This case study offers a compelling story of how long-term influencing and political will by government helped widen Uganda’s tax base and raise vital additional finance for poverty-busting public spending on the social sector. It demonstrates that it is practically and politically feasible to increase government revenues by increasing the tax take from the richest individuals in society. The poorest members of society benefit both from a reduced burden of tax and also from improved public spending. The experience is highly relevant to civil society and governments in any country which want to build a more inclusive future, support a just recovery from the COVID-10 pandemic and build resilience to possible future shocks.
ABOUT OXFAM’S INSPIRING BETTER FUTURES SERIES

The case study forms part of Oxfam’s Inspiring Better Futures case studies series which aims to inspire inform, and catalyse action to build a fairer, more caring and environmentally sustainable future. The 18 cases show that people are already successfully building better futures, benefitting millions of people, even against the odds in some of the world’s toughest and most fragile contexts in lower income countries. The cases, which range from inspirational to strongly aspirational have all achieved change at scale by tackling underlying structural causes of poverty and economic, climate or gender injustice. Although conceived before the COVID-19 pandemic they provide compelling examples of how to build a just and green recovery and resilience to future shock. You can also read the series synthesis paper at this link.

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This case study was written by Joseph Okecho Olwenyi (CITA) and Emma Seery. Oxfam gratefully acknowledges the assistance of Oli Pearce, Grace Namugambe, Ruth Mayne, Filippo Artuso, Helen Wishart and David Wilson in the production of the case study.

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Cover photo: A woman collecting unsafe water for home use in Katanga Slum, Kampala-Uganda. © Julius Ceaser/Oxfam in Uganda
EXECUTIVE SUMMARY

Uganda is a low-income country, with high levels of poverty and widening inequality. The government struggles to maintain sufficient spending on the public services and infrastructure needed to combat poverty and create a more equal society. In dire need of increased domestic revenue, and under pressure from a growing fiscal deficit, in 2015 the Uganda Revenue Authority (URA) put together a new team to seek out and engage with the richest citizens and increase their compliance on personal income tax (PIT), rental tax, Value Added Tax (VAT) etc. This was a new approach to increasing tax revenue in Uganda.

Despite a robust legal framework to support its work, prior to this the URA had long been failing to maximize the potential of PIT, especially in taxing rich individuals. In the fiscal year 2014/15 PIT constituted just 25% of the total tax revenue (OECD et al., 2017), and very little came from the wealthiest citizens. The URA had, until this point, focused on tax compliance by companies and 'average' workers in formal employment. It had also relied on raising domestic revenue through taxes on goods and services, with these comprising 66% of total tax revenue in FY 2014/15. These regressive taxes tend to fall on poorer citizens, and civil society groups – the Tax Justice Alliance Uganda, hosted by SEATINI Uganda and including Oxfam and numerous other NGOs – had long been advocating for the government to pursue more progressive taxation options. Taxes on goods and services were also already so high that there was not enough room to extend them further to increase revenue. Therefore the URA needed an alternative.

When the authority’s new High-Net-Worth Individual (HNWI) unit began work, it did not have a ready list of HNWIs to work with. It had to both define the criteria for HNWIs in Uganda and also compile a list of potential candidates, based on a combination of news reports and 'general knowledge' of wealthy business and political figures.

The HNWI unit then embarked on a thorough and proactive process of personal face-to-face meetings with each of these potential targets, to educate them on their rights and obligations as taxpayers, and to signal that their tax affairs were under scrutiny. It also worked with the Electoral Commission ahead of the 2016 parliamentary and presidential elections to put pressure on political candidates to file tax returns (Kangave et al., 2018).

This has been a very successful initiative. Prior to the HNWI unit's work, the URA was working with just 17 ‘large taxpayers’, but now (as at 2017) the Government had identified and registered 117 HNWIs and 239 VIPs with whom it can engage directly. There is also evidence that the tax compliance of these wealthy individuals has increased significantly, with 78% of HNWIs and 65% of VIPs filing personal income tax returns in FY 2015/16, compared with just 13% of ‘large taxpayers’ previously (Kangave et al., 2018).
Within the first and second years of operation, this generated an increase of more than $5m and $11m in tax revenue respectively, and there is evidence that this has translated into an increase in poverty- and inequality-busting social spending (Kangave et al., 2018). 39.36 million people use Uganda’s public health service.¹

In 2018 the government’s planned social spending was USh1,512,249m, or around $400m, higher than in 2015, representing an increase of more than one-third in real terms (Government Spending Watch).² The URA has recently tabled further proposals to the National Economy Committee of Parliament of Uganda to introduce presumptive inheritance tax on the wealthy so as to widen the tax base and contribute to reviving Uganda economy after effects of COVID-19.

KEY INSIGHTS

This case is relatively little known, especially outside of Uganda, and based on the available facts, it makes an important contribution to the debate about what is possible in terms of taxing wealthy individuals. This is core to the fiscal justice work of Oxfam and our partners and allies around the world.

It is politically and practically viable to increase taxes on the richest individuals to support social development. The fact that tax revenue from HNWIs increased significantly in Uganda as a result of this reform challenges the assumption that attempts to tax super-wealthy individuals will fail because they will simply find ways to avoid and evade paying. In this respect, it is a very useful case for Oxfam and our partners and allies working on fiscal justice, who are struggling against powerful vested interests to increase taxation on rich companies and individuals.

Long-term influencing by civil society and shifts in government ideology and practice both played a vital role. A shift in the economic ideology and practice of tax policy and administration officials as well as political commitment by political decision makers were essential for achieving the reforms. Yet while it was the Government of Uganda and the URA in particular that took the decision to deliberately identify HNWIs and encourage them to improve their tax compliance, the role of civil society groups cannot be underestimated and the change should be attributed to their long term advocacy agenda for a fair tax system. Over the years civil society groups have called on the government to improve the fairness of Uganda’s tax system so that every tax payer pays their fair share of taxes. Civil society groups for example, the Tax Justice Alliance Uganda hosted by SEATINI Uganda and including Oxfam and numerous other NGOs produced research, organized lobby meetings and advocacy events and ran public campaigns to raise awareness of progressive taxation policy and the importance of fair fiscal systems to tackle economic and gender inequalities. This experience highlights the importance of long-term work, in addition to a focus on short-term ‘wins’.
A careful combination of insider and outsider strategies – by both civil society and government – was key to success. While the government was seeking to persuade HNWIs to change their behaviour through private meetings, it also sought to strengthen its hand by working with the Electoral Commission to generate public pressure on political candidates to file tax returns. Civil society groups ran public campaigns but also invested time in building relationships with government, so they could genuinely persuade its representatives of the value of progressive taxation.

The pathway to scale was unconventional, in that it started with a change in government institutional practice at national level but relied on many targeted individual face-to-face approaches to encourage wealthy taxpayers to comply with existing legal frameworks. It was not simply a matter of ‘rolling out’ a new policy initiative. One limitation has been that while significant revenue was generated by this forensic and outcome-oriented approach, and some wealthy individuals changed their attitudes and behaviour, the reform has done little to change attitudes to paying tax more broadly. It also took place in a context of many regressive tax policies and loopholes that stand in the way of a fairer fiscal system and increased social spending in Uganda. These still need to be tackled. Nevertheless, the case provides a compelling example of how countries can widen their tax base and raise additional finance to help build a more inclusive future, a just recovery from the COVID-19 pandemic and resilience to future shocks.

WHAT CHANGED?

CONTEXT: THE CHALLENGE

Uganda is a low-income country, where far too many citizens still struggle to survive on incomes below the poverty line. Data from the Uganda National Household Survey 2016–17 show that poverty levels are very high, and have risen in recent years. In 2017, 21% of the population lived below the national poverty line, up slightly from 20% in 2013 (UNBS, 2018).

The country also exhibits significant and growing signs of economic inequality. Income inequality is high and rising. In 2016/17 the income Gini stood at around 0.42, which was a small increase from 0.40 in 2012/13 (UNBS, 2018) but a much greater increase compared with earlier levels. Between 1990 and 2012 the Palma ratio, which measures the difference in income between the richest 10% and the poorest 40% of the population, rose by nearly one-third (Hoy et al., 2016). While there are relatively few data on the precise levels of wealth in Uganda, it is widely accepted that certain individuals are extremely rich. In 2014, for example, US business magazine Forbes put one Ugandan in the US dollar billionaire category (Forbes, 2014).
The tax system is also skewed in favour of the wealthiest: historically the government has focused too much on collecting taxes from poor and 'average' citizens, rather than ensuring that the richest also pay their fair share. For example, 66% of the country’s tax revenue in FY 2014/15 was raised through regressive taxes on goods and services, which tend to fall disproportionately on poorer citizens. Personal income tax (PIT), on the other hand, accounted for just one-quarter of tax revenue in the same year, and 68% of that was collected from people in formal employment, overlooking the wealthiest individuals (OECD et al., 2017).

Evidence suggests that these super-rich Ugandans were paying very little PIT at all. Only 5% of the directors of the country’s top tax-paying companies and fewer than one-third of the top 60 lawyers were paying PIT in FY 2013/14 (Kangave et al., 2018). One study also looked at the tax compliance of top government officials from FY 2011/12 to 2013/14, and found that the majority were not paying any PIT (Ibid.).

This regressive tax regime has exacerbated economic inequality by failing to redistribute economic resources effectively, as well as failing to raise sufficient domestic finance to invest in public services. Consequently, Uganda has been unable to meet international and regional spending commitments of 15% of its budget on health and education and 10% on agriculture. In FY 2014/15 spending fell far short, standing at 8.5%, 13.5% and 3.2% respectively for these three sectors (SEATINI, 2018).

As a result, the poorest Ugandans are going without the support and infrastructure they need to feed and clothe their families, or the education services they need to boost their future income and opportunities. Many health facilities are also still under-staffed and under-resourced, and more than half of Ugandan women deliver their babies without a skilled birth attendant. Maternal mortality rates are among the highest in the world, estimated at 334 maternal deaths per 100,000 live births in 2016 (SEATINI, 2018). Poor women and girls and minorities pay the highest price, as income and gender inequality combine with the lack of services to push them to the bottom of the ladder.

In short, in 2015 Uganda’s fiscal system had long been failing to meet its poverty- and inequality-reducing potential. As one participant in an Oxfam focus group discussion in Pader district, Northern Uganda in 2019, reported: ‘We have sold whatever assets we had to pay fees for our children. I sold the little land that I had and the worst thing is that even after our children have completed their studies, they do not get jobs’ (Nuwagaba, 2016).

**Creation of the high-net-worth individual unit**

In 2015 the URA established a new team in the Large Taxpayers’ Office (LTO) in the Domestic Taxes Department, known as the high-net-worth individual (HNWI) unit. The overall aim of this initiative was to increase domestic revenue by incentivizing greater tax compliance by the wealthiest individuals in Uganda, in accordance with existing laws.
The unit first put together a list of potential HNWIs, starting with directors of large companies covered by the LTO and other individuals whose wealth was publicly known. It picked up on media reports that seemed worth investigating – for example, stories about people buying very expensive assets or spending large sums of money in nightclubs. The heads of the Domestic Taxes Department then checked and added to the list. At this point it was necessary to develop specific criteria to identify HNWIs. Basing the list on a simple wealth value in Ugandan shillings or US dollars was not appropriate, due to the lack of reliable and searchable information available on the economic activity of Ugandan citizens. The URA therefore agreed a very specific set of multiple weighted parameters to identify HNWIs, including high rental income, large loans or public news reports indicating that they were very wealthy. Box 1 outlines the full set of criteria.

Box 1: What makes a wealthy Ugandan an HNWI?

Meeting one of these three core parameters is sufficient to qualify for HNWI status:

If rental income exceeds $142,000 per year, or if land worth more than $285,000 is traded in a five-year period. This is a crucial qualifier, as land and buildings are the assets most commonly held by wealthy individuals in Uganda.

Shareholders in private companies whose annual turnover is more than $14.3m. There is such a small group of individuals holding shares in these top companies that this is a good proxy for wealth. The URA also takes into account shares held by family members and business partners.

If bank transactions exceed $1m per year, or total loans are more than $1.5m over a five-year period. It is almost impossible to obtain loans of this value without significant collateral assets, and while individuals do not have to declare wealth to the government, they do have to declare it to private banks in order to obtain loans.

Alternatively, meeting at least two of these non-core parameters also puts a person in the HNWI category:

If someone is ‘publicly known’ to be wealthy
If they import or export goods worth more than $142,000
If they maintain commercial forests, plantations or large ranches.

Source: Kangave et al. (2018).

Through this process, the HNWI unit identified 117 individuals, gathered available information on their economic transactions and then contacted them directly to request a meeting. They were asked to meet with representatives of the URA and sometimes with its senior officers, the Commissioner General and the Commissioner of Domestic Taxes, who sought to persuade them to pay more PIT by educating them on their rights and obligations as taxpayers, and signalling that their tax affairs were under scrutiny.

In recognition of the fact that there were a number of politicians among the 117 HNWIs, the URA also approached the Electoral Commission of
Uganda ahead of the 2016 presidential and parliamentary elections, requesting that it makes it mandatory for all candidates to have tax clearance certificates. The Electoral Commission did not have the legal powers to implement this, but by introducing this idea into public debate the URA put pressure on political candidates, and many subsequently filed tax returns and made tax payments (Kangave et al., 2018).

There was also a VIP unit within the Public Sector Office (PSO), which had been set up to deal with politically influential individuals, and in 2017 the HNWI unit was moved there and combined with the PSO to improve the management of relationships with wealthy and powerful Ugandans. The PSO had also been useful in providing information about potential HNWIs, as many of them were involved in the provision of goods and services to government, which it monitored. By 2018, the combined HNWI/VIP unit had six staff looking after more than 300 individuals (Kangave et al., 2018).

POVERTY REDUCTION

The reform has promoted a fairer tax system (vertical tax equity) through boosting domestic revenue by increasing tax compliance among the wealthiest, who can most afford to pay.

The HNWI unit now has a register of 117 HNWIs and 239 VIPs, (as at 2017) compared with the previous list of just 17 individuals (as at 2015), identified and managed by the LTO. The tax compliance of these wealthy individuals has also increased significantly; 78% of HNWIs and 65% of VIPs filed Personal Income Tax returns in 2015/16, compared with just 13% of 'large taxpayers' – just two or three individuals – previously.

Within the first year, this generated an increase in tax revenue of more than $5m, or approximately USh18.5bn (by June 2016) and $11.5m (by June 2017) (Kangave et al., 2018).

As shown in Table 1 below, between fiscal years FY 2015/2016 and FY 2018/2019, public spending (as allocations using revenues from several sources) to agriculture, public services and social protection (as planned) increased by more than one-third in nominal terms, rising by a total of USh1,512,249m, or around $400m (Government Spending Watch). To give a sense of potential impact, 39.36 million people use Uganda’s public health service alone.

Table 1: Increase in public spending by sector 2015-18

<table>
<thead>
<tr>
<th>Sector</th>
<th>2015</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>458,222</td>
<td>828,515</td>
</tr>
<tr>
<td>Education</td>
<td>2,024,950</td>
<td>2,509,164</td>
</tr>
<tr>
<td>Health</td>
<td>1,288,784</td>
<td>1,824,083</td>
</tr>
<tr>
<td>Social protection</td>
<td>32,720</td>
<td>98,472</td>
</tr>
<tr>
<td>WASH</td>
<td>303,385</td>
<td>360,076</td>
</tr>
<tr>
<td>Total</td>
<td>4,108,061</td>
<td>5,620,310</td>
</tr>
</tbody>
</table>

All figures in USh (Current, millions).
All figures are planned rather than actual expenditure (actual data unavailable).
Source: Government Spending Watch: https://www.governmentspendingwatch.org/spending-data
The increased spending on social sectors cannot be directly attributed to additional revenues collected from HNWIs as revenues were channelled into the country’s consolidated fund and allocated without being ringfenced specifically for social sector spending). However, the above data implies that the HNWI reform has generally enhanced the Government of Uganda’s domestic revenue mobilisation potential, increased revenue collections and boosted its fiscal space for public spending which also benefited pro-poor and inequality-reducing spending.

This conclusion is supported by the fact that the need to mobilize more domestic revenues, to narrow the widening fiscal deficit and to increase public spending across the board was one of the main motivations for the Government of Uganda in pursuing this initiative in the first place.

**People on low incomes stand to benefit twice: once from reduced pressure from the regressive taxation, which hits them the hardest, and also from improved public spending.** However, the actual impacts on poverty will depend also on the progressivity of the tax system, quality of services accessed, and other factors, so further studies are required.

While Uganda’s fiscal space for social expenditures (excluding externally financed expenditures due to data limitations) has benefited from a recent modest increase in domestic revenues from several sources including collections from external debt disbursements and net internal financial flows, there was an increase in expenditures in other sectors and over the fiscal years FY2012/13 to FY2015/16, so Uganda’s social expenditures have therefore averaged at about 3.4 per cent of GDP.  

**STRUCTURAL CHANGES**

The initiative strengthened the Government’s tax collection practices and this, combined with civil society advocacy pressure for a fair tax system, has influenced a shift in power dynamics and the tax behaviours of HNWIs.

Many of the HNWIs targeted by URA were leaders of big business and politicians, including some government ministers. Their significant financial and political power made it easy for them to not comply with tax legislation, so changing their tax behaviours to comply with tax regulations required a shift in power dynamics. This was achieved through a combination of the ‘carrot’ of appealing to them to be better citizens and a sensitively managed ‘stick’ of increased scrutiny if they failed to comply. As noted above both the numbers of wealthy individuals paying and complying with tax increased significantly.
HOW CHANGE HAPPENED

SCALING PATHWAYS AND STRATEGIES

Change happened in Uganda thanks to an intentional and planned strategy on the part of the URA, supported by a Government that realized that it needed new ways of raising money in order to meet public spending demands. Change was achieved quickly, with significant gains in tax compliance and revenue raised within the first and second years of the HNWI unit starting its work in 2015 but had a longer tail back of civil society influencing

The route to scale was unconventional and involved both vertical and in-depth scaling. It started with a change in institutional practice at the national level, but then relied on many individually targeted approaches to encourage wealthy taxpayers to comply with existing laws. It was not simply a matter of ‘rolling out’ a new initiative. The scale of impact was made possible by carefully altering behaviours, one person at a time, and facilitating this with changes to institutional practice at national level.

Effective strategies by both government and civil society were key to success, in both cases involving a delicate combination of carrot and stick. While the government was seeking to persuade HNWIs to change their behaviour through private face-to-face meetings, it also signalled that their behaviours were under scrutiny and sought to strengthen its own hand by working with the Electoral Commission to generate public pressure on political candidates to file tax returns.

Civil society groups ran public campaigns but also invested time in building relationships with government, so that they could persuade it of the genuine value of progressive taxation. It is also important to note that in Uganda civic space is significantly constrained and civil society and active citizens can face severe consequences for opposing the government; the country is ranked ‘repressed’ on the CIVICUS civil society monitor (CIVICUS). This makes progress through outsider pressure alone difficult to achieve, especially on deeply political issues such as tax and inequality.

Since the adoption of the reform on taxing HNWIs, the URA has proposed more reforms on taxing the wealthy – for example, on 23rd June 2020 the URA Commissioner General, tabled before the National Economy Committee of Parliament of Uganda a proposal to introduce presumptive inheritance tax on the wealthy so as to widen the tax base and contribute to reviving Uganda economy after effects of COVID-19.
CONTEXTUAL DRIVERS

The main driver of change was the tough financial situation that Uganda was facing: the country’s tax to gross domestic product (GDP) ratio had stagnated at a low level and the fiscal deficit was rising. Debt was, and remains, a serious and growing challenge (Seery et al., 2019). Spending on debt repayments increased by 77% between 2015 and 2018, and in March 2018 public debt stood at $10.53bn, equivalent to 38.1% of GDP (Government Spending Watch). In 2015, these fiscal challenges stood in the way of increasing public investment in basic services and infrastructure, as well as other government projects.

Until 2015, the government had relied heavily on revenue from taxes on goods and services. These regressive taxes comprised 66% of total revenue in 2013/14, and have continued to hover just below this level since then. This had placed such a great burden on ordinary citizens and the poorest people that there was simply no room to extend such taxes further.

There was a dire need to quickly find new and sustainable ways of raising more domestic revenue, and this strengthened the URA’s hand. Ministers and other key figures in government would have found it virtually impossible to oppose efforts to increase legal tax compliance by wealthy individuals in these circumstances.

Despite a robust legal framework, the government had long been failing to maximize the potential of raising revenue from PIT, and especially taxing rich individuals. In 2014/15 PIT constituted just 25% of revenue, and very little came from the wealthiest Ugandans (OECD et al., 2017). The URA had instead focused on tax compliance by companies and ‘average’ workers in formal employment (Kangave et al., 2018).

A second driver was also important in influencing the type of change that took place. The efforts of civil society in advocating for more progressive taxation played an essential role in enabling efforts to pursue greater compliance by wealthy individuals, despite the significant political and practical challenges to doing so. So while it was the URA that took the decision to pursue this course of action, the long-term investment of civil society laid essential groundwork for this decision to be made.

The Tax Justice Alliance Uganda, hosted by SEATINI Uganda and including Oxfam and numerous other NGOs, identified the issue of taxing HNWIs as a focus for their work several years prior to the formation of the HNWI unit, based on a context analysis of the financial constraints the government was facing. It produced research, organized lobby meetings and advocacy events and ran public campaigns to raise awareness of progressive taxation policy and the importance of fair fiscal systems to tackle inequality. Its prior efforts to raise awareness and to shift attitudes, and in some cases the economic ideology, of URA staff and other political decision makers was essential to success.

Political and top-level support for this initiative was also an important driver, as indicated by the tacit support of the President, who did not
intervene to block it. However, it should be noted that this political will
did, and still does, have limits. For example, in 2018 the URA requested
that banks should release more information about the financial affairs of
HNWIs to further support efforts to increase their tax compliance. The
banks were able to deflect this and prevent it from becoming official
policy, showing that there are still major issues of power and vested
interests at work.
### ANNEX: AT A GLANCE

<table>
<thead>
<tr>
<th>Case study name</th>
<th>Widening the Tax-Base of Low-Income Countries: Taxing high-net-worth individuals in Uganda</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>Uganda</td>
</tr>
</tbody>
</table>
| **Country indicators** | Income: low-income country, heavily indebted poor country (HIPC).  
Inequality: Palma ratio 2.14 in 2017 (UNU-WIDER, 2019); 10% of Uganda’s population own 35.7% of the national income (about US$27bn) compared to 10% (poorest) only owning 2.5% of the national income (Who is Growing-Oxfam in Uganda’s inequality report, 2017).  
HDI: low human development, ranked 159th of 189 countries (HDR, 2019).  
Gender gap: ranked 65th of 153 countries (WEF, 2020).  
Civic space: categorized as ‘repressed’ on the CIVICUS civil society monitor (CIVICUS).  
Fragility: Alert (Fund for Peace, 2019).  
Climate risk: ranked 62nd of 181 countries between 1999 and 2018 (Eckstein et al., 2020). |
| **Time period** | 2015 to present.                                                                                   |
| **Systemic challenge** | Economic inequality (tax/fiscal justice).                                                             |
| **Poverty reduction** | Fairer tax systems – increasing vertical equity on selected taxes i.e. increasing tax collected from high net worth individuals and reducing reliance on regressive taxes.  
Increased domestic tax revenues from some of richest people in Uganda.  
Increased public spending (in nominal terms) on key social sectors. |
| **Scale of poverty reduction** | In FY 2015/16, 78% of HNWIs and 65% of VIPs filed personal income tax returns, compared with just 13% of ‘large taxpayers’ previously.  
Within one year of the reform being introduced, the Ugandan Revenue Authority (URA) generated an increase of more than $11m in tax revenue (in total as at June 2017) from wealthy individuals.  
39.36 million people use Uganda’s public health service.  
Between Financial Year (FY) 2015/16 and 2018/19 Social sector allocations to agriculture, public services and social protection increased after 2015/16, rising in nominal terms by more than one-third between 2015/16 and 2018/19. While this increase cannot be directly attributed to increased revenue collections from HNWIs only, (since revenues are channelled into the country’s consolidated fund and allocated without being ringfenced specifically for social sector spending), it enhanced the Ugandan Government’s domestic revenue mobilisation potential and also boosted its fiscal space for increased public spending which also benefited pro-poor and inequality-reducing spending. |
| **Changes to structural causes of poverty** | Shifts in power relations: Many of the HNWIs targeted were leaders of big business and politicians, including some government ministers. Their significant financial and political power made it easy for them to not comply with tax legislation, and changing their |
behaviour required a shift in the power dynamic.
Changes to government ideology and tax collection practices.
Changes to tax behaviours of HNWIs.

<table>
<thead>
<tr>
<th>Pathways to scale</th>
<th>Intentional combination of vertical and functional scaling to change and strengthen government’s tax collection practices to facilitate increased tax collection of new HNWIs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limitations</td>
<td>Still wider public resistance to pay taxes.</td>
</tr>
<tr>
<td>Types and quality of evidence</td>
<td>The quality of evidence of the impact on poverty and equity is medium to high. The reforms contributed to quantifiable changes (as above) and are supported by reputable data sources. There is limited evidence available on how change happened, as much of the work to influence HNWIs was done behind closed doors, as was the government’s decision making regarding this reform. The main insights were gained from a previous detailed study into the reform (Kangave et al., 2018), and input Oxfam country staff and allies in Uganda.</td>
</tr>
</tbody>
</table>
NOTES

1 As per the state of Uganda’s population report in 2016

2 Based on planned rather than actual spending (actual unavailable) on agriculture, education, health, social protection and WASH.

3 This was Sudhir Ruparelia of the Ruparelia Group conglomerate, with estimated wealth of $1.1bn. https://www.forbes.com/sites/mfonobongnsehe/2014/03/04/the-african-billionaires-2014/#6f5105fffbce

4 Based on planned rather than actual spending (actual unavailable) on agriculture, education, health, social protection and WASH.

5 As per the state of Uganda’s population report in 2016

6 UNICEF Fiscal Space analysis on Uganda, 2018

7 CEO company news, 2020

8 The nation’s tax-to-GDP ratio rose from 10.7% in 2000 to 12.3% in 2006 and 2007, before falling again to 10.4% in 2010, then gradually climbing back up to 13.5% in 2017. The average for Africa during this time, based on 26 African nations covered by the OECD’s Revenue Statistics Africa 2019, was significantly higher, rising from 15.3% in 2000 to 17.2% in 2017.


9 As per the state of Uganda’s population report in 2016

REFERENCES


Oxfam is an international confederation of 20 organizations networked together in 67 countries, as part of a global movement for change, to build a future free from the injustice of poverty. Please write to any of the agencies for further information, or visit www.oxfam.org