

RIGHT TO SOCIAL SECURITY: UGANDAN POLICIES AND COVERAGE

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Introduction

Social security or social protection is a human right. The extent to which a population enjoys social security depends on factors which include the country's legislation and policy regulation, social security fund management framework, resources mobilization and investment, beneficiary coverage, linkage of social security to social policy within a country's broad economic framework, and adherence to standards that guide decisions and actions of government and social security provider institutions. The mix of these factors and their effectiveness determine the population's protection and confidence in the social security arrangements. This article examines Uganda's social security sector in as far as policies and institutions involved deliver services, population coverage and future plans and as they compare with the ILO standards and recommendations. A brief overview of the country's context follows.

Uganda's political, economic, social, and demographic context

Uganda has a parliamentary system of governance. There are 332 members of parliament consisting of 100 females (43%) and 232 males (57%)ⁱ who have responsibilities for legislation. The country's performance of the economy has been affected by the global economic activities which expanded at 5.4% from 4.9% in 2005, and have remained strong for the past four yearsⁱⁱ. The performance of the Ugandan domestic economy is estimated to have grown by 6.5% in 2006/07 as compared to 5.1% in 2005/06ⁱⁱⁱ. Sector contributions to real GDP Growth Rate were from construction, transport and communication, wholesale and retail trade services. According to the Uganda Bureau of Statistics (UBOS) data on Sectoral Contributions to GDP, at Basic Prices (Factor Cost), contributions from agriculture are on the decline as shown on Table 1 below. Decline in agricultural contributions to GDP is of concern since around 80% of Uganda's rural population which depends primarily on agriculture for livelihoods. If the trend continues, the population living below the poverty will take long to improve on their household incomes.

Table 1: Sectoral Contribution to GDP at Basic Prices (Factor Cost)

Sector	2003/4	2004/5	2005/6	2006/7
Agriculture	37.3	35.1	33.3	31.9
Industry	19.8	20.6	20.9	21.0
Services	42.9	44.3	45.8	47.1

Source: Uganda Bureau of Statistics

Poverty and vulnerability

The population of Uganda was projected to be 27.2 million by June 2006^{iv}. Over the years there has been mixed achievements in reducing poverty. According to the Chronic Poverty Research Centre (CPRC) 2005 report, the category of poor persons in 2005 included: children estimated at

15 million, of whom over 50% or 7.5 million were experiencing child poverty, and around 3,657,900 were orphans; disabled persons numbered around 2.4 million; elderly persons estimated to be 1.2 million; and people in war conflict areas, refugees and internally displaced persons, the landless and unskilled laborers for example. Factors identified as responsible for poverty and vulnerability in Uganda included inadequate social security and protection related shocks, poor health, HIV/AIDS, rapid population growth, limited access to land, and lack of markets^v. Corruption also contributes by diverting resources necessary for enhancing the capacity of the poor, including the sick^{vi}. However, Uganda's Poverty Eradication Action Plan (PEAP), which is also Uganda's Poverty Reduction Strategy Papers (PRSP), provides a framework for poverty reduction. Government has also budgeted ten billion Uganda shillings for fighting corruption^{vii}. Otherwise, improved social security has the potential of reducing poverty among the population by providing safeguards that guarantee against shocks.

Social Security Legislation and Regulation

Social Security legislation and policy regulation are fundamental for effective social security in any given country. Article 22 of the Universal Declaration of Human Rights (1948) proclaimed that *'every member of society has the right to social security'*^{viii}. The ILO Convention 102 sets out the minimum standards of social security benefits for old age, invalidity, survivors, medical care, sickness, unemployment, employment injury, family and maternity benefits^{ix}. However, these standards are of benefit to the population if public measures against the economic and social distress are backed by legislation, policies, regulatory framework and systems, political will and wide population coverage. For example, in the Member States of the European Union, each state has legislation for social security financing, health care, sickness – cash benefits, maternity/paternity, invalidity, old-age, survivors, employment injuries and occupational diseases, family benefits, unemployment, guaranteeing of sufficient resources, and long-term care^x. Uganda has ratified various United Nations Conventions and enacted laws and approved policies to provide social security for its population. Chapter Four of the Constitution of Uganda provides for protection and promotion of fundamental and other human rights and freedoms^{xi}. Examples of the Ugandan legislation and policies for social security and social protection include: the Uganda Ministry of Public Service 1994 Pension Act (Cap 286) for the retired civil servants; and the NSSF Act, 1985, Cap.222, a contributory scheme for workers in the formal sector, for example. Other social security related policies being developed include the Social Health Insurance (SHI) and Community Health Insurance (CHI) by the Ministry of Health, and Cash Transfers for the poor by the Ministry of Gender, Labour and Social Development. However, the present Uganda social security legislation provides more for workers in the formal sector than those employed in the informal sector and the unemployed. There are plans to revise the pension and social security legislation^{xii} towards ILO standards.

The Uganda Social Security Sector and Institutions

The Social Security sector is regulated by government through the Ministry of Gender, Labour and Social Development (MGLSD). The ministry is responsible for policy functions including tabling Bills in parliament for the enactment of laws. Other ministries providing social security related services include: the Ministry of Public service for pension management, the Ministry of Health which is developing the Social Health Insurance scheme; the National Social Security

Fund and private institutions. The private institutions providing social security health services are mainly insurance companies, for example, AAR^{xiii} and AIG^{xiv}. Most services by the private institutions are for the contributors who can afford, leaving the poor excluded. The total number of Ugandans benefiting from social security is difficult to estimate due to fragmented interventions.

Social Security Services for Selected Vulnerable Categories of the Poor

The MGLSD is presently utilizing the Social Development Sector Strategic Investment Plan (SDIP), 2004 as a framework for planning, implementation, monitoring and evaluation of social development including social security^{xv}.

Children

Protection of the vulnerable through social security is still a problem in Uganda due to the prolonged conflict the country suffered where children were affected most as well as children in poor households. The MGLSD has compiled categories of vulnerable people in the National Strategic Programme Plan for Orphans and Other Vulnerable Children: 2005-2010^{xvi}. The priority areas for intervention are sustaining livelihoods, linking essential social sectors, strengthening policy and legal framework, and enhancing capacity to deliver. However, there is a challenge of resources for implementing the programme effectively. Other important policy guidelines include the National Policy on Disability in Uganda, the National Child Labour Policy, for example.

Pensioners

The Uganda Ministry of Public Service is responsible for the pension scheme as per 1994 Pension Act (Cap 286), and the Uganda Peoples Defence Forces Act, 2005^{xvii}. The Pension Scheme is non-contributory and is funded from the consolidated fund. It covers workers in the public sector numbering around 44,000, as of March 2007^{xviii}. The benefits include, for example, terminal and severance package, gratuities for contract and short service employees, monthly pension, and survivors' benefits for widows and orphans, and administrators of estates. Pension arrears payment has been a challenge. The arrears accumulated over the years and Government has made provision within the UGX280 billion for pension arrears payment during the financial year 2007/08^{xix}.

Other problems associated with pension payments in Uganda include inadequate institutional capacity for effective service delivery, delayed payments of benefits, low value of the actual package, inability to meet basic needs from the benefits, and high transport costs for collecting payments. However, the government is consulting to restructure pension scheme and will possibly adopt a system whereby the beneficiaries are not rendered '...to the ranks of the poorest, once they have exhausted the funds so paid'^{xx}.

Refugees and immigrants

The Refugee Act, 2006 and the Immigrants Act 1999 provide protection and assistance to asylum seekers, refugees and immigrants. It is focused more on assisting and protecting refugees living in the gazette settlements. There are no special social security arrangements for refugees and immigrants. Since these are in the category of the poor in Uganda as identified by the MGLSD, most social security services are accessed through public institutions where resources are usually limited.

Workers

Workers in the formal sector are covered by the NSSF Act 1985. The NSSF has protected 1,282,994 from 1967 to 2003 and the beneficiaries numbered 8,995, according to the NSSF report of 2003^{xxi}. However, performance of the NSSF is viewed as below average due to management challenges, irregular flow of information about the status of members' contributions, flawed investment plans and corruption^{xxii}. Otherwise, contributors' funds amount to around Uganda shillings 500billion (Equiv.USD\$0.3billion). Such amount of resources demands careful plans and integrity in the fund management.

Proposals for covering the Poor

? Social Health Insurance

The Uganda Ministry of Health (MOH) has the 1999 National Health Policy (NHP)^{xxiii} and the 2000 Health Sector Strategic Plan (HSSP)^{xxiv} which emphasize finding alternatives for health care financing so that the poor and the vulnerable groups are not marginalized and excluded. The ministry is in the process of tabling the Uganda Social Health Insurance (SHI) Bill in parliament to improve population access to healthcare. Plans are that it will be introduced in phases, starting with the formal sector workers, and later to roll out to include informal sector workers and the rest of the population. The proposal is expected to be presented to the Cabinet in 2007.

? Community Health Insurance

The Community Health Insurance (CHI) is being piloted in about 10 CHI schemes in Western Uganda, for example, in Kinkiizi hospital. The CHI requires community contributions to cater for medical treatment of family members at the nearby health facility. Lessons learnt from the pilot stage will inform the Ministry of Health in the next design stage for rolling out for more population coverage.

? Cash transfer schemes

Interventions targeting people living below the poverty line is being developed by the Ministry of Gender, Labour and Social Development. The proposal is for cash transfers to the poorest of the poor. Proposals at the pilot stage aim at applying two options in which cash transfers link with improvements in schooling and preventative health care. The MGLSD is the overall coordinator for the design of the cash transfer scheme.

Linkage of social security to social policy within a country's broad economic framework

The MGLSD Social Development Sector Strategic Investment Plan (SDIP), 2004 is a framework which links well with the priorities of the PEAP. Uganda's Poverty Eradication Action Plan (PEAP), which is also Uganda's Poverty Reduction Strategy Papers (PRSP), is being implemented with priorities on boosting growth from 6.5% to 7%, enhancing production competitiveness and incomes; security, conflict resolution, and disaster management; good governance, and human development^{xxv}.

Recommendations

It is recommended that:

- ? Government increases consultations for the development of the Social Security Sector by involving:
 - a. Employers and Workers who make the contributions
 - b. Government
 - c. Institutions such as the NSSF, Insurance and Private Companies
 - d. Investors who may plan to use Social Security Investment Funds
 - e. Direct beneficiaries who are entitled to receive benefits from the fund
 - f. Indirect beneficiaries from the public who depend on the earnings from savings of social security
- ? The NSSF Act 1985, the Pension Act 1994, and Insurance Act 2000 be amended with a view to liberalizing the Social Security and Pensions Sector and for workers to have freedom of choice of where to keep their social security savings
- ? The ILO Convention 102 minimum standards of social security be integrated into various national policies for social security and protection
- ? Strong penalties enforced on officials who mismanage social security funds
- ? Programmes for cash transfers to the poorest of the poor be adopted and implemented countrywide
- ? More research be undertaken to find effective ways of increasing population social security coverage

Conclusion

Uganda has ratified various international conventions on human rights and social security. Attempts have been made to domesticate the conventions by developing national laws and policies. The limitations of the present institutions providing social security services delivery, the adverse poverty situation and high population growth rate pose a variety of challenges for the existing social security arrangements which are inadequate. There is demand for reform including liberalization and development of new products to provide choice for savings and government interventions for the vulnerable

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- ⁱ The Parliament of Uganda (2007). *A Directory of the Eighth Parliament of Uganda 2006-2011*, 2007 Edition. Kampala, p.19.
- ⁱⁱ World Economic Outlook 2007. <http://www.imf.org/external/pubs/ft/weo/2007/01/index.htm> (20/6/2007)
- ⁱⁱⁱ The Republic of Uganda (2007). *Background to the Budget 2007/08 Fiscal Year: Re-orienting Government Expenditure towards Prosperity for All*. Kampala, Ministry of Finance, Planning and Economic Development.p.5.
- ^{iv} Uganda Bureau of Statistics (2006). *Uganda National Household Survey 2005/06*. <http://www.ubos.org/UNHSReport20052006.pdf> (Accessed 20/6/2007) p.7.
- ^v Chronic Poverty In Uganda 2005 Report. http://www.chronicpoverty.org/resources/cpr-Uganda_2005_contents.html (Accessed 20/6/2007)
- ^{vi} Salim Biryetega (2006). *Global Integrity Independent Information on Governance and Corruption: Uganda Report* <http://www.globalintegrity.org/reports/2006/UGANDA/notebook.cfm> (Accessed 15/6/2007).
- ^{vii} Ibid.p.29.
- ^{viii} The Universal Declaration of Human Rights (UDHR) was proclaimed on December 10, 1948 at the UN General Assembly. <http://www.britannica.com/eb/topic-618067/Universal-Declaration-of-Human-Rights> (Accessed 25/6/2007)
- ^{ix} The ILO Convention 102. <http://www.ilo.org/public/english/protection/secsoc/areas/legal/conv102.htm> (Accessed 25/5/2007)
- ^x European Communities (2006). *Social Protection in the Member States of the EU*. <http://europa.eu.int> (Accessed 10/4/2007)
- ^{xi} The Republic of Uganda (1995). *The Constitution of the Republic of Uganda*.
- ^{xii} The Republic of Uganda (2007)), *Budget Speech – Financial Year 2007/08 Delivered at the Meeting of the 2nd Session of the 8th Parliament of Uganda* on June 14th 2007, p.8
- ^{xiii} AAR Health Services <http://www.aar.co.ug/> (Accessed 15/6/2007)
- ^{xiv} AIG Insurance Company http://www.aig.com/gateway/home/1-66-Uganda_index.htm (Accessed 10/5/2007)
- ^{xv} The Ministry of Gender, Labour and Social Development, Social Development Sector Strategic Investment Plan (SDIP) <http://www.mglsd.go.ug/images/stories/sdip.pdf?PHPSESSID=f> (Accessed 26/5/2007).
- ^{xvi} The Ministry of Gender, Labour and Social Development (2004). *The National Strategic Programme Plan for Orphans and Other Vulnerable Children: 2005-2010*. Kampala. Ministry of Gender, Labour and Social Development. ISBN 9970-896-01-6
- ^{xvii} Beneficiaries are from: a) Traditional Civil Service (10,266), Teaching Service (11,104), Military Pensioners (102), Widows and Orphans (4,954), and East African Community (2,500). The number of beneficiaries is expected to increase due to the Pensions Amendment Statute 1994 which expanded employees from the Local Governments (8,000), Teachers (850), Police and Prisons as well as around 14,000 army veterans from past regimes recognised through the Uganda Peoples Defence Forces Act, 2005
- ^{xviii} Yasiin Mugerwa (2007), Article: ‘Uganda: Government to pay Pensioners in September’, *The Monitor*, 19 June 2007. Kampala.
- ^{xix} Ibid.p. 60.
- ^{xx} Marius Olivier, *Acceptance of Social Security in Africa*, Proceedings of International Social Security Association ISSA Regional Conference for Africa, Lusaka, Zambia, 9-12 August 2005.p.9
- ^{xxi} International Social Security Association.<http://www.issa.int/pdf/actstat/2longterme-mn.pdf> (26/6/2007)
- ^{xxii} Felix Osike (2007). Article, ‘Uganda: Ex-Minister Flees to U.S’ *New Vision* (Kampala). 12 May 2007 <http://www.state.gov/e/eeb/afd/2007/80755.htm> (Accessed 15/6/2007)
- ^{xxiii} The Republic of Uganda (1999). *The 1999 National Health Policy (NHP)*. Kampala. The Ministry of Health (MOH) has and
- ^{xxiv} Republic of Uganda (2000). *The 2000 Health Sector Strategic Plan (HSSP)*. Kampala. The Ministry of Health
- ^{xxv} The Republic of Uganda (2004). *Poverty Eradication Action Plan 2004/5 – 2007/8*. Kampala. The Ministry of Finance, Planning and Economic Development