



To Fund Quality Public Social Services, Decisively Deal with Corruption and Ensure the Rich and Corporations Pay their Fair Share of Tax

23 June 2022

We commemorate this #PublicServiceDay in difficult times. With a pandemic still raging and the rising cost of essential goods and services, the government is facing unprecedented demands for social protection and public services. This dire situation is forcing people particularly, the poor and disadvantaged, to skip meals, fore-go access to basic education and healthcare. Public servants like teachers, nurses have been on strike over insufficient pay detrimentally affecting the quality of public services.

As a movement, we recognize that quality public social services are fundamental to promoting people-centered development, reduce inequities, build public trust, which all accelerate fulfillment of the social contract between State and People.

The current failure to provide quality public services is an assault on the social contract between the State and its people. It has generated highly skewed outcomes, widened social and economic inequities, worsened poverty and risks undermining the country's progress on the Sustainable Development Goals (SDGs).

It is without question that the country must invest in quality public services. Amidst the country's limited fiscal space, Uganda must curb loopholes to be able to finance quality public services. As pointed out in [Corporate Income Tax Structure and Human Rights in Uganda](#), low levels of revenue collection resulting from excessive exemptions, tax evasion and avoidance by corporate entities and non-rationalized incentives constitute a major obstacle to the capacity of the State to finance public services and social programs. The extremely rich and politically well-connected segments are paying little, if at all any taxes. In the financial year 2017/2018, 3% of the country's total budget was lost to tax incentives given to corporations and individuals. As ISER's [research on illicit financial flows](#) has shown, to-date, Uganda lost the equivalent of half of its 2020/21 health budget in illicit financial flows (IFFs). In 2020, the funds lost through IFFs could finance 83,768 nurses' salaries. 1.2% of its GDP was lost in tax abuse. Reduced tax earnings resulting from hiding taxable funds have a direct effect on the government's ability to provide public services such as schools, clinics, sanitation, security, water and social protection. This disproportionately affects women and vulnerable groups.

Corruption undermines access to public services, and corrodes gains to development. According to [the cost of corruption in Uganda](#) report by the Inspectorate of Government, an estimated 9.144 trillion shillings are lost annually due to corruption, this was 44% of government revenue in 2019 and more than the combined budget of education, health, social protection in the current budget. The impact of corruption is felt most by the vulnerable who, for example, lack access to medicines and other health services, education. The Fourth National Integrity Survey in Uganda and the East Africa Bribery Index, show that Ugandan citizens often only get public services if they pay a bribe to public servants. Conversely, the government's failure to put in place quality public services and social safety nets also incentivizes corruption.

As a result of missing tax revenues and leakages, Uganda's debt is nearing the redline and the impact of this on public services is already being felt. In the fiscal year 2022/2023, interest and external debt payment present more than one third of the budget and more will be spent on rolling over maturing debt than on health and education combined. In FY2020/2021, Uganda spent approximately more on interest payments than the equivalent combined budget that government allocated for Public social services like health, education, water and social protection.

COVID-19 presents a perfect point of reflection and provides a unique opportunity to strengthen and revamp public social services as the foundation for addressing existing structural and systemic inequalities.

As part of a just and green recovery transition, the Coalition on Quality Public Services calls upon the state to take bold steps and robustly invest in public social services as noted in the [Peoples Manifesto on Public Services](#). Government must strengthen public social service delivery for all persons regardless of social status; that are in line with international human rights law are accessible available, acceptable and of the highest possible quality; non-discriminatory, including all prohibited grounds; accountable and participatory. We therefore demand that Government robustly invests in public social services which are the first point of call for the poor and most vulnerable through the following measures:

- Public social services must be financed through progressive taxation.
- Curbing leakages like Illicit Financial Flows.
- Decisively deal with corruption.
- Ensure meaningful participation of the populace in designing and monitoring public social services.
- Refrain from commercialising and privatising essential public social services like health, water, electricity and education through Public Private Partnerships or commercial private involvement in social service delivery and instead devote maximum available resources to ensure quality social public services.