ISER
Facilitating Social Justice
INITIATIVE FOR SOCIAL AND ECONOMIC RIGHTS

Financing a just and inclusive recovery

Economic & Social Rights Advocacy (ESRA) Brief

September 2022 - Issue 14

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Acknowledgement

The Economic and Social Rights Advocacy (ESRA) Brief is a publication of the Initiative for Social and Economic Rights (ISER) whose goal is create awareness, encourage and stimulate national debate around social economic rights as well as act as a knowledge exchange platform for stakeholders and the broader Ugandan populace.

To contribute to future editions of ESRA brief, please email the editors at info@iser-uganda.org

ESRA brief is also available online at www.iser-uganda.org

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Introduction

From the onset of the pandemic, there were projections of economic doom affecting mostly those on the society margins. The Ministry of Finance projected that over 2.6 million Ugandans would be pushed into extreme poverty. True to the predictions, these now have to live on less than $1.25 dollars a day, moreover with the current surge in domestic commodity prices. It is evident that vulnerable sections of the population including the elderly, persons with disabilities, children, women and other marginalized individuals have been the most affected given the weak social protection system in place.

Underfinancing of key public services like health and education over the years found the country unprepared. Faced with such high out - of - pocket payments to private hospitals and the lack thereof of public alternatives, many individuals were pushed further into poverty. This situation got even more concerning with the full re-opening of schools as many parents were no longer in position to meet fees requirements for their children. Many of them in turn opted for public schools which however, were yet to be facilitated to accommodate such huge numbers of learners.

Realizing the impact that the pandemic had exerted onto households, Government responded with a number of fiscal measures including social support through food distribution and direct cash transfers; support for businesses through tax relief measures and loan facilities; and most recently financial support for households to engage in productive income generating activities through the Parish Development Model (PDM). It remains to be seen how these and other initiatives will perform in addressing these overarching challenges.

Owing to the status quo, including glaring challenges around revenue mobilization and Uganda's surging debt; the Initiative for Social and Economic Rights (ISER) chose ***"Financing a Just and Inclusive Recovery"*** as the theme for the 14th issue of its Economic and Social Rights Advocacy (ESRA). This issue features highlights from the annual national conference on economic, social and cultural rights which was convened under the same theme on August 3rd and 4th at Makerere University as part of the celebrations to mark 100 years of Makerere.

This brief features a Q&A with the Director Budget, Parliament of Uganda Mr. Sulaiman Kiggundu as well as the International Monetary Fund (IMF) Resident Representative for Uganda Ms. Izabela Karpowicz.

There are also contributions from academia, human rights activists, economists, students on options for financing a just and inclusive recovery.

We welcome your feedback and questions, which can be directed to info@iser-uganda. Be sure to follow us on Twitter and Facebook at @ISERUganda if you would like to be notified of calls for submission to the ESRA Brief and to be exposed to other areas of our work.

Financing a just and inclusive recovery - What does it entail?

By Angella Kasule Nabwowe, Programs Director - ISER

There was consensus from hundreds of participants ranging from government officials and policy makers to industry practitioners and experts, academia, CSOs, community representatives, market vendors and students that government is duty bound to cushion citizens from the devastating effects of the Covid-19 pandemic and other calamities.

Recalling a number of domestic, regional and international human rights treaties and mechanisms, participants at the 9th Annual National Conference on Economic, Social and Cultural Rights convened on 3rd and 4th August 2022 at Makerere University Yusuf Lule Central Teaching Facility Auditorium agreed that citizens cannot be left on their own to deal with the social and economic effects of the pandemic yet it is the mandate of the state to meet citizens' basic welfare needs. The conference; themed: ***"Financing a Just and Inclusive Economic Recovery in Uganda"*** was part of the celebrations to mark 100 years of Makerere University.

While opening the conference, the Makerere University Vice Chancellor Prof. Barnabas Nawagwe praised the diversity of participants, and their active engagement in discussions and classified it as a best practice which should be embraced at all forums if nowhere else, at least at the university.

Makerere University Vice Chancellor Prof. Barnabas Nawangwe officially opening the Conference. On his left is the sign language interpreter Olivia Bulega

Participants agreed that a just and inclusive recovery is possible if government purposed to allocate sufficient resources to public services like health and education, guard against wastage by ensuring a maximum degree of transparency and accountability for the resources committed to the recovery, limit the urge to acquire public debts, and adopt efficient taxation and fiscal policies that have a positive impact on revenue mobilization.

Citizens holding governments accountable was also a common thread in all panel discussions because a just and inclusive recovery is about accountability; making sure that governments are meeting their obligations.

A participant asking a question at the conference on Economic, Social and Cultural Rights 2022

In framing the varied discussions, the conference organizers[1] relied on evidence that the state and its citizens are still challenged by the socio-economic fallout from the crisis even with the eventual full reopening of the economy early this year. For example, the Ministry of Finance, Planning and Economic Development projected that over 2.6 million Ugandans would be pushed into extreme poverty while the available evidence from a World Bank report demonstrates that the Covid - 19 shock caused a sharp contraction of the economy to its slowest pace in three decades. The report notes that following the closure of many firms, jobs were lost and household incomes fell to drastic levels, particularly in the urban informal sector.[1] Sustaining recovery will thus require the government to manage emerging risks including the imminent cost of living crisis, and the widening fiscal deficit. This definitely will require innovation from the domestic revenue mobilization perspective to achieve meaningful public financing for recovery.

1 Public Interest Law Clinic of the School of Law at Makerere University, Initiative for Social and Economic Rights, Uganda Consortium on Corporate Accountability and the Uganda Association of Women Lawyers.

In her key note address, Prof. Attiya Waris, the United Nations Independent Expert on Foreign Debt, Other Foreign International Obligations and Human Rights and Professor of Law at the University of Nairobi noted that financing a just and inclusive recovery is so important, it is realistic, it can be within the grasp of countries, it is a struggle of course, it is not going to be easy but it is possible.

In answering the question; how do we get this just and inclusive recovery? How do we build back better? She referred her audience to several reports produced by her mandate [Foreign Debt, Other Foreign International Obligations and Human Rights] accessible off the UN website. Prof. Attiya listed responses by governments to recovery such as harmful austerity measures including budget cuts, wage bill cuts and freezes and imposing Value Added Tax (VAT) which is disproportionately borne by low-income households. In the alternative, she proposed responses such as increasing taxation on the wealthy [including corporation tax], giving cash and food handouts to keep people going; noting that it is going to take a few more years for the economies especially in low developing countries to recover.

Prof. Attiya highlighted the need for the recovery process to adopt a human rights-based approach where processes and principles such as transparency, accountability and responsibility, efficiency and effectiveness, as well as fairness and justice are key. On taxation and fiscal policy, she noted that it is important to know how taxes are collected, spent and redistributed equitably while guarding against wasteful expenditure. She underscored the need engage with various stakeholders to ensure an equitable share of revenue across the board and see to it that what we are spending is done very carefully and transparently.

Prof. Attiya Waris

https://youtu.be/CJa0DaAtLp4

Public services key for a just recovery

The state has an obligation to ensure universal access to quality public services as a part of the foundation for a just and inclusive society. As the global manifesto for public services notes; the Covid - 19 pandemic has cast into stark relief the consequences of decades of privatization and commercialization of public services that form the bedrock of our societies. This is a crucial moment to build public services as part of a just recovery and transition to a more sustainable and resilient economy and society.

Since government is duty bound to provide key public services; Prof. Attiya's submissions on the need for governments to enhance public service delivery through increased financing to critical sectors, especially health was re-echoed by many participants and speakers. The Executive Director National Planning Authority (NPA) Dr. Joseph Muvawala, in a speech read for him by Mr. Maxwel Odong admitted that Covid-19 exposed the fragility of the country's health care system; revealing several weaknesses and they have now realized the need to invest sufficient resources to strengthen the health care system. He also underscored the need for the country to respond to social protection needs of citizens, by among others financing some safety nets such as the Social Assistance Grant for the Elderly (SAGE), Northern Uganda Social Action Fund (NUSAF), Peace Recovery and Development Plan (PRDP), as well as the special grant for persons with disability. This is aimed at suppressing the rate of vulnerability of marginalized groups. To address poverty, NPA expressed optimism in the potential of the Parish Development Fund (PDM) to propel structural transformation in the economy and address poverty from the rural to the peri-urban/ urban centers.

Panel discussing keynote address R-L ISER Executive Director Salima Namusobya, Principal school of Law Prof. Christopher Mbazira, Makerere Ubiversity Vice Chancellor Prof. Barnabas Nawangwe and Maxwell Odongo from National Planning Authority

Health and education are some of the sectors that are chronically underfunded. In the discussion on whether the current budget (FY 2022/23) reflects realities on the ground, Kira Municipality Member of Parliament Hon. Ibrahim Ssemujju Nganda noted that key sectors touching peoples' lives have not been allocated the needed resources. Hon. Ssemujju shared depressing budget figures about glaring inadequacies in public financing for health vis a vis avoidable and unnecessary public expenditure. For example, there were no funds allocated in the budget:

6 Billion to build staff houses for Fort Portal regional referral hospital

300 Million to construct a waste treatment plant at Kiruddu hospital

no **70 Billion** to rehabilitate and equip general hospitals in Masindi, Bugiri, Apac, Pallisa, Iganga and Abim.

9.9 Billion to rehabilitate Arua regional referral hospital's orthopedic ward, theatre, imaging centre, and mortuary, staff administrative blocks

However, in the same budget, where you don't have money to finance the above and other critical areas, there is

17.2 Billion to buy Resident District Commissioners (RDCs) vehicles and **8.3 Billion** to pay rent for offices of presidential advisors now totaling 139.

"So you have money to maintain presidential advisors but no money to maintain intensive care units at **Naguru (400m), Hoima (600m), Entebbe (300m), Moroto (6m) and Mbarara (800m).** This Parliament has to stop this madness."

Hon. Ssemujju

Surging public debt, opaque tax incentives and impact on ESCRs

Prof. Attiya raised concerns over public debt which states are acquiring to facilitate the recovery process. This was re-echoed by many speakers calling for transparency and participation of the citizens in the negotiations, planning and utilization of the resources.

Hon. Nandala Mafabi, MP Budadiri County West in Sironko District shared gloomy figures about revenue mobilization pointing to more borrowing. Out of the Ugx 48.13 trillion for this FY2022/23, domestic revenue (Taxes, Non - Tax Revenue and Appropriation in Aid) is projected at only Ugx 25.78 trillion (54%) while the rest amounting to Ugx 22.34 trillion (46%) will be mobilized from borrowing and grants.

The discussions on Uganda's debt, tax exemptions and its human rights implications revealed that Uganda is borrowing in an unstainable way and that debt repayments and servicing are suffocating key social services like health, education and social protection. Ms. Nona Tamale, a debt researcher, rightly pointed out that in the FY2022/23 budget, debt repayments exceed the total budget for health, education and social protection combined. Uganda's total debt service expenditure is 31.1% of the FY 2022/23 budget while expenditure on health, education and social protection is 7.7%, 8.5% and 0.3% respectively.

Panelists and participants agreed on the need to scrutinize the necessity of these debts and incentives to ensure that they benefit the most deserving. There was also consensus to pursue debt relief, cancellation and to enhance transparency and public management.

Concerns were raised about the lack of a clear and transparent criteria for tax exemptions. A doctoral researcher, Ms. Dianah Ateenyi Ahumuza, shared findings of her research on how tax incentives lead to substantive loss of revenue needed to fund critical social and economic rights like the right to basic education. She noted that there is consensus generally, by both economists and legal scholars, that tax incentives do not stimulate Foreign Direct Investment (FDI).

Conclusion

Recalling the government duty to promote, respect and protect economic and social rights, the two - day conference recommended among others the need for political will to end corruption which negatively impacts public social service delivery, cutting down unnecessary public expenditure, and adoption of and implementation of a human rights-based approach to recovery.

"One swallow does not make a spring and we need numerous followers and a concerted effort to bring about the critical mass of changes into the area of economic and social rights". This statement from Dr. Zahara Nampewo, Director Human Rights and Peace Centre at the School of Law Makerere University while delivering the concluding remarks for the conference, was inadvertently calling on citizens to join ISER's campaign to reclaim public services. Dr. Zahara Nampewo, noted that it is clear that the duty lies with the government of Uganda to ensure a just and inclusive recovery post Covid-19; but the duty also lies on citizens as rights holders to demand accountability and performance of Government. Citizens were encouraged to be more involved in fighting corruption in order to save the country's meager resources from being squandered.

Reflections on the Financial year 2022/23 budget, interview with Mr. Sulaiman Kiggundu - Director, Parliamentary Budget Office

By Ausi Kibowa & Allana Kembabazi, Economic Justice and Social Protection Program - ISER

Question: What is your reflection on this year's budget process and outcomes? The Government has called it a pro-people budget but many citizens have said it does not meet their realities. What are your thoughts?

Answer: This year's budget was developed after a thorough analysis of the post - Covid situation. One of the major objectives from the budget strategy was to resuscitate the economy from the melt down occasioned by Covid - 19. I would also wish for you to understand that this budget was developed from the country's third National Development Plan. The said plan takes into consideration the impacts of the Covid-19 pandemic; especially those witnessed during the first wave. Therefore, within it, there are some interventions aimed at addressing the impacts of Covid - 19.

In the previous budget, a lot of resources were re-allocated towards Covid mitigation. Much of these went to the health sector and towards implementing a recovery plan. Two supplementary budgets were actually dedicated to this; the first was to address the Covid - 19 health crisis and the second, to provide stimulus support to affected businesses. Funds were placed into the Uganda Development Bank and Micro-Finance Support Center to provide credit for businesses.

Question: Do you think the budget process was consultative right up to the grassroots? Were citizens able to feed into the planning process?

Answer: The development of the budget went through a consultative process. We've actually just been launching the open budget index where Uganda scored relatively well compared to other countries in the region. On the issue of grassroot participation, it is virtually hard to involve each and every person but at least efforts are made. The way this is done is bottom up. We have regional budget consultative workshops where the Ministry of Finance, together with other ministries, moves down to consult local governments on what the priorities should be.

The assumption is that the representatives taking part will have already engaged citizens at the grass-roots. Additionally, we have members of parliament who are given an opportunity to consult their people. The civil society community also comprises another engagement channel. Through the Civil Society Budget Advocacy Group (CSBAG), an opportunity is provided for them to engage in the budget process every year; some of the reforms being witnessed at the moment have come from these engagements.

Question: What was done well and what could be done better?

Answer: A major challenge regarding implementation is that we run a cash budget and therefore not all funds are released as planned - releases are dependent on available resources. Therefore, with the economy not performing well, quarterly releases over the previous budget year averaged 50 percent of what had been planned. This came from my discussions with colleagues from the Ministry of Finance.

Now let me talk about the Parish Development Model (PDM). Through this program, the Government wanted to get the budget to reach the lowest levels of the community. A lot of sensitization has been done to see that citizens get to understand the PDM. The challenge, however, is that in its first year of implementation, only one pillar of the model is being handled; that is, financial inclusion. At the Parliamentary Budget Office, our view as provided to Parliament and Government was that the entire PDM be integrated into all sector budgets and plans. At the education level, a parishioner must feel the Ministry of Education's presence – there are some parishes with no government or private school. My view is, let education, access to water and all the other aspects of government be felt at the parish level.

Question: We are going through a very difficult time as a country with the multiple crises being witnessed. What do you think could be done to cushion people in the face of the rising commodity prices?

Answer: While designing this [year's] budget, the current shock wasn't foreseen. My advice would therefore be [the exercise of] frugality by both government and individuals. To match the current times, I think the Government should review its budget as has usually been done. We expect that soon or later, the Government will bring a supplementary budget to address some of what was unforeseen. This is already set out in the Public Finance Management Act and the Constitution.

Question: There have been increasing calls for direct cash transfers, tax cuts and subsidies to cushion households from the rising cost of living. What is your take on these proposals?

Answer: Regarding cash transfers, my view is that these aren't the best option to cushion households from the current shock. Food distribution would be a better option. Also, beyond the external shock from the Ukraine war, we are witnessing famine and long droughts domestically. If you travel upcountry, the production of maize, beans and other food crops has failed because of lack of rains. We, therefore, have to think about food storage measures like granaries in order to prepare for harder times.

Part of what the Government can do is to continue advising people to live within their means. Secondly, the Government can review its expenditure so that money is saved to avert the ongoing crises. Consideration should be made to downsize expenditure on items like abroad travels. Furthermore, any spending rationalization should be done while maintaining a clear balance between the wage, non-wage and development components of the budget.

Financing a just and inclusive recovery, interview with Ms. Izabela Karpowicz – International Monetary Fund (IMF) Resident Representative for Uganda

By Ausi Kibowa & Allana Kembabazi, Economic Justice and Social Protection Program - ISER

Question: Considering current shocks, what do you think should be the priorities in terms of pursuing a just recovery?

Answer: Speaking of recovery, we have a complex situation. On one side, Uganda is recovering from the Covid-19, a shock that has persisted much longer than we thought it would. In addition, we have a new global shock that has manifested itself through high inflation. We hoped that the latter would resolve quickly, but inflation is more now widespread and persistent and is hurting the poor most who have already been negatively affected by the pandemic-related lockdowns. The situation is further complicated by the higher borrowing cost, which is a reflection, again, of the global response to inflation with many advanced and developing countries' central banks forced to hike the policy rates to combat inflation. This has left the government with a narrower fiscal space for its everyday operations and for the developmental initiatives to support a just recovery.

Within this narrower fiscal and monetary space, priorities for interventions remain the same, though they may be more difficult to achieve. One of the main areas of actions for is strengthening the social safety nets to enable scaling up support to the vulnerable in times like these, so that financial support can be channeled where it is most needed quickly and effectively. Education and health are also utmost priorities. Uganda has a very young population in need of strong fundamentals to prosper. The right time for education starts at early age, if we miss the opportunity to school children and youth, we will not be given this chance later in their lives. The Covid-19 lockdown has made this priority even more urgent because the education gaps have widened. This is one of the priorities where strong focus in the short term is a precondition for stronger growth and job creating in the long term. There is also scope for reforms to enhance the efficiency of public spending, including on infrastructure which is a complement to human capital development.

Question: Where in your opinion could government get the money to invest in some of these priorities given the limited fiscal?

Answer: The first sphere of action is revenue mobilization. Uganda lags its pears in collecting tax revenues. Moreover, the revenue base is low which means that the government must knock at the same door more if it wants to raise more revenues raising also issues of fairness and sustainability, to go back to your question on the just recovery. The Fund has in various occasions pointed to the high cost of tax expenditures in terms of foregone revenues, their negative impact on the tax system's perception of fairness and on the functionality of the tax system. Also, research has shown that tax expenditures do not contribute to attracting foreign direct investment (FDI) in the long term whereas strong institutions, good infrastructure and human capital are the main determinants of FDI. Second, a just adjustment, by lowering government's deficits has the potential of containing borrowing costs. This will free the space for other priority spending and help crowd in the private sector that could contribute more to supporting developmental priorities and create jobs. Finally, persistent recourse to concessional external financing is key for ensuring a steady flow of cheap finance and foreign exchange access. This type of financing comes with conditions that are meant to improve government's processes and has beneficial long-term effects.

Question: Thinking of the IMF's role in Uganda, what are the objectives under the government's program supported by the Extended Credit Facility (ECF) arrangement and how does the IMF help the authorities achieve them?

Answer: The ECF loan is a budget support disbursed in bi-annual tranches over three years against reforms that are pre-agreed with the government in our periodic consultations. The program aims at a revenue-based fiscal consolidation, improved spending composition to finance priority sectors, as discussed, and at strengthening the governance and anticorruption frameworks. The IMF is supporting these priorities not only financially but also through capacity building and research. We have recently provided technical assistance on evaluating the public investment management, estimating the cost of tax expenditures, and strengthening anti-money laundering risk-based supervision at the Bank of Uganda (BoU). Recommendations arising from these interactions are summarized in reports that provide a range of options for addressing the challenges facing the government and form the basis for future reforms.

Question: What are your views about using Special Drawing Rights (SDRs) to finance the budget, especially considering the narrowing fiscal space?

Answer: SDRs are government resources that can be used to finance the budget. It is a cheap resource because the use of it gives rise the payment of interest that is lower than the cost of other external borrowing though subject to fluctuation as it is linked to the interest on short - term instruments in currencies that constitute the SDR basket. The alternative of using this resource for the budget is keeping it in Bank of Uganda's reserves. This is an important consideration as the government faces a trade-off between cheap financing and sufficient reserves to finance imports. The BOU should also continue to build reserves gradually over time to meet the EAC target of 4.5 months import cover as circumstances in the market permit.

Question: What are your thoughts on government's reliance on monetary financing measures to fund the budget?

Answer: Uganda has borrowed from the central bank exceptionally during Covid - 19 and many other countries have done the same. The Uganda government has committed to repaying the advances provided by the BOU over the course of the ECF arrangement. It is important to meet these obligations to ensure BOU's independence The government pays a market interest rate on these advances, so this is not truly a free resource or cheap financing.

Question: In your view, how should the government protect the vulnerable households from rising prices?

Answer: We have advised countries to allow domestic prices to follow international prices. Price signals are crucial to induce demand responses. Higher prices on energy should encourage more efficient use of energy and investments in renewables, while higher food prices more agricultural production. Measures aiming at preventing domestic prices to adjust are costly, crowd out productive spending and reduce producer incentives. Revenues generated through higher prices can be more productively used to target support to those most in need.

However, the ability of countries to effectively protect vulnerable households from energy and food price shocks depends on the strength of their social safety net, in other words programs that allow the government to identify eligible households and efficiently deliver such assistance. Countries with strong social safety nets can use targeted and temporary cash transfers to mitigate the impact for low - income and vulnerable groups. Tax systems can also be used to provide relief to vulnerable households, for example, using refundable tax credits. Notably, the immediate relief should be temporary.

Countries where social safety nets that are not strong can expand existing programs (e.g., school feeding programs) by increasing benefit levels and coverage as needed. Ad hoc measures, such as those introduced in response to Covid - 19, can be considered.

Reducing taxes on energy and food is generally not advisable. However, in countries with weak social safety nets where the expansion of existing programs does not provide sufficient protection and where food security concerns are particularly severe, governments can consider temporary reductions in taxes with clear sunset clauses for staple foods and import tariff cuts on necessities, which are less distortionary.

Question: The IMF has been often accused of imposing austerity in times of crisis. Will Uganda be spared and if not, how will you ensure that the poor are cushioned from its perils?

Answer: Fiscal consolidation is unavoidable. Public debt has increased substantially in the last 5 - 6 years and the borrowing cost is high and crowds out developmental spending and private sector investment. Fiscal consolidation cannot be postponed into the future. How it is done will determine the impact on long term growth and living standards. The IMF is of the view that there is much scope for broadening the tax base to raise more revenues to ensure debt remains sustainable and financing sufficient to meet growing developmental needs. Spending should be strictly prioritized and increased in social areas which will ultimately create better preconditions for growth. As population is affected by shrinking services in other areas, social protection should come into play to protect the most vulnerable as needed.

Social protection key for a just recovery from the covid-19 effects

By Jackson Leviticus Wandera Makwasi[1]

The Covid - 19 pandemic exposed the frailty of the social protection programmes in Uganda. This was because there was lack of a robust social security system to buffer them from the unexpected effects of Covid - 19. The vulnerable, for example women, older persons, persons with disabilities among others, also largely characterized as the 'hand to mouth' persons were the most affected by the lock down because they could not work to fend for themselves.

During the lock down, the government implemented a Cash Transfer Initiative to support vulnerable persons who were affected by the Covid - 19 imposed lock down. Although commendable, this action did not present a sustainable approach to social protection. It was also marred with many irregularities in targeting the beneficiaries and as a result many eligible vulnerable persons did not benefit. The government also continues to implement the Social Assistance Grants for Empowerment (SAGE) project as a flagship social protection programme in Uganda. The SAGE programme reported numerous gaps in implementation mainly due to the exclusionary effects occasioned by the reliance on a dysfunctional National ID system to access benefits.

Social protection is not explicitly provided for in the Constitution of Uganda. However, a number of provisions therein allude to it. Key among them is Objective 7 of the National Objectives and Directive Principles of State Policy which obligates the government to provide for the social welfare of the elderly. Article 21 of the Constitution provides that all persons are equal under the law in all spheres of life, and need not be discriminated against. Similarly, article 33 of the Constitution provides for affirmative action for marginalized groups of persons. Social protection programmes by the government have been implemented pursuant to the above mentioned provisions. They also inform the basis of the National Social Protection Policy adopted by the government, which operates as the blueprint on social protection action in Uganda.

The challenges exposed during the Covid - 19 pandemic underpin the need to deliberately focus on social protection. A robust social protection system presents an efficient approach to social and economic turbulences which mainly affect vulnerable persons' employment and consequentially their ability to meet the basic needs of life like food, shelter, healthcare, among others. A just recovery entails leaving no one behind in rising from the effects of Covid-19.

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1 Lawyer and Intern at ISER.

In its basic stature, the existing social protection system cannot support an inclusive recovery for all Ugandans. The public pensions scheme for civil servants and National Social Security Fund, a contributory scheme for private workers, benefits only a few persons. A glance at the current 'social security system' shows that the public pension scheme caters for at least 300,000 thousand civil servants and about 2 million people are members of NSSF. Further, the SAGE programme currently benefits at least 300,000 elderly persons. A number of other voluntary schemes benefit a miniature section of the population. Not all persons under the above mentioned groups fall under the most vulnerable persons. Thus, the rest of the population is left without a social security system to support them.

An older person after receiving her Social Assistance Grant for Empowerment (SAGE) benefits in Namayingo District

Covid - 19 and its related impacts taught us that government needs to deliberately live up to its obligation to cater for the social wellbeing of all its citizens, so that they can enjoy their rights. Government has an obligation to ensure that people's rights are respected, protected and realized. Government ought to prioritize social protection as a mechanism to cushion its citizenry against social shocks. Whereas efforts have been taken to this effect, it is still inadequate and of the vulnerable persons. The current targeted approaches by the government do not reflect any substantial commitment.

Two factors account for this appalling ***status quo***. First, the existing legal framework on social protection is very weak. Notwithstanding the policy on social protection, there is currently no comprehensive legislative enactment to provide for social protection. The Pensions Act Cap 286 and the NSSF Act Cap 222 which suffice as the principle Acts of parliament on social security, only provide for social protection for a small fraction of salaried Ugandans in formal employment. In contrast, a number of African states have expressly provided for social protection in their laws. For example, Kenya explicitly provided for social protection in its Constitution (Article 43), and further enacted the National Social Assistance Act, which comprehensively provides for social protection for vulnerable groups of persons, and a particular institution on social protection charged with overseeing social protection.

Secondly, financing social protection by the government remains low and inconsistent. In financial year 2022/23 government allocated UGX 120bn below the needed UGX 146bn for SAGE; representing a short fall of about UGX 26bn. This is inadequate to cater for all elderly persons and also cater for any attendant arrears. Given the budgetary fluctuations, many elderly persons are left out of an initiative meant to support them.

To leave the marginalized who are most prone to social and economic turbulences to the whims of market economics is a major breach of the state's obligation to ensure its citizens' social and economic welfare. In sum, government should be deliberate on social protection by adequately providing for it, increasing its financing and improving its implementation. It should also consider ratifying the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Citizens to Social Protection and Social Security which provides comprehensive guidance on social protection in Africa. In the wake of Covid - 19 and the now rising cost of living, social protection suffices as the best alternative to buffering the vulnerable from social and economic shocks.

To advance Uganda's inclusive recovery, increase public healthcare expenditure

By Labila Sumayah Musoke, Health Rights Activist and Lawyer - ISER

In order to effectively address the socioeconomic challenges posed by the pandemic, substantial domestic resource mobilization is critical to fund and strengthen the public health system as a catalyst for an inclusive and transformative recovery. Lichtenberg opines that improvement in the health status leads to positive human capital development outcomes of a nation. For this to happen, the government must invest in health through allocation of adequate funds from its national resource envelope among others.

It is worth noting that, the effects of large-scale economic disruptions have spilled over into the health sector; they have increased out of pocket health expenditures and vulnerability of hundreds of millions in Uganda. Despite this economic threat, the state has turned a blind eye to how it affects the health and wellbeing of its people, thereby undermining the social contract.

Twenty-one years have passed since African leaders pledged to raise their respective health budgets to 15% of total government spending. Uganda's public health spending has been modest, averaging 6-7 percent in recent years. Uganda still suffers from catastrophic out - of - pocket health expenditure, which disproportionately excludes the poor and vulnerable from the healthcare delivery system; this, despite an increase in economic growth from 3.6 percent in FY 2020/2021 to a 4.6 percent in FY 2021/2022.

What Covid-19 teaches us about public health financing

Contrary to earlier claims that Covid - 19 was the greatest equalizer, - suggesting that it affects everyone the same way - the disheartening events that have unfolded over the past three years have demonstrated unequivocal evidence that peoples' risks and vulnerabilities vary significantly depending on pre-existing injustices and inequities linked to gender, income, and geographical setting among others.

Moreover, such disparities are in part a product of a neo - liberal revolution that has undermined effective government stewardship, shielded the rich from paying their fair share of taxes, and transformed the pharmaceutical ecosystem from people to profit maximization; thereby pushing patients who cannot afford to pay highly priced medicines and diagnostics at the margins of science and development.

For instance, the Initiative for Social and Economic Rights' policy brief "*Profiteering off a Pandemic*" notes how private medical facilities charged exorbitant fees forcing patients to hand - in their land titles in a quest to save life.

Relatedly, the Covid - 19 pandemic has demonstrated that investing in public health is sound economics, and this calls for a shift in how governments finance and allocate available resources. Such a shift will require setting up effective governance and monitoring structures.

A mother watches her son lie on the floor with a medical cannula for hours at Amudat Health Centre IV in Amudat District due to bed shortage

Will Uganda learn from the pandemic and invest in universal health?

The pandemic has taught us that access to universal health care is a fundamental human right that cannot be compromised. To achieve the sustainable development target on universal health by 2030, it is crucial to understand both the political and social determinants of that target. Failure to do so will lead to profound economic and health losses.

So, how should the government approach this?

As a first step towards achieving universal health coverage, Uganda should expedite the passing of the National Health Insurance Scheme Bill that is long overdue.

Second, it is essential to have good health governance and coordination at all levels of care, to mobilize domestic resources through progressive taxes, and curbing illicit financial flows.

Lastly, financing instruments, both national and international should be co-developed and designed by recipient communities, be inclusive and transparent. The principle of transparency should be reflected in all elements of a negotiated framework as a pre-requisite for efficiency, accountability and trust.

Unpacking the looming debt crisis: the impact of public debt on government funding in Uganda

By Ayeranga Godfrey[1]

Image credit: ISER Report on Debt and Public Services

Introduction

Despite the benefits of borrowing - such as encouraging investment and economic development depending on how effectively the debt is used - the downside is that public debt affects government's funding of the economy as its efforts are spent on debt servicing rather than investing in development projects across the country. The findings also reveal that the high debt burden decreases the amount of local revenue available to finance the yearly budget, causes change in government priorities regarding funding, leading to the halting of essential government projects. It is therefore recommended that the government should strengthen the existing debt management practices and

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policies, ensure that the money borrowed are effectively used to promote sustainable development, thereby reducing the need for government borrowing and the adoption of local progressive measures such as progressive taxation to increase the collection of domestic revenue.

Public debt refers to the total sum of a nation's debts. According to R Ssempala et al (2020), it comprises of external public debt which is the total public and private debt owed to non - residents repayable in foreign currency, goods, or service and domestic debt, which is the amount of money raised by the government, in local currency and from its own residents. Public debt is one of the tools governments use to lower the public expenditure and fund projects of the government. Unfortunately, the failure to effectively utilize the monies borrowed has led to a huge public debt in Uganda thereby causing a high debt burden.

The notion of public debt emerged in Uganda as a result of the Poverty Eradication Action Plans adopted by the government which made Uganda eligible for debt relief under the High Indebted Poor Countries (HIPC) initiative in 1998. Since then, Uganda's debt burden has rapidly increased over time with the current debt burden as at the end of December 2022, being at 20.18 Billion dollars.

Impact of public debt on government funding in Uganda

Borrowing enables the government to finance and invest in development plans thereby leading to economic development in the long run (MA Kose, 2020), since domestic revenues such as taxes cannot fully cover the cost of development of the key sectors of the economy including transport, agriculture among others. The Ministry of Finance's report on public debt, guarantees, other financial liabilities and grants for FY 2020/21 acknowledged that external resources are deemed necessary to finance national plans and the realisation of the Vision 2040 due to the current constrained domestic revenue efforts.

Relatedly, public debt can be used to provide basic services by using the borrowed money to construct and develop health services and other related social services in society, thereby improving their welfare. In 2021, Uganda received a sum of USD 1,437 million which was used to provide basic services in Uganda.

Despite the fact that the above benefits, among others, are associated with government borrowing, public debt negatively affects government funding as detailed below: -

High levels of public debt reduce the amount of domestic revenue available to finance the annual budget since high public debt levels cripple the ability of the government to provide key essential services such as education and health care, due to lack of resources to finance such activities, and the high debt repayment costs. In 2020, the Ministry of Finance admitted that the domestic revenue of Uganda is low thereby necessitating borrowing to finance the national plans.

High public debt has led to a shift in government spending priorities with focus being on debt repayment since the government's focus is to service the high debt, rather than service delivery. In the FY 2021/22, debt financing took up the lion's share (34%) of the national budget resources, monies which would have been spent to finance the health sector as they relied heavily on external assistance in the forms of loans and grants.

Relatedly, it leads to reduced government spending which later leads to limited government funding of its projects in the long run because reduced government spending is one of the ways of raising monies to service the public debts. It also limits the government's ability to provide monetary stimulus.

Conclusion and Recommendations

In conclusion, the government must ensure that the borrowed funds are effectively used to promote sustainable development. Government should adopt progressive measures aimed at increasing domestic revenue collection such as progressive taxation. It should strengthen the existing debt management practices and policies by ensuring adherence to principles of transparency and accountability during the use of the borrowed funds. Finally, the government should invest the borrowed funds in projects that have credible returns so as to create domestic revenue for the government for future use.

Progressive taxation of the digital economy can be leveraged to fund a just recovery

By Daniel Opio - Debt Lawyer

The Covid - 19 pandemic and the socio - economic crisis it triggered have not only caused immeasurable suffering in the past two years but have also derailed global efforts to achieve the 2030 Agenda for Sustainable Development. In parts of the world like Uganda, the pandemic is fast turning into a humanitarian crisis, threatening to push millions into a state of acute food deprivation and endangering the lives of thousands of women, men, and children.

In 2020, the world gross product fell by an estimated 4.3 percent – the sharpest contraction of global output since the great depression. The pandemic is expected to drive up to at least 150 million people into extreme poverty this year, the first such increase since 1998. With progress on SDG 2 (zero hunger) already backsliding before the onset of Covid - 19, an estimated additional 270 million people could face acute food shortages. Meanwhile, the equivalent of 255 million full - time jobs worldwide were lost in 2020 relative to the last quarter of 2019. This has reinforced and further widened economic inequalities, disproportionately impacting developing countries such as Uganda and vulnerable groups being unable to afford basic needs.

This situation has been exacerbated by the ongoing Russia-Ukraine war that has seen skyrocketing inflation and fuel prices world over as a result of the damage to supply chains. The OECD observed that inflation is hitting living standards and reducing purchasing power across the globe, and businesses are becoming less optimistic about future production. Crucially, that hit to confidence is deterring investment, which in turn threatens to hurt supply "for years to come," it said.

According to the OECD, ***'central banks will have to conduct a delicate balancing act between keeping inflation under control and maintaining the post-pandemic economic rebound, especially where the recovery is not yet complete"***.

This predicament albeit is not without hope. There has been a mass exodus of people to the online spaces. Seeing that the lockdown measures kept everyone immobile, the same effect is achieved by rising fuel prices as a result of the war. In order to assist the central banks in this delicate balancing act, it is imperative to accelerate progressive taxation of the digital economy to leverage the opportunities it presents to fund a just recovery. Tax policy has an important role to play in enhancing domestic revenue mobilization and this would be through addressing the digital economy tax challenges.

There have been complaints in recent years that the current international tax structure does not adequately account for the economy's digitalization. The location of production is where multinationals typically pay corporate income tax, not the location of consumers or, more precisely for the digital sector, users. Some contend, however, that because of a lack of a physical presence, enterprises that (implicitly) receive income from customers in other countries through the digital economy are not subject to corporate income tax in those countries.

The OECD has been conducting discussions with more than 130 nations to embrace the worldwide tax system in order to allay these worries. The present idea would mandate that some of the biggest multinational corporations pay some of their income taxes in the countries where their consumers reside. This proposal is referred to as Pillar 1.

Pillar 1 would replace some existing norms for taxing multinationals and run counter to some policies that countries have put in place to tax digital companies in recent years. The most common form is a digital services tax (DST) which is a tax on selected gross revenue streams of large digital companies.

Indeed, structural trends that are shaping the future, including automation and digitalization, could make it more difficult for tax systems to achieve their equity objectives if reforms are not undertaken. Automation may have a positive effect on productivity but could also lead to further increases in inequality and have long-term implications for revenues from labor taxes. Digitalization will also pose significant challenges to the functioning of personal tax systems by facilitating taxpayer mobility as well as the rise of new forms of work and types of assets.

With rising public revenue needs and increasing inequalities since the start of the pandemic, governments must, however, turn to new or under-utilized sources of tax revenue that could be compatible with inequality reduction objectives. In this context, it is more important for governments to ensure big tech companies pay their fair share of corporate income taxes. Big tech companies and their owners have profited enormously during the ongoing pandemic and aftermath, with the world's richest billionaires - many of whom have made their millions from tech companies – adding hundreds of billions of US dollars to their personal wealth since the crisis started.

Digital Service Taxes, or DSTs, have been permeating the trade environment since 2018, but Covid-19 and the OECD's digitalization of the economy project, commonly referred to as BEPS 2.0, have accelerated the focus on DSTs. Uganda should participate in this global debate and action. DSTs' declared purpose is to guarantee that "market" countries, regardless of their physical presence, receive increased taxing rights over the revenues of tech - based multinational corporations that sell into their local market, collect data from, and target advertisements at local audiences. This approach can be leveraged by the Ugandan government to raise revenue sufficient to fund a just recovery for the economy.

Leave no one behind: adopt a life cycle approach to inclusive social protection systems

By Elizabeth Atori, Legal Officer - ISER

Poverty is terrible; its repercussions are felt by everyone in society. According to the World Bank, poverty in Uganda has increased from 27.5 to 32.7 percent since the first lockdown in 2020, and the proportion of people living above the poverty line but are vulnerable to falling below it has increased. Recently, media has recounted an increasingly dire economic situation, with close to a million people dying of hunger in Karamoja for instance, and worsening commodity prices nationwide.

In order to safeguard their populace against shocks and incipient crises, countries are obligated[1] to implement social protection measures and make sure they are founded on human rights, adopt a lifecycle approach, address vulnerability, inequality and be inclusive. Unfortunately, this is not the situation in Uganda.

Older persons arriving at a SAGE distribution point in Namayingo District

1 Protocol to the African Charter on Human and Peoples' Rights on the Rights of Citizens to Social Protection and Social Security (Adopted in July 2022)

It is therefore not surprising that Uganda still lags behind in achieving substantial social protection coverage for the poor and vulnerable by 2030. For instance, prior to 2021, only 2.8 percent of Ugandans received at least one social protection benefit; 11.2 percent received old age benefits, 4.3 percent contributory pensions, 5.3 percent maternity benefits, and only 1.2 percent vulnerability benefits.

According to research, only one out of every three elderly Ugandans receives benefits from the Social Assistance Grants for Empowerment program, which is the country's largest Social Safety Nets program. Other measures are largely neglected. Workers in the informal sector continue to be largely unprotected by long-term social security coverage, and there is no national health insurance scheme. To mitigate Covid - 19 aftershocks, the government took steps to protect the population from the pandemic's most severe socioeconomic consequences, including the implementation of social protection responses aimed at providing short-term financial assistance. However, these stopgap measures only reached a small percentage of the population and did not close existing gaps in social protection coverage, comprehensiveness, and adequacy.

Given the negative consequences of the Ukraine crisis and the economic sanctions imposed on the Russian Federation, the government must invest in a more comprehensive life cycle approach. Investments in social protection systems, gender-responsive public services and infrastructure, and public - sector jobs strengthen societies and yield long-term benefits, including during times of stress, and effectively combat poverty and vulnerability. As a result, the government should step up its resource mobilization efforts and prepare for the austerity measures that are already being implemented as the Covid - 19 crisis subsides. To ensure universal access, the state must commit to allocating a set threshold of public resources to social protection spending, increasing public investments in the health sector, care services, and education, and moving away from privatization and public-private partnerships (PPPs).

Short-term data on sums invested or temporary jobs created should not be used to measure social protection investment. There is a need to shift the paradigm toward visible long-term gains in terms of the creation of sustainable incomes and living wages, as well as reduced inequality and the ability to adapt to shocks and slow-onset events. It is past time for Uganda to prioritize financing the implementation of SDG target 1.3 by scaling up programs that strengthen the resilience and opportunities of the extreme poor and vulnerable. This can be accomplished through reallocation of public expenditures, expansion of social security to informal sector workers, elimination of illicit financing flows, and debt management, including borrowing or restructuring existing debt.

Maximizing revenues from the oil sector in Uganda

By Apekshya Basnet and Sarah Ansari, Dept of Economics, Jamia Millia Islamia[1]

ISER consults community members on alternatives to finance public services

It is undisputable that the Covid - 19 pandemic triggered the largest global public health and economic crisis of the twenty-first century. As global economic activities came to a standstill, demand for petroleum and petroleum-related products decreased. Camp, 2020 observes that the diminishing demand and an unexpected increase in supply contributed to the decline in crude oil prices and affected the prices for refined petroleum products and other downstream items. Global oil saw decreased demand from 99.76 million barrels in 2019 to 90.01 in 2020.

Despite the adverse impact of Covid-19 on all oil-exporting nations, the real challenge was faced by developing oil - exporting nations due to resource dependence, persistently high levels of debt, and multifarious economic fragilities. Uganda's still-developing oil sector has not been immune to the global pandemic either, leaving the future of current oil projects uncertain. This situation was

1 Islamic Central University India

further exacerbated by Uganda's lack of financial support and high borrowing costs. Thus, in order to ensure the long-term development of the oil sector and economy, it is evident that Ugandan policymakers must develop robust policies as they reshape their perspective in light of the Covid - 19 pandemic.

Although the Ugandan government had been involved in the oil sector since before the 1980s, the discovery of oil in 2006 paved the way for numerous legal, institutional and policy reforms to enhance oil development. The oil exploration is currently spread over two projects, i.e., the Tilenga Project and the Kingfisher Project. These oil projects are further expected to launch the country's economic development, and the revenues will be utilised for infrastructural transformation. However, Uganda's oil reserves are limited. Hence, utilising the resource without overheating the economy and avoiding the Dutch disease can be challenging. Other barriers to oil production and revenue generation include (i) significant delays at various stages of the oil development program, (ii) infrastructure setbacks, (iii) tax disputes, and (iv) underdeveloped frameworks to manage the oil value chain.

At large, Aheebwa (2021) argues that three main factors impact the profitability of an oil project: (a) the costs to develop and operate the oil project (capital and operational), (b) the production volumes over the project life (amount of oil to be produced) and, (c) the oil price (the price achieved following the sale of the crude oil on the international market). However, production levels and international oil prices will determine actual oil revenues, significantly impacting government revenue, exports, and investments. Despite recent changes to the international oil price environment, Uganda has benefited from the projects' significantly lower development costs. This has increased the profitability prospects of Uganda's oil projects and thus the government's expected revenue.

In the hope of profitable oil revenue generation, the Ugandan government has leveraged several institutions such as the Uganda National Oil Company (UNOC), Uganda Revenue Authority (URA), and Investment Advisory Committee (IAC). Notably, policies providing management of oil revenues in the country include – The National Oil and Gas Policy (2008), the Petroleum Act (2013), The Oil and Gas Revenue Management Policy (2012) and the Public Finance Management (PFM) Act (2015).

Uganda's oil exports could be increased by an additional 5% of GDP if direct investments in the oil sector are combined with forward and backward linkages with the non-oil economy, resulting in impressive growth rates that peak at more than double the current rates and offsetting current external financing. Yet, according to the World Bank, these advantages of oil are neither automatic nor guaranteed unless the resource is managed properly. Thus, the government must play a critical role in managing resource revenues to encourage the creation of synergies with domestic industries that can aid in realising at least a substantial portion of the desired results.

The World Bank suggests an accurate forecast of the potential size and timing of the revenue stream provides important input for fiscal policy decisions and helps determine the choice of the institutional framework when planning for oil revenues. To maximise the benefits of oil revenues, efficiency must be maximised throughout the revenue chain. This will involve designing the fiscal regime to ensure that the country could capture resource rent while still attracting companies with the capital, skills, and risk appetite to invest in the sector. Uganda must further implement provisions in the PFM Act (2015) that provide for a robust petroleum revenue management regime and establish fiscal rules and safeguards on withdrawals and expenditure. It is also crucial that the Ugandan government conducts regular reviews of tax exemptions and incentives that could lower revenue from the oil and gas industry. On the other hand, the Dutch disease can be mitigated by (i) establishing effective policies, (ii) limiting fiscal discretion to prevent revenue exhaustion and (iii) investing strategically in the tradable sector, infrastructure, technology, education and health.

In February 2022, Total Energies, China National Offshore Oil Corporation Ltd. and a state-owned Uganda National Oil Company reached a final investment decision worth over $10 billion to produce Uganda's oil discoveries and construct the East African Crude Oil Pipeline. The agreement is anticipated to bring the output from the Tilenga and Kingfisher fields. According to estimates, oil revenue could save Uganda nearly $1.7 billion in annual petroleum product imports. However, it is crucial to emphasise that the rapidly shifting global landscape could eventually cause issues for Uganda. The fossil fuel industry faces structural decline due to technological advancements, the rapidly falling cost of renewable energy, a growing commitment to decarbonisation, and dwindling investor interest. Moreover, despite efforts to reduce environmental externalities, the oil pipeline project still faces opposition from environmental activists who contend that it will endanger wildlife and have catastrophic climate consequences in Tanzania and Uganda. The ongoing conflict between Russia and Ukraine has further increased the price of car fuel and other goods in Uganda, compounding the uncertainty surrounding the future of its oil industries. Thus, given the current global situation, Uganda must strengthen its domestic oil management to gain immunity from any oil market uncertainties.

Social insurance: Government's answer to the Covid-19 crisis and a preventive measure for the future

By Chripus Nampwera, Human Rights Lawyer

Following the onslaught of Covid - 19 in Uganda, the government developed the National Coronavirus Disease (Covid - 19) Preparedness and Response Plan with steps and resources necessary to create capacity to respond if multiple cases were identified. The plan's pillar 8 concerned social protection targeting the delivery of health services and addressing the social needs of the population; especially the most at risk and vulnerable because of the fear that the disease would have humanitarian and socio-economic consequences, disrupt essential health and social services and exacerbate gender - based violence. Indeed, Covid - 19 created health and economic problems, fueled a cascading and interacting set of social shocks increasing economic and gender inequality, exacerbated gender-based violence, and eroded opportunities for education and human capital development..

Akina Mama wa Africa notes that the lockdown led to closure of businesses, causing a surge in unemployment, food insecurity and gender inequality. Of the proposed social protection measures, only money, food, a grant to persons with disabilities, utility and debt reliefs, and access to 20% of social security contributions were provided. Although well-intended, and beneficial to some, the assistance's inadequacy, timing, and disorganization emphasized why the country requires a comprehensive social insurance programme. Besides, the pandemic has highlighted that everyone needs some guarantee of social protection irrespective of their socio-economic status.

Andrade observes that since December 2019, countries in the global south have adopted over 1000 different social protection responses to the Covid - 19 pandemic. These were intended to support the most affected to cope and overcome socio-economic shocks like loss of income. The majority of the social protection responses, however, as seen in Uganda were not in time, had a very limited coverage, were hindered by problems of identification of beneficiaries, complex modes of delivery, and were inadequate.

Shocks and emerging crises call for a strong sustained response, and social protection in the form of social insurance. According to the 2015 National Social Protection Policy (the Policy), social security is one of the pillars of social protection and constitutes protective and preventive interventions to mitigate factors that lead to income shocks and affect consumption. That it comprises direct income support that provides protection from deprivation to the most vulnerable individuals and households, and, contributory arrangements to mitigate livelihood risks and shocks such as retirement, loss of employment, work-related disability and ill - health.

Social insurance is based on the premise that there is not always equitable distribution of resources or benefits in a capitalistic economy. It's rather based on social justice and stability, as well as protection against economic hazards in which the government participates or enforces the participation of employers and affected individuals. Individuals'' claims would then depend on their contributions to the common fund out of which the individuals are then paid benefits in the future.

Therefore, there is need for contributory schemes targeting the working population in both formal and informal sectors, and non-contributory transfers targeting the vulnerable populations including children, the youth, women, persons with disabilities, and older persons. For the former, there would be deductions for social security feeding into a pool of benefits to create a safety net in case of disasters, guaranteeing benefits to individuals who have paid, or whose employers and/or government have paid into the schemes on their behalf.

Note that there are existing social protection schemes in Uganda like the Public Service Pensions Scheme, the National Social Security Fund, and Parliamentary Pensions Scheme, among others. These are however limited in coverage and scope, underfunded, uncoordinated, but most importantly, structured for retirement and not to address risks, vulnerabilities, and shocks associated with health, unemployment, poverty or environmental and natural disasters which abruptly impact people's well - being.

As an immediate response, but also as a future alternative, expanding the existing schemes to also capture informal workers, children, labour constrained individuals, the unemployed, aged, persons with disabilities, ethnic minorities, disaster - affected persons, among others, could be the answer. Additionally, increasing the nature of benefits to absorb shocks and risks like the current pandemic, and ensure that in future, delivery of benefits is timely and adequate. The scheme(s) must also be hinged on principles of universalism and inclusiveness, transparency and accountability, gender responsiveness, equity, dignity, and human rights in order to achieve a Uganda where everyone is secure and resilient to socio-economic risks and shocks.

"When Franklin D. Roosevelt launched social security in 1935, he did not present it as expressing the mutual obligation of citizens to one another...Rather than offer a communal rationale, FDR argued that such rights were essential to "true individual freedom," adding, "necessitous men are not free men."[1]

1 Michael J. Sandel, Justice: What's the Right Thing to Do?

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Prioritise robust dialogue for a just and inclusive recovery

By Masole Marvin Charles, Youth Activist

Did you know that most Ugandans are unenthused by government's policy initiatives to salvage financial and social crises?

Economic stability is the power house of any country seeking development. However, Covid - 19 punched hard on world economies and further sored creeping ones such as Uganda's. Consequently, sectors like tourism, and agriculture were strained and access to basic social services like water, health and education was compromised; effectively excluding the poor and most vulnerable.

Image credit: ISER

The government, just as has been its practice over the years, has developed initiatives to support low and middle income households. Some of the initiatives include the Parish Development Model (PDM), ***Emyooga***, the Youth Fund, the KCCA Youth Loan and Community Development Funds. In the course of the pandemic, the government also offered direct cash transfers to identified vulnerable groups as a form of social protection. One issue has, however, consistently characterised such well-intentioned interventions – the lack of consultation of key stakeholders, especially at community level.

Policy makers in the country have often laid precedent by presiding over policy formulation processes that don't take into account the significance of consulting key stakeholders, the local Ugandans (commonly known as "omuntu wawansi"). The government has for long ignored the cries of the local populace when it comes to policy formulation; often propagating elite models which do not put into consideration the pressing needs of the most vulnerable. This leaves a substantial section of the population living in poverty amidst vast potentials of material prosperity. This has subsequently created a bias towards most of the policies created, for they are alien to the majority of the average Ugandans and therefore lay ground for vicious cycles of poverty regardless of the efforts put in place.

The unhealthy interaction between the public and policy reforms makes the possibility of registering significant success improbable, borderline and far - fetched. A case in point; over the top tax (OTT tax) which was infamously not welcomed by the public thus its failure. The current efforts by the prime minister to popularize the Parish Development Model show the lack of proper policy formulation procedure. By now Ugandans must have seen this coming. As a country, we should build a society that is more welcoming of ideas from different walks of life. In case of any underlying prejudices, they should not be addressed by effecting arrests, but rather facilitating a conducive environment for dialogue.

At present, adherence to good governance principles of equity and inclusiveness, rule of law, and public consensus will serve as a beacon of hope for a better and inclusive financial recovery. It's imperative to note that inclusiveness doesn't start at implementation but rather while staging priorities. Authorities should formulate policies and programs using a community centered approach. It is upon the public's needs that development programs are designed and practical measures formulated to salvage the financial and social predicaments in the country. This can only be addressed if we are willing to create a conducive environment for robust dialogue which will win over communal support and cooperation.

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