



Uganda's Citizens' Pension: an essential initiative to drive national social and economic development

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In the heart of Africa, a quiet revolution is underway. For the past five years, the UK's Department for International Development (DFID) and Irish Aid have collaborated with the Government of Uganda to finance an old age pension for everyone over 65 years of age across 15 of the country's 112 districts (and for over-60s in the Karamoja region). There are currently around 125,000 people receiving the pension, valued at US\$7.50 per month. While this may not seem much, it is probably more cash than many pensioners have ever seen.

A recent evaluation of the scheme has demonstrated that the pension has transformed the lives of older people, their households and, indeed, their wider communities. For example, despite many of the pension districts facing challenging economic circumstances in recent years, the poverty rate of households receiving the pension fell from 49% to 33% over a period of just two years while the proportion experiencing hunger reduced from 55% to 38%.

As one older woman remarked: "The pension has given me hope to wish for tomorrow because the situation is no longer hopeless. I know I will wake up and eat I will not beg people for food anymore." Some beneficiaries have purchased cows and chickens with the pension and now consume their own milk and eggs. Diets have improved, with people buying more proteins – including meat and fish – while reducing their reliance on starch.

Before the pension arrived, 23% of older people felt unable to cope with life, but this fell to only 8% after two years. A female pensioner told the evaluators: "There is a change because, before the pension came, life was hard due to the lack of money to meet our families' needs, such as school fees, food and other things. Now, with the pension, our children and grandchildren can go school, we can buy food and have a better diet."

As happens with many pensions in developing countries, the scheme has also benefited many children, reflecting the special bond between older people and their grandchildren. Children's diets have improved while there has been an increase in primary school attendance. As one community member observed: "The old mainly help their grandchildren with the little cash they receive: they buy books, pens, clothes for their grandchildren, something they never used to do before the pension."

Many pensioners have invested their cash in income generating activities, purchasing livestock and agricultural implements or establishing small businesses. An older woman notes that: "We now have bulls to cultivate our gardens and with the same money we keep domestic animals and birds, which we can sell to further improve our wellbeing."

The economic benefits of the pension have spread throughout the community, creating much more dynamic local economies. Many people have gained employment from the pensioners, for example by working in their fields. A pensioner explained: "I feel good when I use casual workers. I get a bigger harvest and I have more food for home and a little for sale." Local entrepreneurs also benefit



from the cash into communities. A trader noted: “On the day of payment, you will find so many beneficiaries heading to the market to buy food such as meat, fish and cassava: the market is full of people.” The benefits to communities are not just material. One prominent community member has noted how “the pension has brought about a behaviour change; theft has reduced and this has created peace and harmony in the community.”

Importantly, older people themselves – many of whom used to be viewed as troublesome beggars – are being reintegrated into communities. A community member has described how: “The elders are now looked on as important people in the community and have a voice.” One female pensioner expresses the change as follows: “My children and grandchildren came to reality when the pension came in. I was a burden to them but I now share in their life with my small support. We are more united than before the pension.” Interestingly, the pension has not reduced the level of support given to older people by their kin: in contrast, 50% more now receive assistance from other households, with the value of this support increasing by almost 50%.

The improvement in the status of older people is down to their being more self-reliant and having something to share with others, rather than being viewed as a burden. One pensioner explained: “The elderly, some of whom were very poor and did not have any voice, and status in the community, now own some few assets such as goats, pigs and poultry and can fend for themselves. Now they are respected. People also listen to us in social meetings because we can contribute.”

The Senior Citizens’ Grant has become very popular within communities, in particular because it is increasingly regarded as an entitlement. Furthermore, younger people recognize that they will also benefit from the pension once they reach the age of eligibility. In effect, it is becoming a programme for all Ugandans.

The Government of Uganda has committed to scaling up the programme nationwide, but, at the current speed of expansion, this will take ten years. Given the significant benefits that the Senior Citizens’ Grant can bring to the social and economic development of Uganda, it is essential that the roll-out is undertaken much more quickly. In reality, the cost of the pension for everyone aged over 65 years would be minimal, at around 0.35% of GDP, making it one of the cheapest state pensions in the world. Furthermore, it would signal a strong commitment by Uganda to its most vulnerable women, given that 65% of the current beneficiaries are female.

It should not surprise anyone that a pension has made such a difference to the lives of so many Ugandans. Over the past century, old age pensions have brought major benefits to many developed and developing countries and Uganda is only following the lessons of history. Uganda’s universal pension shows that, once people are guaranteed income security, they are in a much better position to invest in the wellbeing of their families, as well as income generation. If the Government of Uganda is willing to offer a true Citizens’ Pension to all of its people, the lives of a significant proportion of the population would be transformed, while the economy would receive a significant boost. And, of course, any politician willing to establish a Citizens’ Pension would reap the political rewards.

Only last month Zanzibar introduced its own universal Citizens’ Pension. Uganda has the potential to show the rest of East Africa that such schemes can also be implemented at large scale. The key



question, really, is whether Uganda can afford *not* to scale up its pension. What is holding the government back?

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