

Cash grants will transform the poor in Uganda as well

By Simon E. Omoding

I read with keen interest Pius Katunzi's "*Cash hand-outs could be source of harm,*" in **The Observer** of Monday October 3rd, 2011. Pius has a fair understanding of the Social Assistance Grants for Empowerment (SAGE) but I also note that he completely misses the bigger picture of the Expanding Social Protection Programme, which is implementing SAGE. As a result he misrepresents some issues. I want to attempt to clarify some of them.

The Expanding Social Protection Programme (ESP) is implementing SAGE as a pilot and as only part of the wider Programme. The overall purpose of the ESP is to put in place **a social protection system** in Uganda- a system that is governed by a policy framework that has institutions, structures, human resources, funding to be fully operational.

Over time the social protection system in Uganda should evolve, as it has in many other countries, to include different types of government interventions designed to protect citizens from the worst forms of deprivation and ensure that their rights to a decent and dignified standard of living are upheld. This system should include social assistance grants such as SAGE, as well as social insurance schemes such as the health insurance which Pius Katunzi mentions in his article. This is not an either / or choice. Uganda's citizens have a right to health care, regardless of their ability to pay, as well as the means to meet their other basic needs so they are able to build dignified and productive lives.

Mr. Katunzi's points to some concerns, namely: (i) the amount of Ugx23,000 that he calls a "pittance", (ii) donor funding, (iii) that the money will be used in "boosting alcohol markets" in the villages and that this money will encourage laziness.

By Kampala urbanite standards Ugx23,000 is very little money, just enough for one buffet lunch! The stark reality in the villages is however very different. We know that some people actually spend even two months without getting 500 shillings! Figures from the Uganda Bureau of Statistics show that an average poor family in Uganda spends just Ugx14,000 per month. Besides, the SAGE Ugx23,000 is in line with levels of funding of similar schemes across East and Southern Africa. The amount of money will however be revised every year and this is something that the SAGE programme is already looking into. What's important to note is that it is the principle of cash transfers that we are championing here. SAGE is really about demonstrating that this approach can work in Uganda, as it has worked in countless countries across the world.

The idea behind cash transfers is not to give huge amounts of money with which people can satisfy all their needs, at once. The idea is to provide small but secure, regular and predictable income over time. This way people are provided for, to meet their basic needs but they are also enabled to start productive activities.

I welcome Pius Katunzi's raising of the issue of the need for increased Government funding for SAGE. While it is true that the Programme is currently funded by DFID, Irish Aid and UNICEF to the tune of British Pound 40 million, it is important to note that the Government of Uganda has already made a substantial contribution to the Programme in form of human resources, office space and other logistical support (other than the US\$50,000) valued at about Ugx6 billion. Of course, there is a need for more commitment by government through the budget process.

The bigger issue I believe is whether this Programme is affordable and sustainable by Uganda as a country? The answer is yes- for a number of reasons. First the benefits of implementing social protection interventions to the country's development are huge. Experience shows that when the poorest people receive regular transfers they use this money to improve their diet, to pay transport costs to access health clinics, educate their children and make investments. Secondly, Uganda's economy is growing. This means that the choice whether to fund social protection is merely based on whether we as a country see it as a priority or not. Once we fully appreciate the benefits, I am sure Uganda will find the money to pay for it.

On the issues that people will use the money for alcohol and that the grants will encourage laziness. Pius, like all elites, falls in this trap of stereo typical urban thinking that poor people are lazy and they don't know what to do to better their own situation. I am more than happy to share evidence to show that poor people once supported to start doing things will improve their lives. Consumption surveys by UBOS among the very poor show that their priorities are actually food, school, medication and other basic needs, rather than alcohol. I am not in any way saying that there are no bad apples who will run to the next bar to drink, but largely the evidence is clear that the vast majority of poor people (especially women) would like to see how they can change their life- and that of their children- for the better. I invite Pius to visit any of the areas where we have made cash transfers in the coming months and he will attest to this.