, household income, and public health, they established national health, education, and welfare programmes. This information would be forwarded to the national register on a regular basis through the sub-counties. Over time, the federal government has utilized this data to develop poverty-relief initiatives. However, poverty is getting worse, according to the most recent National Household Survey.

Uganda's monetary poverty rate increased from 19.7% in 2012/13 to 21.4% in 2016/17 (the percentage of the population earning less than US$1.04 per day). The number of poor persons has increased from 6.6 million in 2012/13 to 8.7 million in 2019/20. Despite a decade of average GDP growth of 4.7%. The parish model is being recommended as a strategy to achieve the third national development plan's target of reducing poverty by 18.5% and income disparity by 0.37. The parish model is built on seven pillars, all of which are in line with the third national development plan (NDPIII). They are as follows:

1. Production, storage, processing, and marketing: The government intends to set up digital platforms at the parish level for the distribution of e-vouchers, e-extension, and e-certification, among other agricultural supply services.
2. Infrastructure and Economic Services: In this case, parish-level services will be supplied by public and private sector organizations. Drinkable water, food stores, power hook-ups, community access roads, and free internet connection are a few examples.
3. Financial inclusion - Increasing access to financial services for informal economy participants. Financial inclusion benefits the vast majority of individuals in remote communities.
4. Social services including communication, transportation, safe water access, education, and primary healthcare.
5. Changing perspectives and tackling challenges that extend across all areas, such as gender, the environment, and disabilities.
6. Parish Based Management Information System: A comprehensive system for community profiling, data collecting, analysis, tabulation, storage, and distribution.   
   Management and governance of the model.
7. Governance and Administration: Strengthening local governance and administration

Three of the seven pillars—production, storage, processing, and marketing—as well as financial inclusion, according to the President, require urgent attention. Thus, the PDM is a government initiative that offers a range of services and consists of;

1. The Model recommends developing infrastructure and processes to enhance the processing and marketing of Ugandan agricultural goods.
2. Collecting data on households countrywide to guide government actions.
3. Through commodity clusters, farmers will work together at the parish level to increase productivity and production, leading to sustainable agricultural output. They will also have access to financial education, corporate management training, and agricultural extension services.
4. Develop infrastructure for agricultural processing and commercialization in Uganda.   
   Promote participatory planning among local communities to identify and eliminate structural impediments to economic progress.
5. Developing and implementing Action Plans to address vulnerability among adolescents, women, and persons with disabilities at the grassroots level, including cooperation from disadvantaged interest groups. Coffee, cotton, cocoa, cassava, tea, vegetable oils (including oil palm), maize, rice, sugar cane, fish, dairy, beef, bananas, beans, avocado, shea nuts, cashew nuts, and macadamia (Nyombi, 2013).

The PDM is associated with the NDPIII's five strategic objectives, which are as follows(National Plannning Authority, 2020):

i) Maximize value addition in key growth opportunities.   
ii) Increase the private sector's capacity to stimulate development and generate jobs.   
iii) Combine and enhance the amount and quality of productive infrastructure.   
iv) Promote population productivity and well-being.   
v) Increase the state's role in directing and encouraging growth (National Plannning Authority, 2020). Farmers will receive agricultural extension services as well as financial and business management training.

* 1. **Principles that underpin the Parish Development Model**

The Parish Development Model (PDM) is underpinned by several key principles that guide its implementation. One of the core principles is community-led development, which emphasizes the importance of community participation and ownership in the development process (Manyak, 2020). This principle is reflected in the PDM's focus on empowering local communities to identify their own development needs and priorities, and to take charge of implementing and managing their own development projects.

Another key principle underlying the PDM is decentralization, which involves transferring power and resources from central government to local governments and communities (Conyers, 2003). This principle is reflected in the PDM's focus on strengthening local governance and administration, and on providing local communities with the resources and support they need to manage their own development.

The PDM is also underpinned by the principle of financial inclusion, which emphasizes the importance of providing access to financial services for all members of society, regardless of their income or social status (CGAP, 2019). This principle is reflected in the PDM's focus on increasing access to financial services, such as savings and credit, for rural households and communities.

In addition, the PDM is guided by the principle of sustainable livelihoods, which emphasizes the importance of promoting sustainable and equitable livelihoods for all members of society (DFID, 1999). This principle is reflected in the PDM's focus on promoting sustainable agricultural practices, improving access to markets and trade, and enhancing the resilience of rural households and communities.

Finally, the PDM is underpinned by the principle of accountability and transparency, which emphasizes the importance of ensuring that development processes and outcomes are transparent, accountable, and responsive to the needs and priorities of local communities (World Bank, 2018). This principle is reflected in the PDM's focus on establishing robust monitoring and evaluation systems, and on promoting transparency and accountability in development decision-making and resource allocation.

**Key Terms:**

1. Parish Development Model (PDM): A government-led initiative aimed at transforming the rural economy in Uganda through a multi-sectoral approach.
2. Rural Development: The process of improving the quality of life and economic well-being of people living in rural areas.
3. Sustainable Livelihoods: A livelihood that is resilient, adaptable, and able to withstand shocks and stresses, while also being environmentally sustainable.
4. Poverty Reduction: The process of reducing the number of people living in poverty, particularly in rural areas.
5. Food Security: The availability, accessibility, and utilization of sufficient, safe, and nutritious food to meet the dietary needs of individuals and households.

**Key Concepts:**

1. Participatory Development: An approach to development that emphasizes the active participation of local communities in the planning, implementation, and decision-making processes.
2. Empowerment: The process of enabling individuals, households, and communities to take control of their lives, make informed decisions, and improve their well-being.
3. Institutional Capacity: The ability of institutions, such as local governments and community organizations, to effectively plan, implement, and manage development initiatives.
4. Social Capital: The networks, relationships, and norms of trust and cooperation that exist within and between communities.
5. Environmental Sustainability: The ability of development initiatives to minimize harm to the environment and promote sustainable natural resource management.
   1. **Conceptual Model**

The Parish Development Model (PDM) relies on several input variables to achieve its objectives. These input variables include government support, community participation, and institutional capacity. Government support is crucial for the success of the PDM, as it provides funding, policy support, and technical assistance. Community participation is also essential, as it ensures that local communities are actively involved in planning, implementation, and decision-making. Institutional capacity, which refers to the strength of local institutions, including local governments and community organizations, also affects the effectiveness of the PDM. This process involves several key activities, including participatory planning, capacity building, and resource allocation. The output variables of the PDM process are improved livelihoods, sustainable development, and empowerment.

**Input Variables**

Institutional Capacity

Community Participation

Government Support

* Participatory Planning
* Capacity Building
* Resource Allocation

**Process Variables**

* Improved Livelihoods
* Sustainable Development
* Empowerment

**Output variables**

**Figure 1: Nakayiso Eseza,2025.**

Participatory planning is an inclusive planning process that involves local communities, local governments, and other stakeholders. This ensures that everyone's voice is heard and that the needs and concerns of local communities are addressed. Capacity building, which involves training and capacity-building programs for local institutions and communities, enhances their ability to manage and sustain development initiatives. Resource allocation, which involves the allocation of resources, including funding, technology, and expertise, is critical for the success of the PDM. Improved livelihoods refer to increased income, food security, and well-being of local communities. Sustainable development, which includes environmental sustainability, social justice, and economic growth, is a key objective of the PDM. Empowerment, which refers to increased control and decision-making power of local communities, is essential for sustainable development.

* 1. **Theoretical framework**
     1. **Modernization Theory**

Modernization Theory, developed by Walt Rostow (1960), posits that economic growth and development occur through a series of stages, from traditional to modern societies. This theory emphasizes the importance of technological advancement, institutional development, and infrastructure growth in driving economic progress. In the implementation of Uganda Parish Development Model (PDM), the Modernization Theory is relevant in emphasizing the need for infrastructure development, technological adoption, and institutional strengthening in rural areas. For instance, the PDM aims to improve rural infrastructure, such as roads and bridges, to facilitate market access and economic growth (Mugisha, 2020). The model promotes the adoption of modern agricultural technologies and practices to enhance productivity and income for rural households.

* + 1. **Dependency Theory**

Dependency Theory, developed by Andre Gunder Frank (1966), argues that underdevelopment in peripheral countries is a result of their dependence on core countries. This theory suggests that external factors, such as colonialism and globalization, have led to the exploitation of peripheral countries, hindering their development. The Dependency Theory is relevant in highlighting the need for Uganda to reduce its dependence on external aid and promote local economic development. For example, the PDM aims to promote local economic growth by supporting small-scale enterprises and cooperatives, thereby reducing reliance on external aid (Kakwenzire, 2020). Furthermore, the model seeks to enhance Uganda's self-reliance by promoting domestic resource mobilization and utilization.

* + 1. **Participatory Rural Appraisal (PRA) Theory**

Participatory Rural Appraisal (PRA) Theory, developed by Robert Chambers (1994), emphasizes the importance of community participation and empowerment in rural development. This theory suggests that local communities should be involved in the planning, implementation, and monitoring of development projects to ensure that their needs and priorities are addressed. The PRA Theory is relevant in emphasizing the need for community participation and ownership in rural development initiatives. For instance, the PDM involves local communities in the planning and implementation of development projects, such as the construction of rural infrastructure and the promotion of agricultural development (Republic of Uganda, 2021). This approach ensures that local needs and priorities are addressed, and that communities are empowered to take ownership of their development.

* + 1. **Sustainable Livelihoods Approach (SLA) Theory**

Sustainable Livelihoods Approach (SLA) Theory, developed by the Department for International Development (DFID) (1999), focuses on the development of sustainable livelihoods through the management of natural resources and the enhancement of human capabilities. This theory suggests that rural development initiatives should prioritize the sustainability of natural resources, the enhancement of human capabilities, and the promotion of social justice. Uganda under PDM can use the SLA Theory in emphasizing the need for sustainable agricultural practices, natural resource management, and human capacity development in rural areas. For example, the PDM promotes sustainable agricultural practices, such as conservation agriculture and agroforestry, to enhance rural productivity and income while protecting the environment (MAAIF, 2020). Additionally, the model seeks to enhance human capabilities through vocational training and education.

* + 1. **Human Capital Theory**

Human Capital Theory, developed by Gary Becker (1962), emphasizes the importance of education, training, and healthcare in rural development. This theory suggests that investments in human capital, such as education and healthcare, can enhance rural productivity and income. Human Capital Theory is relevant in highlighting the need for investments in human capital, such as education, healthcare, and vocational training, to enhance rural productivity and income. For instance, the PDM seeks to improve access to education and healthcare services in rural areas, thereby enhancing human capital and productivity (World Bank, 2020).

* + 1. **Social Capital Theory**

Social Capital Theory, developed by Robert Putnam (1993), focuses on the role of social networks, trust, and cooperation in rural development. This theory suggests that social capital, such as social networks and trust, can facilitate cooperation and collective action, thereby enhancing rural development. The Social Capital Theory is relevant in emphasizing the importance of building social capital through community-based initiatives and partnerships. For example, the PDM promotes community-based initiatives, such as cooperatives and self-help groups, to enhance social capital and collective action in rural areas (Narayan, 1999).

* + 1. **Community Echelon Theory of Financial Inclusion.**

According to the Community Echelon Theory, community leaders ought to encourage financial inclusion among those who are not well off. The community echelon theory of financial inclusion has one main benefit: leaders within the community may influence members to make decisions that are in their best interests. The idea of a communal echelon is not without problems [2]. According to one theory, the influence of immoral and self-serving communal leaders will eventually be re-established. Second, community leaders may make rash judgments that are detrimental to the public if they succumb to pressure from corporate financial innovations. Community leaders may make judgments that are detrimental to the well-being of community members because of their credibility, even when those decisions may not be in the members' best interests.

Third, People in the community who work in the formal financial sector could be worried about the corporation but are reluctant to talk to their local leaders about it.   
People are less inclined to stick with the formal banking system for a prolonged length of time the more terror they experience. Severe agency issues including fraud, nepotism, and corruption can also arise. Finally, it is challenging to identify the most effective leadership style for persuading community members to rethink entering the formal financial sector due to the wide variety of styles that exist. In this case, the NDP III was able to contact parish leaders and register vulnerable persons, the bulk of whom are employed in agriculture. These rural populations have been registered and are now part of the state's efforts. Proper registration and identification have been completed by their leaders, and rural farmers have been able to obtain funds from their community leaders.

* + 1. **Public service theory of financial inclusion**

According to the public service theory of financial inclusion, it is the government's public duty to facilitate financial inclusion, as demanded by the populace. This point of view holds that financial inclusion should be accessible to all people, including those who are financially excluded, via government-run public institutions. According to this perspective, the only way the government can attain financial inclusion is by providing access to acceptable financial services and products and integrating the whole population into the established financial system. Public service is a highly important concept. According to one theory, financial inclusion can occur if the government decides to take charge of it. Second, it is possible for the government to encourage financial inclusion since it is in charge of the nation's financial, economic, and social institutions. Public banks can be established by the government in the most remote parts of the nation in order to reach the excluded(Kumar Singh & Singh, 2023).

Public confidence increases when the government takes full responsibility for financial inclusion through public institutions. People believe that all policies and initiatives would be beneficial to everyone when the government fully takes on responsibility for financial inclusion [6]. The following are some of the public service theory's weaknesses. To begin with, it forbids the private sector from carrying out initiatives related to financial inclusion. Second, it makes the assumption that taxpayers will cover the cost of financial inclusion even in the unlikely case that tax income is insufficient to fund meaningful initiatives. Third, by holding public institutions accountable for financial inclusion, the public service theory method has the ability to impact social politics [6].In good times, the state can offer basic financial services to loyal inhabitants; however, if individuals choose to revolt against the state, the state may no longer supply these services. Using the Parish Development Model, the Ugandan government employs financial institutions such as Centenary Bank, DFCU, and other particular entrusted financial institutions to release funds to individual rural farmers through their accounts(Moses & J. B., 2023).

* + 1. **Special agent theory of financial inclusion**

The special agent theory of financial inclusion states that complicated problems and procedural details pertaining to the demographics, geography, or makeup of the community may make it difficult to provide financial inclusion to those who are excluded [6]. Therefore, in order to give financial inclusion to individuals of marginalized populations, specialist agents are required. According to this method, the special agent must meet the following requirements:(i) possessing a high level of competence and specialization; (ii) comprehending the distinctive features of the excluded community; (iii) identifying opportunities for growth via creativity, understanding the existing informal financial system in the places where the excluded population dwells, and (iv) creating a plan for merging the local financial system with the official financial sector(Ozili, 2010). It is recognized that the special agent has exceptional knowledge, skill, and capacity to provide formal financial services and products to those who are unable to interact with the official financial system. According to this theory, the principle has a special agent link. The principal is usually the federal government, a foreign government, or a foreign organization, whereas the special agent is usually a local bank, non-bank institution, or other special institutions established specially to promote financial inclusion. There are several advantages to the special agent hypothesis of financial inclusion. The first step is to expand financial inclusion across the country by employing specialist agents. By leveraging skilled middlemen to promote financial inclusion across the country, the government can focus on more urgent internal concerns(Ozili, 2020).

Second, special agents are highly trusted to give financial inclusion to those who are excluded. Experts and capable people work together with other specialized groups to achieve the common goal of advancing financial inclusion as special agents. Third, the pay for the special agent is specified, and the goals for financial inclusion are unambiguous. There is no ambiguity since the special agent is committed to achieving the goal and is aware of the demands and compensation associated with their work (Ozili, 2010). Lastly, the connection is unaffected by the basic principal-agent issues in agency theory since the special agent deals with people rather than money. The idea of financial inclusion through special agents has serious flaws. To begin with, if the government is acting as the principle, it may assign one of its own agencies the job of special agent, therefore taking on the dual responsibilities of principal and agent(Ozili, 2010).

The special agency's objective of increasing financial inclusion would be compromised by this. The government shouldn't act as both a principal and a special agent in the public sector since government agencies are by nature inefficient. Additionally, if the government does not provide the agreed-upon funding to assist financial inclusion projects, a private special agent will leave a financial inclusion project if they are not fairly compensated. In order to implement the Parish Development Model, the government is working with certain financial institutions such as Centenary Bank, which was previously known as Centenary Rural Development Bank, and DFCU. This ensured system transparency and financial inclusion for all rural farmers.

* + 1. **Financial literacy theory of financial inclusion**

According to the financial literacy hypothesis, the best approach to attain financial inclusion is to increase people's level of financial literacy through education. According to this viewpoint, financial literacy promotes involvement in the established financial system [2]. "Financial literacy" has a specified definition. One advantage of financial literacy is that it enables people to learn about the many financial services and products that are accessible to them. People will be willing to create a bank account and enter the formal financial sector once they are aware of the financial goods and services available that might enhance their well-being. Secondly, increased financial literacy enables customers to get more formal financial services, like mortgages and investments. Third, financial literacy may help people become more financially independent and secure by teaching them how to distinguish between needs and desires, build and follow a budget, save enough money for on-time bill payment, and plan for retirement. Lastly, governments with limited public funds or tax revenue to fund financial inclusion operations may choose to adopt financial literacy as a national financial inclusion strategy because it does not require a significant amount of public financing to educate the public on how to use financial services(Ozili, 2010).

There are certain drawbacks to the idea of financial literacy, which are covered below. Firstly, it gives 'willingness' more weight than 'capacity' when it comes to participating in the official financial system. People's willingness to participate in the formal financial system can be increased by financial literacy instruction, but this does not necessarily translate into an increase in their "capacity" to do so—that is, their ability to have enough money to carry out one or more transactions. This implies that, despite having financial knowledge, persons without money (i.e., 'capacity') are unable to fully engage in the financial system. The financial literacy hypothesis suggests that financial inclusion may be achieved via educational activities that raise citizens' financial literacy. The government has engaged district, parish, and village officials to teach rural farmers on the need of financial education. The majority of these farmers avoided financial inclusion initiatives due to their lack of knowledge and higher degrees of financial illiteracy. With a rise in financial literacy among the young and elderly, and as one of the requirements for the Parish Development Model's effectiveness, knowledge among rural farmers has grown, resulting in better financial management results(Ozili, 2010).

* + 1. **Collaborative Intervention Theory of Financial Inclusion.**

There are certain drawbacks to the idea of financial literacy, which are covered below. Firstly, it gives 'willingness' more weight than 'capacity' when it comes to participating in the official financial system(Chukwuma & Olorunfemi, 2021). People's willingness to participate in the formal financial system can be increased by financial literacy instruction, but this does not necessarily translate into an increase in their "capacity" to do so—that is, their ability to have enough money to carry out one or more transactions. This implies that, despite having financial knowledge, persons without money (i.e., 'capacity') are unable to fully engage in the financial system. One, it is difficult to determine how many partners are required to fulfil the goal of financial inclusion. Second, some participants may cease working on the project, leaving only a small group of committed partners to complete it. Third, having a greater number of collaborators does not guarantee a higher possibility of financial inclusion(Ozili, 2020).The notion of collaborative intervention implies that a variety of stakeholders, including the government, local government, parish leaders, and village leaders, should work together to achieve financial inclusion. These many stakeholders were successful in organizing their populations and determining the most effective approach to achieving financial inclusion. The Parish Development Model has demonstrated to be one of the most successful strategies of including all stakeholders since it includes all vulnerable persons. This has made it easy for farmers to register and participate in all of the country's development activities(Shah et al., 2023).

* + 1. **Public good theory of financial inclusion**

The public good theory of financial inclusion entails offering formal financial services to all persons and ensuring unrestricted access to money benefit everyone. People should not be restricted from using or using financial services because they benefit the public. Everyone will have free access to vital financial services (Ozili, 2010). Everyone gains from being a part of the formal financial system as no one's access to financial services restricts the access of others. This perspective emphasizes that financial inclusion benefits everyone and leaves no one out. Any individual or small business that opens a formal bank account may be eligible for free debit cards, according the public benefit idea. They can also use ATMs to make fee-free transactions. Since providing financial services is an essential part of operating a bank, financial service providers, especially financial institutions, will also be held responsible for paying for it(Ozili, 2010).

In addition, financial institutions can be eligible for government subsidies to help them with the costs associated with offering free financial services. Better still, the government could simply deposit a one-time lump sum of money into everyone's bank account in order to receive the free payments; all that was required was the official account. This implies that those who are unable to make ends meet or pay their debts on a micro level will have the chance to become economically empowered when financial inclusion is viewed as a public benefit [2]. This approach has two benefits. First, the public good argument states that financial inclusion benefits everyone, regardless of wealth or social status. This suggests that everyone benefits from financial inclusion—the wealthy and the poor, as well as those who are included and excluded in the financial system. Second, since investors would anticipate a premium for private capital, which is prohibitively expensive when leveraged to achieve financial inclusion objectives, public money would be needed instead of private investment to achieve financial inclusion as a public benefit. Thirdly, it assigns the government the responsibility of advancing financial inclusion as a public benefit. Finally, the public good theory of financial inclusion holds that members of the private sector oppose financial inclusion (Ozili, 2020).

Four things go wrong with the public good hypothesis. First and foremost, it is incorrect to see financial inclusion as a public benefit while ignoring the root reasons of financial exclusion. Second, if financial inclusion is deemed a public good that requires public assistance, funding for other important public projects may be diverted. Third, financial inclusion is defined under the public good idea as a "public benefit" that financial service users obtain at no cost. Even if financial inclusion is supported by the government and offered to end users at no cost, its level may not be long-term sustainable when it is seen as a public good. Fourth, since banks and other financial institutions are mostly financed by private rather than public capital, it may be harder to provide the public good notion of financial inclusion in developing and emerging nations(Ozili, 2020). Since the Parish Development Model made public funds accessible, most farmers have been able to use them to expand their businesses and fields. Financial inclusion has been a motivating element for funding under the Parish Development Model.

* + 1. **Vulnerable group theory of financial inclusion**

The vulnerable group theory of financial inclusion contends that a country's financial inclusion programs should prioritize its most vulnerable citizens, including the elderly, the underprivileged, women, and the young [2]. It makes sense to include those who are vulnerable in the official financial system since they are frequently the ones who suffer the most from financial crises and economic downturns. Adding G2P social cash transfers to the official accounts of women, young people, and the elderly is one strategy to improve the financial inclusion of disadvantaged groups. These groups will be encouraged to participate in the official financial system and create formal accounts as a result(Ozili, 2010).

According to philosophy, financial inclusion efforts should target the most vulnerable members of society, and cooperatives use this strategy to expressly target women, who are the group most at risk. The vulnerable group hypothesis has certain advantages for promoting financial inclusion. First, by concentrating on disadvantaged groups and integrating them into the formal financial system, the approach seeks to reduce financial exclusion. Second, this notion simplifies the identification of the population's financially excluded individuals. The degree of vulnerability, when combined with other demographic factors such as age, gender, and income level, can help identify the population's most susceptible people. Third, rather than aiming for universal financial inclusion, it could be more economical to focus on the most marginalized groups in society. There are several problems with the vulnerable group notion(Ozili, 2010).

For starters, the technique does not encourage everyone in the population to contribute monetarily. Second, it ignores those who are not part of the current financial system and hence not exposed. Even those who are not in danger require access to the official financial system. Third, it indicates that males are not as susceptible as women. This concept is important since women and men struggle for equal opportunities in today's society. As a result, stigmatizing women as members of impoverished groups at the cost of males may have unforeseen repercussions for how these groups participate in society and the economy [7]. Men may become less respectful of women as a result of it. In conclusion, prioritizing vulnerable individuals when promoting financial inclusion might potentially lead to increased social inequality in the event that policies are crafted to privilege these individuals over others, and economic inequality in the event that these individuals have more access to financial services than others (Ozili, 2010).The Parish Development Model has offered financial help to men and women who are deemed vulnerable, such as the poor and elderly. They were able to use this money to increase dairy, poultry, and agricultural output, and it was transferred from the government to the people through their personal accounts.

* + 1. **Basic Resource Theory**

The basic resource theory was created by Edith Penrose in 1959 It is predicated on the vital natural resources or environmental aspects of a certain region. According to the hypothesis, the availability, quantity, and quality of vital natural resources determine how a particular area develops [9]. The use of these natural resources increases revenue and jobs in these areas and attracts investment capital. A region's capacity to produce natural resources is essential to the area's overall growth. People's quality of life is enhanced in communities when this valuable asset is present. Compared to those living in areas with less natural resources, people living in this region often earn more money and grow more quickly. Because of this, the parish development model has made it possible to cultivate food and cash crops like matooke, sweet potatoes, and maize on productive agricultural land. It has also made water bodies like the Bukakata landing site, a valuable natural resource for fishing, available. The government will provide funding to support rural development in rural regions since certain places have natural resources(Chukwuma & Olorunfemi, 2021).

* + 1. **Systems Theory**

Ecological systems theory is a comprehensive theory that stresses interactions between "living entities" as well as "between entities and other aspects of their environment." Following the introduction of systems theory by physicist Ludwig von Bertalanffy in the 1940s, W. Ross Ashby and George Bateson improved it. This approach may be applied to community development directly or indirectly through the environment, as the developer needs to first assess the environment and its surrounds in order to create successfully. This idea may also be useful in other domains, such as ecological psychology and general systems theory. A system is an intricate configuration of elements or pieces that constantly creates, changes, and recreates a pattern of interaction, action, and meaning. The many parts of a rural community must be united under a single system in order to see substantial growth. Rural communities’ function as autonomous systems. For the rural community to prosper, leadership, groups, and individuals must collaborate as a system of interaction toward action (Chukwuma & Olorunfemi, 2021). Many community or organization workers deal with small groups and formal organizations; systems theory is utilized to investigate these contexts. Early issues including community nature, components, friction, and boundaries are addressed by systems theory. It is particularly helpful in addressing the intricate "wheels within wheels" feature of the numerous networks and formal organizational relationships that community workers deal with, both horizontally across the community structure and vertically, taking neighborhood to community relationships, for an area like rural areas where they work and build together(Chukwuma & Olorunfemi, 2021).

Among the many purposes and advantages of systems theory are: a. it permits an in-depth analysis of goals and offers methods for guaranteeing their effectiveness in addition to standards for choosing goals. b. It contrasts the results of potentialities for cost, risk, and feasibility. c. It adds to the previous point by defining new goals and objectives. Systems theory is applied to project design, implementation, and assessment in rural development. It also makes long-term viability possible. The government may use parish and village systems to provide funding to all rural populations thanks to the system theory. The efficient and effective delivery of services would benefit all parish and village communities if the government could streamline these procedures and ensure that they function properly(Reis, 2021).

* + 1. **Power Structure Theory**

Power delivery is crucial for rural development. The power structure outlines how power is created, structured, and developed. Many people have been drawn to the study of power dynamics and decision-making, particularly in tiny communities. Power is a dynamic entity, particularly in situations where establishing a power structure has proved difficult. It was found that power is a multifaceted concept that can be distributed unevenly among those who are referred to as "power figures." Communities vary widely in the degree to which their leaders are the same people when it comes to social services, government, the economy, and education, or whether these domains have relatively different power structures. He believes that there are several sorts of power, and that persons with influence in real-world community concerns are not necessarily regarded as power figures. According to power structure theory, there is always "slack" in the power structure, new power structures can emerge at any time, and power cannot be understood statically. For instance, new members of the power hierarchy are introduced through the creation of leadership-driven organizations. Because rural communities are planned and constructed with the assistance of good leadership, the Power theory is critical. Furthermore, it builds parish and community trust, allowing for better financial inclusion services.

* + 1. **Growth Centre Theory**

There are several sorts of power, and that persons with influence in real-world community concerns are not necessarily regarded as power figures. According to power structure theory, there is always "slack" in the power structure, new power structures can emerge at any time, and power cannot be understood statically(UNNGOF, 2022). For instance, new members of the power hierarchy are introduced through the creation of leadership-driven organizations. Because rural communities are planned and constructed with the assistance of good leadership, the Power theory is critical. Additionally, it strengthens parish and village trust, which enables improved financial inclusion services(Sahay et al., 2021). With increasing distance from the urban center city, the spatial incidence of economic growth was seen to change. The potential expansion of a region along an axis linking two cities is determined by the degree of interaction between them. Thus, an area's capacity for growth is determined in part by the level of contact between the development core and the surrounding region.

According to (Chukwuma & Olorunfemi, 2021), the dispersion approach might lead to more food being produced for the urban industrial market. Encouragement of growth is essential because most tasks are carried out in groups. The dispersion technique may result in more food being produced for the urban industrial market. Because the majority of work are completed in groups, progress must be encouraged. This includes increased industrial raw material output for processing companies, job possibilities for any excess rural labor produced by agricultural automation within the expansion region, and cash remittances from migrant workers to rural areas.

* + 1. **Empowerment Theory**

The concept of personal growth and improvement in self-definition that arises from the development of skills and abilities is known as empowerment theory. Relevance, proficiency, autonomy, and influence are all essential elements to take into account. Empowerment is a theoretical paradigm that covers the process and effects of gaining control and influence over decisions that affect one's life, organizational performance, and community quality. It also represents a value orientation for community service. Another definition of empowerment is the mix of personal characteristics, initiative, and pre-existing support networks used to effect change. Empowerment theory provides principles and a structure for organizing our knowledge, which helps to expand the idea beyond political manipulation(Zimmerman, 2000). Using this strategy, community development may be accomplished by letting residents create their own neighbourhood. This idea may be used by the leaders of the rural community to grow their parishes through the financial inclusion of the Parish Development Model. The literature on community and empowerment makes two fundamental assumptions. First of all, everyone is capable of becoming powerful. Second, it is believed that empowered individuals unite to work toward a common objective, forming empowered communities. This theory's problem is that it covers so many abilities that it is hard to determine the actual success rate of initiatives based on empowerment theory. Community leaders can be employed by the government to guarantee that all members of the community are included and empowered(Zimmerman, 2000).

* + 1. **Diffusion Model theory of Rural Development**

Productivity disparities amongst rural farmers in the same economic and geographic region are explained by this rural development model. The model suggests that differences in farmers' use of technology like tractors, fertilizer, improved crop types, and other chemical inputs are responsible for these discrepancies(Chukwuma & Olorunfemi, 2021). The idea's proponents believe that innovations will spread, closing the productivity gap. Better communication networks might act as a bridge to transfer technological innovations from developed to developing nations, such as Uganda. In many regions, the diffusion technique has led to higher input yields in agriculture. As a result, among other advances for rural farmers, extension services, experimental farmers, and demonstration stations have been implemented. Over the years, the productivity of our rural farmers has remained very low. However, the spread of innovative technology, which has led to the development of new crop varieties and enhanced agricultural methods, would alleviate the issue of low productivity(Chukwuma & Olorunfemi, 2021).

1. **Materials and Methods**

This study employed a desk-based literature review design, focusing on the analysis of existing literature on rural development theories and their application to Uganda's Parish Development Model. A comprehensive literature search was conducted using various academic databases, including Google Scholar, ScienceDirect, Scopus, Web of Science, ResearchGate, and the search terms included rural development theories, Parish Development Model, Uganda, rural development, sustainable development. The inclusion criteria for this study are peer-reviewed articles, academic books, and reputable reports published in English that focus on rural development theories and their application to Uganda's Parish Development Model. Studies that did not meet these criteria were excluded. The quality of the included studies was assessed using a standardized tool, such as the Newcastle-Ottawa Scale (NOS) for assessing the quality of non-randomized studies. The literature review involved a thematic analysis of the included studies, focusing on rural development theories and their application, Uganda's Parish Development Model and its implementation, challenges and opportunities for rural development in Uganda, and policy implications and recommendations. The analysis will involve a critical evaluation of the existing literature, identifying gaps, inconsistencies, and areas for further research.

1. **Challenges**

Despite the potential of the Parish Development Model (PDM) to promote rural development in Uganda, several challenges must be addressed in order to ensure the successful implementation of the model and the achievement of sustainable rural development outcomes. Poverty is a major challenge facing rural development in Uganda. Many rural households lack access to basic necessities like food, water, and healthcare, making it difficult for them to improve their livelihoods. According to the Uganda Bureau of Statistics (2020), the poverty rate in rural areas is significantly higher than in urban areas, with 23.4% of the rural population living below the poverty line. This highlights the need for targeted interventions to address poverty and improve living standards in rural areas.

Limited Access to Markets: Limited access to markets is another significant challenge facing rural development in Uganda. Many rural households lack access to markets, making it difficult for them to sell their produce and earn a decent income. According to a study by the International Fund for Agricultural Development (2020), limited access to markets is a major constraint to agricultural development in Uganda, particularly for smallholder farmers. This highlights the need for investments in market infrastructure and trade facilitation to improve access to markets for rural households.

Limited Access to Finance: Limited access to finance is also a major challenge facing rural development in Uganda. Many rural households lack access to financial services, making it difficult for them to invest in their farms and businesses. According to a report by the Financial Sector Deepening Uganda (2020), only 22% of rural households have access to formal financial services, highlighting the need for financial inclusion initiatives to improve access to finance for rural households.

Limited Access to Technology: Limited access to technology is another significant challenge facing rural development in Uganda. Many rural households lack access to modern technologies, such as irrigation systems, tractors, and computers, making it difficult for them to improve their productivity and competitiveness. According to a study by the Uganda National Council for Science and Technology (2020), limited access to technology is a major constraint to agricultural development in Uganda, particularly for smallholder farmers. This highlights the need for investments in technology and innovation to improve agricultural productivity and competitiveness.

Infrastructure Challenges: Uganda's rural areas face significant infrastructure challenges, including poor roads, inadequate water supply, and limited access to electricity. According to a report by the Uganda National Roads Authority (2020), the road network in rural areas is in poor condition, making it difficult for rural households to access markets and social services. Similarly, according to a report by the Uganda Bureau of Statistics (2020), only 43% of rural households have access to electricity, highlighting the need for investments in infrastructure to improve living standards and economic opportunities in rural areas.

Climate Change: Climate change poses a significant threat to rural development in Uganda, with changing weather patterns affecting agricultural productivity and food security. According to a report by the Uganda National Meteorological Authority (2020), climate change is projected to lead to increased temperatures, changing rainfall patterns, and increased frequency of extreme weather events, highlighting the need for climate-resilient agricultural practices and disaster risk management strategies to protect rural livelihoods.

Despite the challenges facing rural development in Uganda, there are several opportunities for growth and improvement, including; Opportunity for Participation and Improved Livelihoods: The Parish Development Model (PDM) offers a unique opportunity for rural households to participate in the development process and improve their livelihoods. By empowering rural households to take ownership of their development, the PDM has the potential to improve living standards and reduce poverty in rural areas. According to a report by the Ministry of Local Government (2020), the PDM has already shown promising results, with many rural households reporting improvements in their livelihoods and well-being.

Opportunities for Economic Development, Social Services, and Infrastructure Growth: The PDM's focus on economic development, social services, and infrastructure growth also offers opportunities for rural households to access markets, finance, and technology. By investing in rural infrastructure, such as roads, bridges, and irrigation systems, the PDM can improve rural households' access to markets and social services. According to a study by the International Fund for Agricultural Development (2020), investments in rural infrastructure can have significant positive impacts on rural livelihoods and poverty reduction.

Opportunities for Agricultural Development: Uganda's rural areas have significant potential for agricultural development, with many rural households engaged in farming and livestock production. The country's fertile soils, favorable climate, and abundant water resources make it an ideal location for agricultural production. According to a report by the Ministry of Agriculture, Animal Industry and Fisheries (2020), Uganda has the potential to become a major player in global agricultural markets, with opportunities for export-led growth and poverty reduction.

Opportunities for Sustainable Development: Uganda's natural resources, including water, forests, and minerals, also offer opportunities for sustainable development. By investing in sustainable natural resource management, the country can reduce its environmental footprint and promote sustainable development. According to a study by the National Environment Management Authority (2020), sustainable natural resource management can have significant positive impacts on rural livelihoods and poverty reduction, while also promoting environmental conservation.

1. **Recommendations**

The Parish Development Model may be adopted and executed in Uganda using the ideas outlined above. This requires a solid understanding of rural regions and the protocols established in each parish and Village leaders may help parish leaders with this. To enhance implementation, consider the following:

Increased Funding and Efficient Resource Allocation: To ensure the successful implementation of the Parish Development Model (PDM), the government should increase funding for the program and ensure that resources are allocated efficiently and effectively. According to a report by the Ministry of Finance, Planning and Economic Development (2020), the government has allocated significant funds for the PDM, but more needs to be done to ensure that resources are used efficiently. The government should prioritize transparency and accountability in resource allocation to ensure that funds reach the intended beneficiaries for example, the recent distribution of PDM funds in Bukomansimbi brought out the corruption and embezzlement among officials who were arrested. This makes the public lose trust in the government programs.

Strengthening Local Government and Community Capacity: The government should strengthen the capacity of local governments and communities to implement the PDM and promote rural development. This can be achieved through training and capacity-building programs for local government officials and community leaders. According to a study by the Uganda Local Government Association (2020), capacity-building programs have been shown to improve the effectiveness of local governments in implementing development programs.

Promoting Private Sector Investment: The government should promote private sector investment in rural areas, particularly in agriculture, infrastructure, and social services. This can be achieved through incentives such as tax breaks, subsidies, and investment guarantees. According to a report by the Uganda Investment Authority (2020), private sector investment has the potential to create jobs, stimulate economic growth, and improve living standards in rural areas. Therefore, the government has to ensure that it supports the private sector by encouraging them to invest.

Aligning with National Development Plans and Priorities: The government should ensure that the PDM is aligned with national development plans and priorities to make sure the program is implemented in a proper way. According to a report by the National Planning Authority (2020), aligning the PDM with national development plans and priorities will help to ensure that the program contributes to the achievement of national development goals.

Ensuring Transparency, Accountability, and Inclusivity: The government should ensure that the PDM is implemented in a transparent, accountable, and inclusive manner. This can be achieved through the establishment of monitoring and evaluation systems, as well as mechanisms for citizen participation and feedback. According to a study by the World Bank (2020), transparent and accountable governance is very important for ensuring that development programs are effective and sustainable because people develop trust in the systems,

Facilitate access to formal financial services by promoting the establishment of banking institutions, microfinance organizations, or savings and credit cooperatives (SACCOs) within the parish. Encourage partnerships with existing financial institutions to expand their reach to underserved areas like Centenary bank. Provide microfinance loans, grants, or subsidies to support small businesses and entrepreneurial activities within the community. These groups can serve as a platform for collective savings, lending, and investment, promoting financial resilience and social cohesion. Continuously monitor the impact of financial inclusion initiatives on the economic well-being of the community. Track key indicators such as access to financial services, savings rates, loan repayment rates, business growth, and poverty reduction. By integrating financial inclusion theory into the parish development model, you can empower communities to overcome financial barriers, unlock economic potential, and achieve sustainable development in Uganda.

Engage community members, local leaders, and independent monitors in monitoring activities to increase accountability. Utilize technology to enable real-time tracking and reporting on project progress and expenditures. Implement digital platforms, smartphone apps, or SMS-based systems that allow stakeholders to track money transfers, project milestones, and outcomes. It is vital to empower local oversight committees or project management teams to monitor money disbursements, examine financial documents, and address any anomalies or errors. Provide training and capacity-building support to improve their efficacy. Implement accountability and consequences for noncompliance with financial standards and rules. Hold individuals and organizations responsible for theft of funds by legal and disciplinary action, where warranted. By following these rules, the parish development model may guarantee that funds are effectively handled and used for community benefit, fostering trust, confidence, and sustainability in Uganda's development efforts.

1. **Conclusion**

This review paper has examined the application of rural development theories to Uganda's Parish Development Model (PDM). The ambitious PDM plan has the potential to lower the population's poverty rate, with its emphasis on the disadvantaged demonstrating its commitment to inclusive and pro-poor development. Delivering affirmative action for special interest groups - women, youth, the elderly, and individuals with disabilities - via the PDM is a comprehensive, intentional, and rigorous process. However, the review has also identified several challenges facing the PDM, including poverty, limited access to markets, finance, and technology, infrastructure challenges, and climate change. Uganda's efforts to eradicate poverty will remain incomplete unless the government makes accountability and transparency prerequisites for approving the PDM and optimizing its execution. This requires a strong commitment to good governance, citizen participation, and inclusive decision-making.

**Acknowledgement**

The author wishes to express sincere gratitude to the academic community, researchers, and authors whose studies contributed significantly to this research. This research was self-funded and did not receive any external grants or financial support.

**Conflict of Interest**

The author declares that there is no conflict of interest regarding the publication of this manuscript. The author has no financial or personal relationships with any organization, institution, mentioned in the manuscript that could inappropriately influence or bias the content of the manuscript.

Author's Name: Nakayiso Eseza

**Ethical Approval**

This study is a literature-based review and does not involve any empirical data collection or interaction with human participants. Therefore, neither ethical approval nor informed consent was required for this study.

**REFERENCES**

Becker, G. S. (1962). Investment in human capital: A theoretical analysis. Journal of Political Economy, 70(5), 9-49.

Chambers, R. (1994). Participatory rural appraisal (PRA): Analysis of experience. World Development, 22(9), 1253-1268.

CGAP (2019). Financial inclusion and the SDGs. Consultative Group to Assist the Poor.

Conyers, D. (2003). Decentralization and development: A review of the literature. Development in Practice, 13(1), 34-46.

DFID (1999). Sustainable livelihoods guidance sheets. Department for International Development.

Chukwuma, M., & Olorunfemi, G. C. (2021). *Theories , Approaches and Models Of Rural Development In Nigeria - A Thematic Review*. *9*(4), 102–110.

Financial Sector Deepening Uganda (2020). Financial inclusion in Uganda: A review of the current state of financial inclusion.

International Fund for Agricultural Development (2020). Rural development report 2020: Agricultural development and rural transformation.

Kumar Singh, P., & Singh, K. (2023). Financial Inclusion- a Front Wheel for Womens Empowerment. *International Journal of Advanced Research*, *11*(05), 1586–1598. https://doi.org/10.21474/ijar01/17027

Ministry of Agriculture, Animal Industry and Fisheries (2020). Agricultural sector development plan 2020-2025.

Ministry of Finance, Planning and Economic Development (2020). Budget framework paper 2020/21.

Ministry of Local Government (2020). Parish Development Model implementation guidelines.

Moses, A., & J. B., T. (2023). Participatory Project Implementation and Sustainability of Government Funded Projects a Case study of Parish Development Model in Kabale District, Uganda. *International Journal of Current Science Research and Review*, *06*(01), 620–633. https://doi.org/10.47191/ijcsrr/v6-i1-68

National Environment Management Authority (2020). State of the environment report 2020.

National Plannning Authority. (2020). Third National Development Plan (NDPIII) 2020/21-2024/25. *Uganda Vision 2040*, *Third*, 341. http://www.npa.go.ug/wp-content/uploads/2020

Nyombi, K. (2013). Towards sustainable highland banana production in Uganda: Opportunities and challenges. *African Journal of Food, Agriculture, Nutrition and Development*, *13*(57), 7544–7561. https://doi.org/10.18697/ajfand.57.11080

Ozili, P. K. (2010). *Munich Personal RePEc Archive Theories of urban externalities THEORIES OF URBAN*. *24614*.

Ozili, P. K. (2020). Financial Inclusion Research Around the World: A Review. *SSRN Electronic Journal*, *101809*. https://doi.org/10.2139/ssrn.3515515

Reis, T. B. (2021). *SOAS Economics Working Paper 246: What is financial inclusion? A critical review*. *246*. https://ideas.repec.org/s/soa/wpaper.html

Sahay, R., Ogawa, S., Khera, P., & Ng, S. (2021). Is Digital Financial Inclusion Unlocking Growth? *IMF Working Papers*, *2021*(167), 1. https://doi.org/10.5089/9781513584669.001

Shah, S., Manzoor, A., Shah, S. M., & Ali, A. (2023). *Munich Personal RePEc Archive A Survey on Financial Inclusion: Theoretical and Empirical Literature Review A Survey on Financial Inclusion: Theoretical and Empirical Literature Review*. *116327*, 0–39.

Uganda Bureau of Statistics (2020). Uganda national household survey 2019/2020.

Uganda Investment Authority (2020). Investment guide to Uganda.

Uganda Local Government Association (2020). Capacity-building program for local governments.

Uganda National Council for Science and Technology (2020). Science, technology, and innovation policy for Uganda.

Uganda National Meteorological Authority (2020). Climate change projections for Uganda.

Uganda National Roads Authority (2020). Road sector development program.

UNNGOF. (2022). *Is the Parish Development Model a Panacea?* *May*, 1–42.

World Bank (2018). Accountability and transparency in development. World Bank.

World Bank (2020). Governance and the urban poor: Lessons from Uganda.

Zimmerman, M. (2000). Empowerment theory article. *Handbook of Community Psychology*, *1984*, 43–44.