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## **The History of Resource Mobilization and Social Spending in Uganda**

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Politics of Domestic Resource Mobilization

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# **Introduction to Working Papers on The Politics of Domestic Resource Mobilization for Social Development**

This paper is part of a series of outputs from the research project on The Politics of Domestic Resource Mobilization for Social Development.

The project seeks to contribute to global debates on the political and institutional contexts that enable poor countries to mobilize domestic resources for social development. It examines the processes and mechanisms that connect the politics of resource mobilization and demands for social provision; changes in state-citizen and donor-recipient relations associated with resource mobilization and allocation; and governance reforms that can lead to improved and sustainable revenue yields and services. For further information on the project visit [www.unrisd.org/pdrm](http://www.unrisd.org/pdrm).

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## ***Working Papers on The Politics of Domestic Resource Mobilization for Social Development***

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Marianne S. Ulriksen and Mesharch W. Katusiimeh, March 2014.

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Javier Arellano and Andrés Mejía Acosta. March 2014.

*Obstacles to Increasing Tax Revenues in Low-Income Countries.*  
Mick Moore, November 2013. UNRISD-ICTD Working Paper No. 15 UNRISD, International Centre for Tax and Development.



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## **Abstract**

This paper is the first of a series of papers exploring the political and institutional contexts of resource mobilization and social spending for social development in Uganda. We provide the historical context of, and trends in, resource mobilization (domestic and external revenue) and social spending in post-independence Uganda. After years of civil war, mismanagement and general decline, Uganda turned a page in 1986 when NRM (National Resistance Movement) came to power. During the 1990s and early 2000s, Uganda was a prototypical donor-dependent country with aid constituting more than half of government revenue. During this period, the government, in partnership with donors, focused spending on targeted pro-poor development programmes, including primary education and basic health care. While priority of these social sectors has led to some improvements in social development outcomes, the quality of education and health care is still disappointing and social protection programmes remain neglected. Moreover, domestic resource mobilization has not improved considerably which points to issues of weak institutional capacity as well as the contested nature of taxation. Trends in recent years show an increasingly strained relationship between the government and its traditional donors, piecemeal and ad hoc tax reforms, promise of increasing revenue from oil, and a move in policy priorities away from human capital development to spending on infrastructure and expansion of productive sectors.

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## List of acronyms

ADBG	African Development Bank Group
BDV	Brussels Definition Value
CIT	Corporate Income Tax
CTL	Commercial Transaction Levy
EAC	East African Community
ESIP	Education Strategic Investment Plan
ESP	Expanding Social Protection
GAVI	Global Alliance for Vaccines and Immunisation
GDP	Gross Domestic Product
HIPC	Heavily Indebted Poor Countries
IDS	Institute of Development Studies
IFI	International Financial Institutions
IMF	International Monetary Fund
KY	Kabaka Yekka
LDU	Local Defence Unit
MGLSD	Ministry of Gender, Labour and Social Development
MP	Member of Parliament
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NRM	National Resistance Movement
NSSF	National Social Security Fund
PAF	Poverty Action Fund
PAYE	Pay As You Earn
PEAP	Poverty Eradication Action Plan
RoU	Republic of Uganda
SAGE	Social Assistance Grants for Empowerment
SAP	Structural Adjustment Programmes
UGX	Ugandan Shilling
UNLF	Uganda National Liberation Front
UNMHCP	Uganda National Minimum Health Care Package
UPC	Uganda People's Congress
UPDF	Uganda People's Defence Force

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