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ANALYSIS OF DECISION MAKING IN UGANDA'S SOCIAL SECURITY AND PENSION POLICY REFORM

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DEDICATION

I dedicate this work to my beloved parents, Ezera and Norah Kagambirwe, for their love, care and inspiration.

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Abstract

This thesis argues that in order to understand Uganda's social security reforms and how they were formulated, it is important to consider the patterns of interaction amongst the key actors.

The major objective is to map out the decision making process of a select group of individuals working within limited time. This work is a qualitative study on the Social Security and Pensions Sector Stakeholder Transition Group (STG) deliberations between January 2003 and February 2004. The STG was appointed by the government of Uganda to come up with policy recommendations to reform the social security and pensions sector. Unraveling the actors involved in the STG and revealing the patterns of communication enabled me to address the following research questions: How did the actors arrive at these policy recommendations? What was the nature of participation among key actors in the STG? Why did the actors arrive at specific decisions? How did the actors arrive at specific decisions? What were the actors' preferences? Did preferences change during the decision making process?

Examining the patterns of interaction between the actors, their preferences, resources, time, and extent of communication, served as a basis for understanding policy formulation. Scholars such as Herbarmas, March and Olsen, Eriksen, Phillip and Zelikow, Gehring, inter alia proclaim that human action is a resultant of individual or group motivation; I drew from their studies and sought to explain policy formulation from the rationality perspective.

With institutional oriented decision making, policies reflect context and specific policy objectives. Strategic oriented decision making reflects narrow preferences and compromise laden policy options. Consensus produces well reasoned and often new policy options. Data shows that the strategic oriented decision making style was more dominant, rule-following was next and the consensual was the least practiced by the STG. This paper concludes by suggesting that it is imperative to underscore the interaction patterns of policy formulators in order to get the essence of policies formulated. These forms of interaction do not only inform policies, but also determine the nature of established policies. These patterns are not absolute in themselves, but together, they led to the twenty four policy proposals for reforming the social security and pensions sector in Uganda. Finally, the decisions could either be incremental or radical in character.

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List of acronyms and abbreviations

APR	The Association for Pensions Reform
BMNPS	Basic Mandatory National Pension Scheme
BOU	Bank of Uganda
CMA	Capital Markets Authority
DFID	Department for International Development (United Kingdom)
ELGSU	Export Led Growth Support Unit
FASERT	Foundation for Advancement of Small Enterprises and Rural Technologies
FUE	Federation of Uganda Employers
GDP	Gross Domestic Product
ILO	International Labour Organisation
MOD	Ministry of Defence
MOFPED	Ministry of Finance Planning and Economic Development
MOGLSD	Ministry of Gender, Labour and Social Development
MOLG	Ministry of Local Government
MOPS	Ministry of Public Service
MP	Member of Parliament
MUK	Makerere University Kampala
NIN	National Identification Number
NOTU	National Organisation of Trade Unions
NRM	National Resistance Movement
NSSF	National Social Security Fund
PERD	Public Enterprises reform and Divestiture
PLA	Platform for Labour Action
PSFU	Private Sector Foundation Uganda
SIDA	Swedish International Development Agency
STG	Social Security Stakeholder Transition Group
TOR	Terms of Reference
UIA	Uganda Insurers Association
UIC	Uganda Insurance Commission
USE	Uganda Securities Exchange

CHAPTER ONE

INTRODUCTION

This is an analytical study explaining how a select group of individuals appointed by the government of Uganda engaged each other to come up with policy proposals for reforming the social security and pensions sector in Uganda. It seeks to explain the process through which a policy subsystem[1] arrives at a decision of recommending policy options. The focus is on the Social Security and Pensions Sector Stakeholder Transition Group (STG), hereafter STG[2]. The STG was a select group of individuals representing specific organizations, deliberating to get pension policy proposals.

In this study, I examine the presupposition that policy options may be a result of either rule - following, a result of compromising preferences or a result of actors coming to a consensus. My argument is that the three perspectives are present in any decision making process. It is like some one looking at an object with a pair of sunglasses with different colors. Different impressions of the object will be reflected, but it's the same object. The glass one uses determines the way in which the object appears. Therefore, this work is about understanding the process of decision making, by analyzing the key actors, and the ways in which they interacted and chose policy options to reform the sector in question.

This chapter explains the background to my study, states the research problem, and highlights the conceptual and theoretical framework. Research objectives, hypotheses applied and significance of the study are laid out as well.

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[1] A policy subsystem is a space where relevant actors discuss policy issues and persuade and bargain in pursuit of their interests. A policy subsystem includes both actors who participate often and directly in the policy process, interest network, and those who are involved to a lesser extent, a discourse community (Howlett and Ramesh: 2003).
[2] Please refer to Appendix 2 for a list of members of the Social Security and Pensions Sector Stakeholder Transition Group (STG).

1.1 Background

The Ugandan formal social security and pension systems were set up in 1963 and 1964 respectively, to provide retirement benefits to people who have been in active service. The social security and pensions systems are intended to respond to the needs of citizens and help in Uganda's domestic capital formation. However, the government of Uganda deemed the Ugandan system ineffective to deliver commendable pension coverage to beneficiaries. (STG Report: 2003).

During the presentation of the 2002/2003 national budget, the government declared its commitment to liberalize the pension sector. As a result the National Social Security Fund (hereafter NSSF) would loose its monopoly and compete with private pension providers. There has been a debate about the desired scope of the national pension scheme and the extent to which pension provision should be privatized. This debate follows reforms in Chile which were later introduced to Argentina, Bolivia, Columbia, Kazakhstan, Latvia, Peru, Uruguay, Poland, and Hungary. Their common feature is turning publicly defined benefit pensions to privately defined contribution pensions (Orsarg and Stilgitz: 1999).

It is worth noting that the government is the largest provider of pensions (beneficiaries include civil servants, teachers and the military) in Uganda, through defined benefit plans. Defined benefit plans assign accrual risk to the sponsor, depending on a worker's history, retirement benefits are deterministic. On the other hand, defined contribution plans assign accrual risk to the individual worker depending on ones earnings history, therefore retirement benefits depend on the efficacy with which contributions were financially managed (Orszag and Stilgitz, 1999:5). The former is provided by the pensions department in the Ministry of Public Service, while the latter is provided by NSSF. NSSF operates as a provident fund and beneficiaries are paid a lump sum, unlike pensions which are paid periodically over a long time.

In June 2002, the Ugandan government made a decision to transform the social security and pensions sector. Because of this, the STG was formed to generate comprehensive social security

policy reforms. The STG was composed of 36 actors drawn from 24 diverse ministries and organizations.

In this study I ask the following questions: How are decisions made in a policy subsystem? Does the policy debate have influence on the policy content? Why do actors reflect their preferences in a policy outcome? Does the decision making process matter in a policy? How do actors resolve contentious issues?

1.2 Statement of the problem

The current social security and pension provisions in Uganda which have existed for over forty years have been considered inappropriate; unable to develop the economy and incapable of giving recipients meaningful benefits. In turn, the government preferred to reform the national pension policy. A group of stakeholders were brought together by government between January 2003 and February 2004, to provide policy options and they have already submitted their recommendations.

Pension regimes are of different categories. Gosta Esping –Andersen identifies four types of pension regimes: a) The liberal market bias, b) the etatist bias, c) corporatism bias, and d) social security bias. The liberal market bias entails private pensions. Private pensions are divided into two categories: individual pension contracts, and collectively negotiated occupational plans. The second type is based on the conservative model of welfare states. It could be defined as propensity to grant civil servants special privileges. The third type is a form of social insurance blending labor market attachment and financial contributions. It is subjected to actuarial logic. The fourth one, social security bias, is measured as a percentage of an employee's period of service against his income. It is usually paid as a lump sum (Esping-Andersen, 1990:120-27).

Following these classifications, Uganda has a system that is close to types two (the etatist bias), three (corporatism bias) and four (social security bias). Civil servants are in a scheme that is financed out of tax revenue, a variation of type two, the etatist bias, while private sector

employees are under a compulsory contributory scheme administered by NSSF, a variation of type three and four, corporatism bias, and social security bias, respectively.

The provident fund (NSSF) is a policy transferred from Britain to Uganda in 1963. It followed recommendations by Edward Turner of the British Ministry of Pensions and National Insurance Central Office, New Castle, United Kingdom. The NSSF was established in 1967 through an Act of Parliament. However, due to the complex nature of the Act, it was replaced with a new law in 1985 which made NSSF an autonomous body from the government (Muhumuza 2000).

The pensions sector under the Ministry of Public Service has also undergone several changes. There has been a standardization problem between the NSSF scheme and the pension scheme: private sector employees contribute to their scheme whereas public sector employees do not. It has been argued that employees in the private and public sector should have similar or related pension systems. Still, the regulation of NSSF is widely criticized for not being systematic. Due to public outcry[3], the government recognized the need to minimize bureaucratic inertness and incompetence evidenced in these institutions, hence the search for comprehensive policies.

A number of studies have shown that social security reforms are carried out for political, economic, social and symbolic reasons. It has also been noted that the World Bank is pushing for the private management of pension funds and mandatory defined contribution plans (Muhumuza: 2000, Kabugo: 1998, Orsarg and Stilgitz: 1999).

According to the interim report of the STG, the call for a new social security policy in Uganda resulted from the following reasons:

1) Pension and social security provisions do not cover all employees.

2) Systems in the public and private sector differ: the private sector's available benefits are quite limited compared to the public sectors'.

3) Tax treatment of contributions is inconsistent.

4) Uganda's level of social security coverage and related domestic saving levels are very low (STG Interim Report: 2003).

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[3] While dismissing the Managing Director and Corporation Secretary of NSSF, the Minister of Gender, Labour and Social Development cited public outcry as the reason for sacking them. Public outcry is the consistent and persistent complaints from the public regarding mismanagement or perceived mismanagement of NSSF.

Between January 2003 and February 2004, the new social security and pension policy was formulated by the STG, and policy options were sent to the cabinet. The policy cycle has five stages: agenda setting, policy formulation, decision making, policy implementation and policy evaluation (Howlet and Ramesh: 2003). At the time of the study, following this policy cycle, policy proposals to reform the Ugandan pension sector were still at the decision making stage. The proposals will be presented to parliament for decision making; however, this study is only concerned with the second stage: policy formulation.

It is pertinent to know how the members of the STG interacted and came up with policy proposals. The question is whether the interaction was harmonious, conflictual or strategic. Were decisions influenced by powers from within or without? It could be of scholarly and pragmatic interest to reveal the mechanism of agreement: Was it (a) rule-following, (b) compromise or, (c) consensus.

This study addresses how policy proposals are made in the public arena, with reference to the social security reform process in Uganda. It seeks to understand the process of decision making by analyzing the key actors, and the way they interacted to choose policy options for reforming the sector in question.

The research problem for this study is the way a select group of actors with varying interests and diverse backgrounds establish recommendations for a policy option. The mode of interaction between various actors affects the outcome and the nature of a policy option. In this regard, three processes could be envisaged: a) Institutional, b) Strategic, c) Consensual. These processes may enable us capture patterns through which actors interact, choose, reject and accept policy options.

The critical question is, "how do we analyze the decision making process if we want to reveal the actors involved, their preferences, resources, time and extent of participation?"

1.3 Objectives of the study

The main objective of this study was to map out the decision making process within a policy subsystem. This study seeks to understand how the STG, as a policy network, arrived at its decisions, and what happened during the decision making process, as policies were being formulated.

The specific objectives were:

1) To unravel actors involved in this process of policy formulation. I sought to identify the key actors in the formulation of social security and pension policies, and assess their impact to the decision making process. This was to enable me find the most active and dominant actors, and what made them so. The nature and character of actors determines their bargaining and persuasion abilities in pursuit of their interests as they discuss policy issues.

2) To map out the decision making process in the formulation of Uganda's social security policy. The study intended to come up with a clear description of the decision making process in Uganda. It was important for this study to find out whether the decision making process was sequential or haphazard, radical or incremental in nature.

3) To reveal the patterns of communication during policy formulation. The study is founded on the supposition that while decisions are being made, people are interacting. Interaction patterns of the actors involved in decision making play a significant role in the policy outcomes of the decision making process. It is therefore imperative to establish these interaction patterns, their characteristics, behavior and impact. By establishing these patterns, then I would be able to understand the factors that led actors to a compromise or working agreement.

4) To critically examine the techniques used, and resources mobilized to establish a decision. In order to bargain, negotiate, persuade and get a collective decision, various techniques are employed. This study sought to analyze the various techniques that actors used in order to pursue their interests and come up with agreeable policy options. These techniques help in understanding how people manage to go through negotiations, and bargains, before they come up with a

decision that is binding to all actors concerned. As for resources, knowledge about resource endowment helped in determining whether they had any impact on the decision making process. Understanding the impact helps in appreciating the policy options taken and why those particular policy options were established.

1.4 Research Questions

The central research question was: How did the STG members establish recommendations for a policy option? These specific research questions framed this study.

1) What was the nature of participation of key actors in the STG?

(a) In what ways were STG members participating in formulating the social security and pensions policies?

(b) What was the rate of participation, e.g. frequency of attending meetings?

(c) Who was involved in doing what and why?

2) Why did the actors arrive at specific decisions?

(a) What led actors to adopt particular policy options?

(b) What was the role of external influence (politics, donors, government) to STG?

(c) To what extent did STG leaders and dominant groups influence the decision making process?

3) How did the actors arrive at specific decisions?

(a) How did members of the STG resolve contentious issues? Was it through voting, delegation to committees, general agreement, secret ballot, underhand methods or other means?

(b) Did members of the STG follow the incremental decision making process, or they took the radical and novel decision making style?

(c) Of what influence were the institutional, strategic, and communicative patterns of interaction in the policy formulation process?

(d) Was the decision making process systematic and following a specific plan or was it chaotic, spontaneous and random?

4) What were the actors' preferences? Did their preferences change during the decision making process?

(a) What were the policy interests of the different actors and how did the actors articulate their interests in the STG policy process?

(b) Were the STG members ready to learn from each other and possibly drop some of their preferences in the interest of pensioners?

(c) Why were certain STG members supporting particular views and perceptions and not the alternatives?

5) What were the constraints and opportunities encountered in the policy formulation?

(a) What impact did these constraints have on the policy process and how were the constraints overcome?

(b) Did STG members encounter any opportunities during this policy process?

(c) What lessons did these constraints and opportunities offer to STG members and policy scholars?

1.5 Significance of the Study

A study of actors and policy formulation in the Uganda social security reforms is important for the following reasons:

1.) Understanding patterns of communication, mechanisms of debate, and the basis of agreement, can help reveal the decision making process within a policy subsystem in Uganda's pension policies. This study sought to capture the decision making process, with a view that understanding the decision making process helps us appreciate the type of policies formulated by the relevant bodies.

2.) Appreciating the nature of preference articulation and interest negotiation within the STG may provide a basis upon which other actors in policy formulation may derive strategies. Learning can be by imitation. Therefore, unraveling the underlying interest articulation strategies

within the STG, other policy makers may be able to adopt those methods considered effective and negate those that they find inappropriate to their situation.

3.) Students and researchers of public policy may obtain arguments for, or against their propositions on policy formulation. Policy studies, just like any other discipline, are approached differently, and scholars have different, if not opposing perspectives on various issues. This study attempts to enrich the way in which we perceive policy formulation and decision making.

4.) Public policy practitioners could benefit from the findings by drawing a number of lessons. At the end of this thesis, I have outlined some conclusions and lessons that may be helpful to policy makers and implementers. For example, it is important to know the possible behavior of actors in policy formulation, their interests and how they may advance these interests. This helps in understanding policies and also in suggesting ways of improving on policy formulation.

5.) This study may change prevailing conceptions in Uganda that policy-formulation is based only on leaders imposing their views, thereby extending on existing knowledge about policy formulation. Data supports the view that much as the leaders had influence on the policies formulated; the STG also came up with policies promoted by those that seemed to be in a disadvantaged position. One of the clear issues that emerged from the study is that through the communicative mode of interaction amongst actors, new policies emerged for the general benefit.

1.6 Overview of the methodology

There are various methods one can choose to conduct research. This study followed the qualitative approach and a case study strategy. Data were collected between July and August 2004 in Kampala, Uganda. The main data collection tools were interviews and the examination of records. Because I was studying a process, the main depository of what transpired was in the minds of the people that participated in the exercise, so, in-depth interviews were of great value to meet my research objectives.

1.7 Organization of the thesis

This thesis is made up of seven chapters. Chapter one explains the background to my study, states the research problem, and highlights the research questions and significance of the research. Chapter two analyzes the methodology: it presents the research design and reasons why the qualitative method was preferred. The data collection methods and study limitations are examined, as well as data analysis techniques. The main concepts and how they were measured are highlighted as well. Chapter three surveys literature concerning policy formulation, the interaction of actors and decision analysis. In this chapter the theoretical framework is presented. Chapter four describes a historical account of the social security and pension reform in Uganda. A situational analysis of the current reforms in the social security and pensions sector is also made. The context within which the new policies are being formulated is also highlighted. Chapter five presents findings, focusing more on the policy subsystem and the stage upon which decisions were made. Chapter six presents the way a select group of actors with different interests and backgrounds establish recommendations for a policy option to the social security and pensions sector with reference to the STG. Finally, chapter seven gives the general analysis and suggests a way of understanding how decisions are made during policy formulation. The way forward and future prospects are at the end of the chapter.

1.8 Conclusion

This chapter introduced the central issues of this study, the research questions, why they were chosen, and the research problems. An outline of this thesis has also been provided. The focus of the next chapter is a discussion on how I managed to carry out the study.

CHAPTER TWO

METHODOLOGY

2.0 Introduction

This chapter discusses the research methods employed in this study. It provides justification for particular research approaches and methodologies against others to explore a decision making process in Uganda.

The study of public policy processes is complex. One must reduce complex processes to distinct categories to make sense of reality. The discussion below follows a research process started in January 2004 when the research problem was identified. To understand how policy proposals are made, determine the process of decision making, analyze key actors, and the ways in which they interacted and chose policy options to reform the pension sector, a specific methodology was employed to carry out the research. Data were collected between June and August 2004.

This study sought to understand how the STG worked. This group of 36 people, representing 24 organizations, supported by a secretariat of 11 staff, was responsible for generating policy proposals to reform the pensions sector. To study this process, I underscored patterns of interaction between actors, their preferences, resources, time and extent of communication.

For the theoretical framework, I derived patterns of communication from rationality and conceptual models suggested by Graham Allison and Phillip Zelikow. I also considered Habermasian communicative action literature relevant. Because the research was about a decision, it is pertinent to get as close to the decision making process as possible. Decision making is puzzling even to those most intimately involved. The case study approach was preferred to meet objectives of this research.

2.1 Research design and strategy

2.1.1Qualitative versus quantitative research designs

A research design provides a framework by which a study is conducted. According to Creswell (2003), there are three types of research designs: qualitative, quantitative and mixed methods.

With qualitative designs, the researcher employs different knowledge claims, strategies of inquiry, methods of data collection and analysis. Quantitative designs on the other hand use standardized measures. Varying perspectives fit into a limited number of predetermined responses, to which numbers are assigned. Quantitative designs normally come in the form of surveys and experiments. Generalizations are statistical and become valuable when many variables are in use. They tend to test theory and propositions derived therein. Their strength is that one can be able to capture many responses to a set of questions, and subject them to statistical aggregation. It is easy to make comparisons across cases.

The mixed method overcomes the disadvantages of qualitative and quantitative methods and benefits from the advantages of each. For example the use of qualitative methods helps in understanding phenomena from the respondent's perspective while quantitative methods increase rigor by statistical generalizations and conclusions. This study hence used qualitative methods.

We can understand that qualitative research methods "permit the evaluator (researcher) to study selected issues in-depth and in detail" (Patton 1990:13). This study was exploratory and inductive by focusing on recent pension reforms in Uganda. It called for an in depth study of policy formulation with the most possible exactness. The research sought to unravel key actors involved in the STG policy process, map out the process, and determine patterns of communication and resources mobilized. This study is almost similar to the bottom – up strategy which is based on the premise that policy studies should start with a careful analysis of the actions of those actors who interact at the operational (local) level or those affected by and involved in the policy process. It focuses on the activities of the lower level actors, and their disposition. This approach, its proponents argue, allows policy analysis to focus on the strategies pursued by actors in the

realization of their objectives (Thomas et al 1990, Van Meter and Horn, 1975). Therefore, there was need for flexibility in dealing with varied actors and documents familiar with operations of the STG. Such mapping requires a more qualitative approach in order to understand and analyze a complex process of policy formulation.

The major advantage of qualitative studies was that they enabled me to study this decision making process deeply. Data collected from a variety of stakeholders and sources enabled me attain a deeper understanding of the policy subsystem and the context within which members of the STG operated. I let actors involved with the process tell their story. Open-ended interviews gave me the opportunity to probe relations between actors and how they advanced their preferences.

More so it is flexible. Interviews allowed me study specific issues in detail. For example I understood who the key actors were and why they were considered so. Clues were followed until I felt convinced that all possible questions concerning emerging issues were answered. New insights developed and some questions changed as the investigation progressed.

Secondly, I studied the STG from its natural setting. Issues of the STG were still fresh in the minds of respondents. Some members of the STG were still very active with STG activities at the time of the research. It has been suggested that qualitative designs may be problematic because of having a limited sample (Yin 2003). However, in my case I was studying a specific phenomenon to which few people were knowledgeable, therefore, my research relied heavily on the qualitative design to meet its objectives.

I opted for a qualitative research design because it is situation specific. Participants described how they decided on policy proposals and explained the means of interaction amongst themselves. Their explanations helped me get data on the nature of interactions. These descriptions generated significant knowledge and insight. Data patterns and emerging trends were captured, enriching the understanding of policy formulation. The ambition of the research work was not to test theory but to add meaning to existing knowledge, which calls for a qualitative research.

Examining decision making involves a plethora of variables such as time, resources, level of participation, preferences of actors, basis of agreement, problem, information and context. Relations between these variables could best be explored through descriptive data from respondents. The data were coded to get general patterns because all respondents had opportunity to answer the questions. In the final analysis, it was found that the qualitative design was the most suitable for this study.

2.2 Research strategy

Research strategy is the practical guide followed to execute a research project.

2.2.1Case Study

This investigation took the form of a case study. A case study is, "an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundary between phenomenon and context are not clearly evident" (Yin: 2003:13).

Analysing decision making during policy formulation is contemporary because the STG was formed in 2003. It is also the first of its kind in reforming the public sector in Uganda. Usually policy reforms are done by either consultants or bureaucrats. Having various stakeholders appointed by government sit together and propose policy options is not a common practice in Uganda. It is impossible to control and or manipulate the behaviour of actors and the decision making process, rendering a case study very appropriate.

Furthermore, the case study was chosen because of its holistic approach. In order to understand what really happened and the way in which it did, I found the case study approach more appropriate. My research sought to find the underpinning complexities that led to a decision being made. How were contentious issues resolved? How did people interact? Why were some ideas promoted and discussed while others were demoted and ignored? In order to get hold of this process, to link facts and concepts, reality and hypothesis, a case study was more suitable.

Case study strategy is appropriate for exploratory studies in order to get insight into a previously unresearched area (Bryman, 1989:174). I consider this study exploratory, though it has descriptive and explanatory tendencies. It is not that neither decision making, policy formulation nor pension reforms have not been studied; studies concerning how a select group of actors drawn from the private and public sectors interact to make decisions for a policy reform in Uganda are limited. I, therefore, categorise this study as unique and deserving of a single case study strategy.

This study focuses on the "how" and "why" questions which permit the use of case study. How were the actors interacting? How did they reach a conclusion? Why did they accept particular options? How did they agree on particular issues and why? These questions and variables could best be explored by examining evidence from documents, questionnaires, and systematic interviews.

2.2.2 Selection of case (unit of analysis)

Case studies are particularly useful when one is interested in having a deep understanding of an issue, organisation or phenomena (Yin, 2003). Here the case was the decision making process within the STG.

The unit of analysis was the STG, which is a policy formulation unit composed of 36 members representing 24 organizations (refer to appendix 2). It is supported by a secretariat of 11 staff. (See appendix 3). I selected the STG because I sought to understand how a group of people worked within a specific time to establish policy proposals.

Because the STG existed exclusively to make policy proposals, it suited my study well. I became even more interested because its business was merely concerned with making decisions. Still, they had a deadline, so their work would be easily captured, since other responsibilities akin to organizations were beyond their ambit. So, the basic criterion was the purpose for which the STG was formed.

I also gave specific attention to the NSSF and the Pensions Department, for informed reports and documents. The selection was influenced by several factors. First, I have worked with the NSSF for over five years. This experience gave me valuable insights and easy access to data sources.

Second, data from the NSSF and Pensions Department augmented information from other sources. The NSSF and the Pensions Department (Ministry of Public Service) are amongst the 24 organizations that constitute the STG. Of the 24 organizations, only these two are currently engaged in social security and pension's provision.

Lastly, because of the time allocated for field work, and the financial resources involved, it was reasonable to consider these organizations since they are located in the same city, institutionalized, central in these reforms, public institutions, members of the STG and current providers of social security and pension in Uganda.

2.2.3 Working concepts and their measurement

While carrying out research, one must develop concepts to measure and operationalize the study. Concepts are usually our reflection on social phenomena. Bryman (1989:35) notes that sometimes concepts are embedded in hypotheses formulated on the basis of theoretical reflection or derive from reviews of literature in a particular domain.

In order to develop an analytical framework, I developed three hypotheses. These hypotheses followed literature on rationality, human behavior and decision making. I assumed that in order to understand how decisions are made, one has to consider the interaction of actors. Further more, the way people interact determines a decision's outcome. I developed three patterns of communication which are closely related to the forms of rationality, and because of these, hypotheses mentioned in Chapter three (*see 3.11*) were formulated. These hypotheses had to be operationalized. In order to question people about their own behavior possibly that of others, and their attitudes to and perceptions of various aspects (Bryman 1989:36), I had to establish indicators that stood for concepts in question. As such an analytical framework was developed. (*See section 3*.11).

Variables can be dependent or independent, intermediary or mediating. I prefer to look at the dependent and independent variables. Dependent variables are those which the researcher is trying to explain, and independent variables cause a change in the dependent variable (Nachmias and Nachmias, 1996:56-59).

The dependent variable is policy formulation. In this study policy formulation refers to the process of defining, considering, accepting or rejecting policy options. It is a decision-making process. A decision is a process of evaluating possible alternatives and selecting the most likely to accomplish the task ahead. It involves reasoning, negotiating, lobbying, planning and judgment.

The independent variables are actors, level of participation of actors, preferences of the actors, basis of agreement amongst the actors, time, a problem, information, context, resources, preferences, and technology.

2.3 Methods of data collection

2.3.1Sampling

A sample is a group of respondents who represent the population of interest. In a purposive sample, I used respondents selected according to a specific criterion (Patton, 1990). Though my population was small, comprising only 47 respondents, I needed to get relevant information**.**

The sample of respondents was selected on the basis of the following criteria;

1) Consistency in attending meetings as reflected in the attendance register. I analyzed the attendance register and ranked the members of the STG. Those who appeared in the register to have attended the highest number of meetings were given priority, and therefore came first. Then those who appeared to have attended meetings the least number of times were given less priority. Consequently, a list was generated starting with the member with the highest frequency in terms of meetings attended and ending with the STG member with the lowest number of meetings

attended. The rationale for this criterion was that in order to get well informed responses, there is need to have respondents who have attended most of the STG meetings in this study.

2) Participation in activities and contributions during debates as per the minutes. I studied minutes, memoranda, opinion papers, e-mails, STG documents and workshop reports to get STG members who were most active. Following a review of these documents, I gathered more information from one of the STG members and chose members who were in my view very active in the study. This criterion was based on the assumption that active members were also interested in the policy formulation process and had a variety of opinions to satisfy my research questions.

3) Exhibition of knowledge about the issues under debate. In order to have quality from the quantity of respondents generated from criterion two above, I critically analyzed some of the documents that could give me an idea on the perceptions of these respondents. I therefore studied written memoranda, and ensured that members on the STG from the pensions and social security sector were on my list of respondents. For example, I had to include amongst my respondents individuals from the NSSF, SIMS, Bank of Uganda, the Ministry of Gender Labour, and Social Development, the Ministry of Finance, Planning and Economic Development, and the Ministry of Public Service.

4) Sector representation. Given that the STG was composed of different members drawn from various organizations, I was interested in having respondents who would give me information from the different areas of interest as far as the social security and pension reform was concerned. Therefore, a conscious effort was made to have at least three quarters of the 36 members, representing 24 organizations on the STG, participate in this study.

Basing on the above mentioned criteria, respondents were ranked, beginning with the one considered most resourceful and ending with the one I considered least resourceful. I contacted 45 potential respondents, and out of these, a total of 31 respondents were interviewed. This choice was based on those respondents who would be well informed about social security policy reforms.

2.3.2 Data sources

Primary data were collected on the basis of interviews. I contacted potential respondents in advance via telephone and electronic-mail. I sent out five requests at a time. Sending a few requests at a time helped me schedule interview appointments. I gave copies of the questionnaire, interview schedule, and proposal to most potential respondents before the interview to develop rapport and reduce speculation on intentions of the study.

I conducted in-depth interviews with most of the respondents. Those who could not provide time for a conversation were given open-ended and semi structured questions, and their responses were collected later. This strategy was designed to get information from actors in their own words.

The interviews were a very useful tool since policy options had already been made; the process was better stored in the minds of those people who participated in the STG, than anybody else. There was concern that information would be either distorted or forgotten. I ensured that distortion was minimized by having a variety of interviews. It is also unlikely that interviewees had forgotten the decision making process since the STG had just finished its work. Therefore most of the pertinent information sought was captured. I am convinced that most of what was gathered actually happened, though not all that took place was captured.

In addition, some issues which I had not initially conceived emerged during the interviews. These emergent issues were followed up without changing the original intention of the study. Participants offered meanings from their own points of view. They represented the reform process from their perspective. I probed some issues, and through explanations some preconceived ideas were contrasted and others collated.

Most interviews were carried out outside the working hours; in the respondents' offices, over lunch or a cup of coffee. Office based interviews were helpful to the extent that respondents would have the opportunity to consult documents or colleagues to refresh their memory. Out of office interviews were advantageous because they allowed me get interviews that could not be

obtained during working hours and to allow more time for interviews. The environment was sometimes relaxed and informal, which may have led respondents to express themselves openly.

To a lesser extent, I made some observations while conducting the study. I visited the STG secretariat and observed the value they attached to documents, and how they responded to actors. Observation confirmed or negated some information obtained through interviews, questionnaires and documents. In April and May 2003, I participated in some STG workshops, where I hatched the idea of studying this process. I also carried out various conversations and informal focus group discussions to follow up on specific issues. For instance, I met with some members of the STG secretariat. Through informal interactions, I sought views from the NSSF staff familiar with STG work on various issues.

Secondary data were gathered from various sources including documents, archival records, and physical artefacts. The use of various techniques helped get broad ideas about actors and aspects of their experiences during the decision making. Upon arrival in Uganda, I read available documents to enable me have insight and a basis for probing. The first week was spent reading the STG's documents on a continuous basis.

I examined the STG's minutes for the period February 2003 – January 2004 (see appendix 6). Other documents were: newspapers, newsletters, memoranda, the NSSF Strategic plan, STG Report, STG working documents, annual reports, reviews, International Social Security Association journals, parliamentary proceedings, seminar reports, NSSF Act, Pensions Act, Uganda Constitution, gazettes/bulletins, consultancy reports, and cabinet papers. From these documents I got significant information on actors, how they were chosen, and their role in deciding policy options. For example telephone contacts of all respondents, and some of the issues they stood for were discovered in the minutes and STG reports. Internet sources were also very instrumental in providing information.

Minutes of 22 STG plenary meetings conducted from February 2003 to January 2004 were reviewed and 17 workshop reports examined. From these documents I was able to find information on contentious issues and how they were resolved. These documents also gave me a

general impression on active participants during STG meetings. Negotiation strategies and ways of arriving at consensus were unearthed as well.

Other records, including organizational charts and budgets, were examined. These provided information on the content of the policy reforms, and financial constraints faced by the STG. Some respondents were generous enough to offer e-mail exchanges and personal or confidential information. This method was generally convenient, helpful and collaborated information gathered from other data sources.

2.3.3 Data analysis

In any scientific study it is appropriate to convert large quantities of data into condensed forms, facilitating easy interpretation and understanding by other readers. Hence, after data collection, I edited, coded, and analyzed findings. Data analysis is where the researcher continually reflects on collected data, moving deeper to understanding and representing the data, and deriving an interpretation of the larger meaning of the data (Creswell 2003:190).

The data collected were transcribed into texts to ease the data analysis process. I then coded it into analytical units. With reference to patterns of communication, time, actors, level of participation of actors, actors' preferences, basis of agreement, information, context, resources, preferences, and technology, as a basis of classification. Responses were classified according to institutional, strategic and communicative decision making modes of interaction. Some of the codes were pre-determined while others developed during data analysis.

Key responses were enumerated and thematic patterns mapped. A relationship between data and variables was established by interpreting statements, and literary criticism of documents. Results are presented through narrative text, simple computations and logical reasoning.

The research questions were answered by analyzing data from the various sources. A decision making process is better explained through analytical rather than statistical generalizations. Data collected from the field is presented through descriptions and analysis.

2.4 Limitations and challenges

Collecting data in Uganda as in any other developing country may be a daunting task. While carrying out this study, I faced some challenges and limitations as elaborated below.

Access to bureaucrats is always a difficult part of field study. In my case, the respondents were largely middle and high level bureaucrats; therefore, I had a serious problem in accessing them. For example, even though the Bank of Uganda was an important member of the STG it was impossible to get responses from its staff on the STG. They were either on leave, busy or out of the country on official duty. As such, their contribution is absent in this study.

The second limitation was the reluctance of some participants to respond. They considered that the STG process is finished, and a matter of the past. They could not appreciate why somebody was interested in the STG work, since other steps remained ahead to have these proposed policies go to the national assembly for legislation. In addition, some officials had relinquished their posts and others had false suspicion on the intention of the study. Suspicion was due to the fact that there was conflicting views within the STG. Concern was expressed that the NSSF was a clear interested member of the STG. The debate within the STG had almost divided the STG into groups, one for and another against key recommendations. I was, at times, associated with one of these potential groups, due to my past service with NSSF. Despite this shortcoming, I was able to conduct successful interviews.

Another limitation was time. The time for data collection was limited to have certain observations made and respondents met. Almost all the potential respondents are highly placed officials with tight schedules. It is interesting to note that most respondents were met outside working hours. Those interviewed at their offices provided limited time. Sometimes I would spend an entire day waiting for an interview which had been scheduled for the morning. Other appointments were rescheduled and in extreme cases cancelled. Members of parliament considered other issues of

greater premium than responding to my research queries. This is because the country is witnessing many political debates and activities at the time.[4]

Furthermore, I faced the problem of accessing some documents and literature. In some cases documents were not readily available and considered confidential. For example though the commissioner for compensation in the Ministry of Public Service offered an insightful interview, he kept the recent audit done on the pensions sector. He said it was "confidential", and his office was not in a position to provide any documents.

Despite these shortcomings, I was able to obtain sufficient data for my study. The respondents showed interest in the topic and provided valuable information. I won the confidence of some participants who preferred to conceal particular information at the beginning of the interview, but opened up later, so I could obtain the desired data. Since all the respondents were key stakeholders in the process, it helped me to conduct a satisfactory investigation. The records, especially minutes, memos and electronic mails provided invaluable insight to carry out a thorough investigation.

However, I wish to point out some of the tactics and strategies that may have enabled me carry out a satisfactory study.

- Before traveling to the research site, I contacted some officials within the STG. This enabled me to get informal access to records and a green light to do research with them. In fact, the Managing Director of the NSSF identified two members of his staff as knowledgeable about the STG and advised me to work with them closely. NSSF was also provided me with a facilitated office before starting the research work.

- Political sensitivity: There is a huge debate in Uganda concerning the transformation of political leadership from a single to multiparty system of governance and many people including government officials have diverse views about it. Secondly, the sector under research is also facing many problems, some of which are of a political nature. It was very

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[4] There were several debates concerning transition from a one party system of government to multi- party democracy. This activity had consumed most of the publics time, especially for the politicians.

useful for me to avoid getting entangled in political issues though I was often drawn into them by the respondents.

- In Uganda there is some respect for someone studying abroad. Introducing myself as a student from the University of Bergen helped me a lot. A number of respondents had done studies abroad and intended to identify with me, help me out, or prove to be different. Others were glad to host me. I, for example, traveled to a city an hour away from the capital where my office was because the respondent was interested in hosting me at his home.

This chapter has presented the methodology used in conducting the study and arriving at answers for the research questions posed in chapter one. Qualitative methods guided this study. My research strategy was embedded in the usage of a single case, and most data was collected through interviews and document analysis.

CHAPTER THREE

THEORETICAL FRAMEWORK

3.0 Introduction

This chapter discusses theories and concepts to provide an understanding of decision making within policy formulation. The major purpose of this chapter is to develop a framework for analysis. This framework is based on patterns of communication derived from different forms of rationality. I identify a) institutional decision making, b) strategic or power play decision making and c) consensual decision making processes.

These three processes of decision making are based on three types of rationality: a) contextual, b) Strategic and c) communicative, which affect human behavior (Dallmayr1998; Erickson and Weirgard 1993; Habermas 1996; Scott 2003; Zey 1998).

It is assumed that within the logic of contextual rationality, actors follow a set of rules in policy formulation. Policy options reflect policy objectives. Second, within the logic of strategic rationality, it is also assumed that actors bargain and seek compromises in policy formulation. Policy options reflect particular and narrow interests; certain preferences are achieved and others sacrificed. Third, within the logic of communicative rationality, actors deliberate to arrive at consensus in policy formulation. Policy options reflect a consensual and working agreement.

Therefore, contextual rationality indicates decision making based on institutional rules and standards of procedure, strategic rationality indicates decision making based on give and takes, and communicative rationality indicates consensus oriented decision making. The first two processes are conflict based and the latter is a conflict free approach.

I also analyze models of decision analysis developed by Graham Allison and Philip Zelikow in their book, *Essence of Decision*: *Explaining the Cuban Missile Crisis, (1999).* They advance three models: a) the rational actor model which notes that decision making is a result of

consistent, value maximising choices within specified constraints, b) the organizational behavior model which posits that decisions are organizational output which follow rules and regulations and c) model three says a decision is a political resultant, focusing on actors, politics and procedures by which the actors' competing perceptions are combined.

These concepts are relevant for analyzing the work of the STG in formulating Uganda's pension reform policies. Decision making takes various forms; it could be conflict laden or conflict free, structured or anarchic, democratic or authoritarian, and so on. This study is based on patterns of interaction which, I argue, may influence policy options.

In order to formulate policies, a decision, or series of decisions, have to be made. Put simply, policy formulation is decision making. What exactly is policy formulation?

3.1 Policy Formulation

Policy formulation is a type of decision. So, what is a decision? Here, we discuss the concept of decision.

Meaning of Decision

A decision is a course of action, a position or judgment reached following a game or contest. It is a solution to a problem. Decision making involves human associations, events, and words, leading to, and including any conclusion for a program or policy. A decision results from one of the following; a) identifying relevant goals, b) searching for alternative courses of action, c) evaluating alternatives, or d) selecting the best course of action (Anderson, 1983: 201 and Blankenship, 1968: 107). A decision is choice, goal discovery and avoidance of failures.

In order to understand policy formulation as a decision, we may need to look at the five stages of the policy cycle relating to applied problem solving. Agenda setting is concerned with problem recognition, policy formulation with generation of policy options, decision making with choice of solution, policy implementation with putting solutions into effect and policy evaluation with monitoring results (Howlett and Ramesh: 2003).

Therefore, policy formulation is an occasion where possible solutions to policy problems are explored and proposed for legislation. It is the "process of defining, considering, and accepting or rejecting options" (Jones: 1984, Howlett and Ramesh 2003:143). During the one year that STG met, it proposed to the Ugandan government that there should be policy changes as indicated in box 1.(*see chapter six, section 6.6.1, tables 6.3, 6.4,and 6.5, and appendix 8*) :-

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Box 1.

STG Social security and pension policy proposals

1) Provision of social protection to all Ugandans.

2) Establishment of a competent regulator.

3) Expansion of mandatory coverage for formal employees.

4) Funding of all social security and pensions arrangements.

5) Liberalization of the social security and pensions sector.

6) A mandatory contribution for social protection at 20% for every employee.

7) Voluntary benefits by licensed providers.

8) A national social security number for each Ugandan citizen.

9) A framework incorporating all pension providers and professionals.

10) Tax, legal and economic incentives for domestic savings offered by the Ugandan government.

11) A uniform criteria for accessing social security benefits for all beneficiaries.

12) Provision for mid term benefits.

13) Introduction of a lump sum and annuity arrangement.

14) Regular indexation of benefits.

15) Separate roles between players in the market and checks and balances.

16) Establishment of administrative tribunals and arbitrators.

17) Establishment boards of directors and trustees beyond employers and employees.

18) Provision of investment guidelines for pension fund administrators.

19) Arrangements for HIV/AIDS and other calamities in pension benefits.

20) A reformed and not privatized NSSF.

21) A funded public service pension scheme as the 2nd national provider.

22) Establishment of minimum standards for in-house pension schemes.

23) Legalization and licensing of in house schemes.

24) Extension social protection to the informal sector (STG Report, November 2003: 114 – 129).

These policy options were a result of interaction between ideas and actors. The arena where ideas and actors interact is referred to as a policy subsystem.

3.2 Policy Subsystem

A policy subsystem is the arena where actors in policy formulation interact, negotiate and discuss options meaningfully. It is "the pattern of interactions of participants, or actors, involved in making decisions in a special area of public policy" (Howlett and Ramesh 2003: 52-86, Rhodes 1997:31).

A policy subsystem could be open, closed, resistant, or contested depending on the reception of new actors and new ideas. The focus of this study is "key actors in policy subsystems, what brings them together, how they interact, and what effects their interactions have on policy" (Howlett and Ramesh 2003:149). Key actors, of a policy subsystem, are the relevant units of analysis.

3.3 Actors

An actor can be an individual, a role, a group, a committee, a bureaucracy, a coalition or state. Oran Young says an actor is "any organised entity that is composed of human beings, is not surbodinate to any other world system in effective terms, and participates in power relations with other actors" (Frey, 1985:129). Figure 3.1 shows the possible actors and how they converge to form the policy subsystem.

Figure 3. 1   Actors in a policy subsystem

28
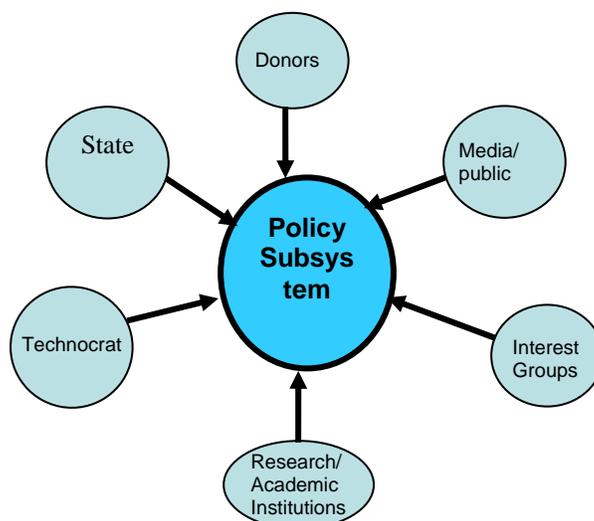
a) *Donors and multilateral organizations*

The International Labour Organization, the World Bank, the International Monetary Fund, and the British Department for International Development (DFID) are at the international level. These donors have knowledge, expertise, money and international exposure as resources at their disposal.

b) *Elected officials*

Elected officials are the cabinet and parliament. Their main resources are state media, control over budgets, and ability to make and amend laws.

c) *Appointed officials* (*Technocrats)*

Technocrats are experts in their fields of practice. They have a reservoir of skills, manpower, knowledge, information, and tenure as their major resource. They are subordinate to the elected officials.

c) *Interest groups*

This category includes organizations with a keen interest in the sector. Their main resource is possession of specific knowledge. They have formal rights to participate in policy formulation. These actors may be powerful depending on composition, size, and financial resources.

d) *Academic Institutions and Consultants*

These include consulting firms, Universities, think-tanks, brainstorming symposia and research institutes. They provide analytical and research reports on a consultancy basis. Their biggest resource for influencing others is through objective studies.

e) *Mass media.*

The media links the state and society. Their biggest resource is the capacity to shape public opinion. The media articulates and commands societal interests by promoting some issues and relegating others.

3.4 The dynamics of decision

This section attempts to draw a relationship between actors and how they arrived at decisions. The underlying assumption is that for a decision to take place, people must interact, and the way they interact determines the nature of the decision established. I posit that interaction patterns of the STG members determined the policy options they suggested.

A policy option can be understood by analyzing how it was made. When rules are followed policy formulation may reflect the Uganda government's prime objectives. When generating options, the capabilities and constraints created by standards of procedure are of concern. What constraints do standards of procedure impose on conditions, threats and opportunities in policy formulation?

The second aspect is to look at a decision as a reflection of strategic moves. Here I ask the following questions; who are the actors? What are their resources (knowledge, skills, economic, political)? Whose views and values count in shaping choices and action? What are their preferences? Is their a single powerful actor or dominant coalition in influencing policy options? What factors shape the actors' perceptions, preferred policies, and stand on particular issues? A review of policy recommendations may suggest that decisions result from politics. I analyze how people bargain, negotiate, compromise and agree.

The third aspect of the decision making process pertains to consensus. Was there deliberation? Did actors resolve issues without contention? Did the force of the better argument prevail? The difference between compromise and consensus is that actors give different reasons as to why they adhere to a compromise, and identical reasons as to why they adhere to a consensus. (Habermas: 1996). The nature of policy options recommended by the STG may be reflected through the way in which actors came up with policy options.

3.5 Patterns of interaction between actors in a policy subsystem

This study suggests that patterns of communication within a policy subsystem can be partly explained through rationality. Rationality may be defined as action based on reason, good sense, values, desired ends, openness to argumentation, and an assumption on how we view the world. There are three types of rationality; contextual, strategic and communicative. These forms of rationality inform communication processes especially in the context of decision making (Erickson and Weirgard 1993, Zey: 1998).

Contextual rationality refers to actions that are compatible with norms. We can only know what is rational through situational and normative contexts of action. Contextual rationality is based on rule following. It responds to the question: what is appropriate?

Strategic rationality refers to action oriented towards maximising goals or preferences. It is based on means-ends calculus taking other actors' strategies into consideration. The basis of discussion is threats and promises, and the negotiation strategy is either competition or cooperation. It also exhibits instrumentalism where purposive oriented actions within predictable and stable environments are done. The standard is the degree to which actors choose the best means to achieve some preconceived goals. It is based on calculation and the concern is to solve problems effectively.

Communicative rationality proposes that people coordinate actions through significant symbols and mutually respecting validity claims. People argue in relation to inter subjective standards of truth, rightness and sincerity. Actors reach a consensus and judge reasonable choices through the force of better argument (Eriksen & Weigard, 1993: 8 – 23).

From these forms of rationality, I propose three processes to help understand the nature and structure of interaction between actors and their policy recommendations; a) contextual rationality goes with institutional oriented decision making, b) strategic rationality goes with strategic oriented decision making and c) communicative rationality with consensus oriented decision making. When the institutional process is dominant, decisions reflect context and specific policy objectives. The dominance of strategic processes reflects narrow preferences in policy options. Within the logic of strategic processes, compromises create policy options acceptable to all actors. However, each may lose their original preferences. Finally, consensus produces a well reasoned policy option.

3.6 Institutional decision making (rule- following)

Institutional decision making occurs according to policy objectives and by following rules. Actors adopt organizational value premises as a guide for decisions in the form of rules, procedures, and

routines (Scott 2003:27). This mode of decision making could be explained by contextual rationality.

Contextual logic is concerned with fairness and justice where actions are compatible with norms. Rationality is perceived by relating an action to the situation and normative context. Rules decide the type of participants: who will do what and what kind of resources to be deployed (March and Olsen 2003). Rules are responsible for shaping and modifying actor's interactions. Rules help allocate time and give occasion on how to express dissent. It can be emphasized that the nature of rules determines a decision. Different rules shape decisions differently. The outcome is likely to reflect policy objectives.

In their model two; organizational behavior, Allison and Zelikow argue that decisions are organizational outputs (1999:14). Organizations come up as a response to problems. They are designed to handle specific problems and in order to perform tasks; members have to be well coordinated. Standards of procedure are developed for sectors to do what they ought to do.

With this model, one must ask: Why the STG? We could argue it is an organization. Organizations create capabilities for achieving tasks. Organizational routines, rules and standards of procedure constrain behavior and optimal choice to achieve efficiency. Organizations strive for legitimacy and status. As people within organizations interact, organizations develop a distinct culture that shapes individual behavior. Organizations derive their preferences from within themselves. They are aggregations of interests where problems of cooperation and collective accountability are resolved. Actors have more interest in taken-for-granted–scripts, rules and classifications than in norms and values (Powell and DiMaggio: 1991, Allison and Zelikow, 1999: 155-157).

The organizational behavior model operates within the logic of appropriateness. March and Simon argue that the logic of appropriateness is rule based (1993:8). Rules are followed and roles fulfilled while an individual is taking action. Behavior is driven by rules. Actions are seen as matching of a situation to the demands of a position. Actions are based on what the actor is supposed to do, and the self-awareness of ones role (March and Olsen: 1989). The logic of

appropriateness is contextual; actors emphasize social obligation in a specific situation. Behavior is intentional and action stems from necessity. One relies on intuition rather than calculation to take action. Intuition is informed through training, education, socialization and experience. Choice is based on morality and obligation.

The STG members may have maintained consistency between behavior and a conception of self in their roles. The STG provided an opportunity for actors to execute standards of procedure, fulfill role expectations, satisfy commitments, and define virtue and truth. Within the STG, I expect that identities are formed, situations classified and rules applied (March and Olsen, 1976: 10 -12).

Actors within the STG, as part of a structure, developed the ability to conform to prevailing rules and inter- organizational influences. Interest groups emerged and fostered cliques or other interactions responsible for informal structures and new power centers. Organizations relate to the environment geographically and also with the sector involved. Based on Allison and Zelikows' organizational model, some questions may be asked: 1) what is the STG? 2) What capabilities and constraints do existing standards of procedure create when producing information about conditions, threats and opportunities? 3) What capabilities and constraints do existing standards of procedure create in generating social security policies? 4) What are the capabilities and constraints for implementing the STG's recommendations? (1999:157).

In order for a decision to be rule-following, the actors require an identity to make collective decisions. The ultimate situation is to create a "we" feeling. Membership is based on shared values. Did members of the STG see themselves as such? Did the STG have clear rights, rules and standards of procedure? Were procedures agreeable to all concerned? It is fair to suggest that the pension reform policy options will be fitting into the STG terms of reference.

3.7 Strategic oriented decision making (power play)

This process is characterized by division of labor, threats, sanctions and rewards. This process may be partly explained by instrumental rationality which denotes that actions are purpose

oriented. Actors choose options by evaluating likely consequences for what they stand for. Seymour Martin Lipset et al claim that decisions result from calculations designed to maximize given preferences (March and Olsen (2003), Allison and Zelikow (1999:17), Archibald (1966)). Decision making is a narrow interest gaining process. The STG could be viewed as a composition of groups pursuing particular interests. Each group attempts to impose its preferences though none determines the final goal (Scott 2003:296).

Allison's models one, the rational actor, and three, organizational behavior, enrich this line of reasoning. The major strength of model one is its explanatory power. It works on four main concepts, a) Goals and objectives, b) Alternatives, c) Consequences and d) Choice.

Goals and objectives: An actor translates interests and values into preferences, ranking all possible consequences in terms of values and objectives.

Alternatives: The actor chooses from a set of alternative courses of action, where each preference is clearly different from the other.

Consequences: Every alternative has a consequence as long as it is pursued.

Choice: Choice means selecting an alternative whose consequence gives the highest reward.

Decisions are driven by preferences and expectations about consequences. Behavior is willful, reflecting an attempt to make outcomes fulfill subjective desires, to the extent possible. The actor chooses among alternatives by evaluating their likely consequences for personal or collective objectives, conscious that other actors are doing likewise. Action and outcomes are products by rational calculating behavior designed to maximize a given set of preferences. Decision makers are motivated to act according to the consequences of their actions. Key questions an actor asks him/herself are: What are my alternatives? What are my values? What are the consequences of alternatives to my values? In the final analysis an actor chooses alternatives with the best consequences. (March and Olsen 1989:23)

In order to understand how the STG came up with policy options, Allison's (1999) rational actor model enables us to present the following questions: 1) what are the objectives or perceived circumstances considered threats or opportunities to the STG? 2) What are the goals of the STG? 3) What are the options for addressing the social security and pension reform? 4) What are the costs and benefits of policy options? 5) What is the best choice given the conditions? 6) who were the key actors in the STG?

The second aspect of the strategic oriented decision making is based on bargaining and negotiation. To bargain is to negotiate over the terms of an agreement or contract. It involves having other actors come to terms with one's point of view. Compromise may be a strategy to settle differences by consent through mutual concessions. It involves horse – trading to overcome conflict and struggle. It involves power. It is politics.

The typical outcome of bargaining is a compromise. Compromise is established by giving and taking. None of the parties get exactly what they want, but each regards the result as better than no agreement. How much the various actors have to deviate from their opening position depends on the strength of their bargaining power (Eriksen and Weigard, 1993: 4, Rintala, 1969: 326-332).

According to Allison's third conceptual model, governmental politics, an actor pursues a single strategic issue. Decisions result from interactions of competing preferences and bargaining games. These games include coalition building, actions and speeches. Actors play according to various conceptions of national, organizational, and personal goals. Decisions do not follow single choice but haggling (Allison and Zelikow 1999: 255, Neustadt 1990).

For one to clearly explain why the STG established specific policy recommendations, it is of great value to identify games and players, coalitions, bargains and compromises, and convey some feel of the confusion within their deliberations. The STG members had specific preferences that determined priorities, perceptions, and positions. Action channels and not peoples' positions matter. Processes and action channels must be tailor made, not straight jacketed. The decision maker is the principal. The actor engages agents to assist in making decisions. In theory, agents

are mechanical instruments of the principal performing a desired function. The paradox is that agents may have interests and preferences different from those of the principal (George: 1980, Allison and Zelikow: 1999).

Decisions are affected by the way in which they are framed and put on the agenda, by the nature of actors, and their numerical strength. Actors possess preconceived ideas based on their mother organizations. Mother organizations have clear tasks, missions and preferences (Allison and Zelikow 1999: 282, and Janis, 1982). To function, the STG had a common understanding of why it was assembled, an agenda, and policy choices.

However, despite the agreement on the agenda and policy choices, conflicts emerge and cannot be ignored. Symptoms of conflicts may include vacillation, feelings of uncertainty, and emotional stress. Stressed actors resort to defensive avoidance by exaggerating favorable consequences, downplaying unfavorable consequences, and denying uneasy feelings (Allison and Zelikow, 1999: 283-285). So, who were the key actors on the STG? What factors shaped STG members' perceptions? What factors were significant for each member on the STG? Were STG deliberations characterised by threats and promises? Did actors have acceptable alternatives to the negotiated outcome?

3.8 Consensus oriented decision making

In the third process an agreement is reached through consensus. Consensus denotes free discussion, purposeful deliberation, discourse, as within the logic of communicative rationality.

Buzan Barry claims that consensus based decision making means consent that does not involve recourse to voting (1981: 236). Consensus is a process for group decision-making. It is a method by which ideas of an entire group are collected and synthesized to establish an acceptable decision. Collective ownership of a decision and trust, are promoted as a better solution is sought. Some claim that the ideal outcome of a decision process is consensus, where one or more actors are convinced by an argument or mutually adjust to each others views in order to reach an

agreement. The agreement based on factual conditions about what is the truth or a normative agreement on the rightness of a certain stand point or policy (Eriksen and Weirgard, 1993:10-11). Decisions are based on arguing. Arguing, which dominates communicative action is diametrically opposed to power based interaction patterns that dominate strategic action. In a pure bargaining process, power is the only asset that matters. Bargaining is the device that exchange signals about power resources available to participants. Agreement is established as a compromise, dependant on external conditions of a bargaining situation (Gehring 2003: 71, Eriksen and Weirgard 1993:11).

Communicative action is affected exclusively by speech. A communicative utterance is true by corresponding to a state of affairs in the objective world; it is right by appealing to legitimate norms in society; and it is sincere by accurately representing the inner state of a speakers' subjective world. The only way to find reasonable solutions to practical questions is through a free discussion among concerned actors without force, so that the better argument prevails. An argument must be subjected to public scrutiny and an actor must be able to apply a norm as equal to him as to others (Eriksen and Weirgard, 1993:9, Milfrid: 2003). The STG members must be able to represent their interests appropriately. All actors in the STG plenary sessions must have opportunity to speak and be heard. There should be no form of discrimination about who should talk and who should not talk, or about who should be listened to and who should not.

Gehring notes that for a speech act to be effective, it must have valid contents, and provide reasons to support a claim (2003: 73). Convincing reasons replace sanctions that accompany strategic action. Rationality in communicative action denotes the provision of convincing reasons for ones claims, and not the best pursuit of ones preferences. Claims must be subjected to public scrutiny and the actor must be able to defend his choice against criticism. Conflicting validity claims are resolved through the creation of a common conviction based on reason. This process of allowing collective judgment is discourse. In a discourse, actors agree on the criterion for judging conflicting validity claims and engage each other until at least one party changes his/her original position to achieve consensus. Within a discourse, the power to convince others relies immediately on the free compulsion of the better argument (Gehring 2003: 74).

However, in itself, discourse does not validate claims. The driving force of communicative action is to convince others on the basis of reasons, and not threats or sanctions. It is also not concerned with power and its dispensation. Therefore by applying communicative rationality, actors obtain a standard based on common interest and not individual preferences. Individuals represent various interests in the social security and pensions sectors have to be involved in the decision making process.

A variety of actors ought to have sufficient information on pensions/social security. Information should be shared, available to all and sufficient to make reasonable presentations. The STG's deliberations must be carried out according to good reasons for better arguments to prevail. Whatever issues actors raise should be scrutinized and assumptions critically investigated. Actors must speak sincerely and honestly; and ought to be in a legitimate position to do so; they ought to speak comprehensibly and factually. Finally, the STG should seek consensus. Policy recommendations will be consensual to the degree that these conditions are met. The closer actors are to meeting these conditions, the more likely communicative action is achieved. An attempt to approximate deliberations to a communicative process helps ensure that policy options take into account important knowledge and perspectives.

While formulating policies, these patterns lead to recommendations that could be broadly categorized into two; incremental and radical policy decisions. Incremental policy decisions result from actors establishing decisions that are close to the existing and past policies to reduce risk. On the other hand, radical decisions are new and novel. It is therefore imperative to analyze how the three patterns of interaction relate to incremental and radical decision making.

3.9 Incremental and novel decisions

3.9.1 Incremental decisions

To be incremental, suggests adding a little to the existing /past decision or adjusting the previous made decision. This implies that the amount of change involved is low. The new policy will not have a fundamental departure from the previous one. Second, the level of available knowledge

and information is equally low. Howlett and Ramesh argue that "Decisions thus arrived at are usually only marginally different from those that exist, thus, changes from the status quo in decision-making are incremental" (2003:171). Incremental decisions are characterized by small-scale and less risky policy options because the constraints on decision makers are high.

The instrumentalism perspective claims that decision making is determined by time. Previously made decisions are crucial determinants of present policies. Incremental decisions work on the logic that the future is a linear function of the past. This means that policies are heavily constrained by past commitments. In addition, policy making is understood as the application of rules and standards of procedure which are hoped to reduce complexity, calculation and uncertainty (Lane, 1993:73).

Within incremental decision making, actors continually build out from the current situation by small degrees. Lindblom suggests that there are two reasons why decisions are incremental; a) It is easier to continue the existing pattern of distribution, rather than impute new values through bargaining. b) The standard operating procedures tend to promote the continuation of existing practices.

Incremental decisions are criticized for lacking goal orientation because they "have us cross and recross intersections without knowing where we are going" (Forester 1984: 23). Still, conservative ideas emerge because of the restraint to have new ideas. Further, it promotes undemocratic practices by confining decision making to a small group of people. Lastly, it focuses on short –sighted decisions that can be of negative consequences to society in the long run (Howlet and Ramesh 2003:172).

However, despite the above mentioned short comings, incremental decisions exist and policies may reflect these tendencies. It is our concern to find out which STG policies were incremental, and from what communication patterns did they come from.

3.9.2 Novel decisions

On the other hand, novel decisions may be referred to as radical or revolutionary. Braybrooke and Lindblom (1963) argue that with revolutionary decisions, there is a high level of available knowledge. This means that actors have a lot of information concerning the subject matter and are therefore not prisoners of the past as is the case in incremental decisions. Second, the level of change the policy selected from earlier policies is high. New policy options are radically different from the old ones. They may not even have traces of the old and existing policies.

Novel decisions are characterized by new options and major changes. Because of low constraints there is a high chance of having large-scale, high risk policy options. One may therefore ask: So what would a novel decision-making process look like? To begin with, novel decisions emphasize cooperation and not competition. Policy actors use competition not to win or dominate; but rather, to generate the best policy option that is agreed upon by all the actors involved in the formulation of a specific policy. In addition, cooperation recognizes that it is not necessary to attack another's efforts in order to do your best. Within group interactions, such as the STG, cooperation allows the group's best to be better than the sum of its parts. Novel decisions may enable to cope with future challenges. It creates standards on issues on how to do things when such actions are unavailable. In other words, it creates the future.

While taking novel decisions, actors seek to understand another's point of view. By appreciating each others points of view and focusing on the common good, a new perspective emerges. This process involves creativity, synthesis, open-mindedness, trust, better communication and understanding. Dominance of ideas and individuals is also minimized through participatory democracy, information sharing, and equal access to power. By having access to power, it means that leaders are accountable, and they share skills and information. As such, any or all of the members can fill any of the leadership roles, and therefore cannot be easily dominated. Dominating attitudes and controlling behavior is not tolerated because actors show respect and expect to be shown respect (Braybrooke and Lindblom: 1963).

Every actor is motivated to do their personal best to reach decisions which are in the best interest of society. Posturing and taking sides is not evident in the decision making process. Conflicts would be seen as an opportunity for growth, expanding people's thinking, sharing new information, and developing new solutions which include everyone's perspectives. The policy subsystem enables actors to participate, conflict is freely expressed, and decisions are established in the best interest of everyone involved.

3.9.3 Interaction patterns and decision types

From the discussion in 3.6 and 3.7, it is argued that institutional decision making may lead to a cluster of policy options reflecting policy objectives, and the strategic decision making may lead to a cluster of policy options reflecting compromised positions. In relation to the novel and incremental decisions, these interaction patterns may seem to lead to incremental decisions.

On the other hand, consensus oriented decision making may lead to working agreements, which are in some cases novel ideas. These policies are radical because and may not reflect any of the past policy decisions.

3.10 Reflections on Independent variables

The present section is devoted to developing the independent variables used in this study i.e.
a) actors and their process of interaction, b) level of participation, c) preferences, d) basis of agreement, e) resources, f) information, g) time, and h) constraints.

3.10.1 Actors and the process of interaction

Actors, as earlier discussed, are individuals and organizations involved in the STG process. They are referred to as stakeholders by the STG. My concern is to examine a decision making process with multiple-actors, where some are more influential than others. Those who are more influential are dominant; they have influence over the rest, are in leadership positions, have more resources,

contribute more during deliberations, and are perceived to be powerful by peers or demonstrate that they can make others adopt their views.

Another way stakeholders influence deliberations is how the agenda and standards of procedure were followed. Within rule oriented decision making processes rules decide the type of participants. The outcome reflects policy objectives. I measure it by looking at the roles of the different actors and how these roles affected the decision and the issues they raised.

I also examine rules of procedure within the STG and how they were followed. The STG terms of reference determined policy outcomes despite people's preferences. Therefore, a match of recommendations with terms of references will show the relationship, and indicate the possibility of rule-following. Rule-following could also be shown by examining the mechanisms through which contentious issues were resolved. For example, did actors follow agreed procedure, or did they go ahead and devise other means of resolving issues without following set and agreed upon procedure.

3.10.2 Level of participation

Participation may be seen as people's involvement in decision-making processes. It includes attending meetings, making written and verbal contributions, voting, creating alliances, bargaining and holding leadership positions. Participation is for the sake of influencing the decision making process and making ones own view known and possibly accepted by others (Driscoll 1978, Pinfield 1986)

Mere presence may not constitute participation. I prefer to measure participation by looking at the attendance rates and contributions made by actors. In addition, peers were asked to explain how they found the level of participation of fellow actors, and the reasons to support their answers. I mainly use these responses to understand the level of participation within the STG.

Scholars such as Barber (1984) and Pateman (1970) have noted that participation builds psychological attachment to decisions taken and the institutions where these decisions are made.

It further inculcates in the minds of the decision makers a high level of compliance to the set rules and fosters dedication to the institution responsible for handling the decision making process in question.

Actors influence decisions to suit their interest or interests of their constituencies, through participation. Hildyard et al (2001) have suggested that participation may be an occasion where the more powerful get an opportunity to exert their influence, and leads to the maintenance of exploitation and exclusion.

Although it has been claimed that participation promotes the powerful, as far as influence is concerned, Karvonen and Selle stress (1995: 29)   that participation 'is, if nothing else, a necessary prerequisite to influencing public policy'. Therefore the power of participation can not be undermined.

3.10.3 Actors' preferences and basis of agreement

When people are faced with choices, they usually rank them by giving advantages to some issues over others. This process of giving advantages to certain issues over others is what may be referred to as ranking of preferences. In the context of the STG, actors were representing specific sectors and ideas. The basis of agreement in the STG refers to the way contentious issues were resolved. I assume that if the contentious issues were resolved by general agreement and acceptance of task team reports following deep and sincere deliberations, then there is a likelihood of a *consensus*. Secondly, if the basis of agreement was voting, secret ballot, alliance formation after negotiation, horse trading and bargaining, then the contentious issues were likely to be resolved through *compromise*. Thirdly if the issues were resolved through sticking to the agreed procedure of having the task teams make the propositions to be endorsed by the plenary, then it is likely to be *rule following*.

3.10.4 Resources

Resources may be financial, managerial, technical or political. By financial I mean that some of the actors brought financial resources with them to the STG, and the possession of money, or the funding of STG activities could have influenced the decision making process. Others may have provided managerial resources. For example, this could be looked at from the way the NSSF facilitated the STG.

The NSSF provided office space and staff for the STG secretariat. This positioning could have had an influence on the decision making process. There is also the issue of technical resources. Pensions are not an easily understood subject. Therefore the legal and financial experts had privileged knowledge that could have been an advantage over their colleagues. Also, members of the NSSF and pensions department were familiar with the business and had an offhand understanding of the dynamics of social security. The possession of knowledge could have been a source of power and therefore influence.

3.10.5 Information

It has been always stated that information is power. Martha and March (1981) noted that at times information gathering in organizations ends up a highly symbolic gesture as it craves for more and more information. Pfeffer and Salncik (1978) look at organizations as information systems which process symbols, make sense of data and interpret a variety of information to achieve set goals. It is interesting to find out whether STG actors had information on pensions/social security. In case they had the information, was it sufficient? Was it available to all? Was it utilized? How? A positive response to these questions may show that at least information was shared and information asymmetry was not used as a weapon against others. Conversely, one may argue that some actors had monopoly over information which gave them an advantageous position over others. Communication networks have to be restricted through a centralized communication system. This is to ensure that communication channels are clear and have a central point of control. Otherwise, if this is not done and communication channels are not systematic,

organizations find themselves in chaos and disorganization. (Katz and Kahn, cited in Scott: 2003).

In a policy process therefore, information has to be complete, accessible and comprehensible in order for meaningful decisions to be taken (Howlett and Ramesh 2003).

3.10.6 Time

Time may be bound or plentiful. Time may also be seen as sequential or synchronic. Depending on how the STG members saw it, time reflects the decision they make. For example, do they agree because they are in a hurry, or because they do not want to 'waste more time'? Are the actors available to take the decisions, or are they comfortable with delegating to others? Do they see the STG decision making process as a sequence of events or the decision making process as a fusion of the past, present and future? Our understanding is that in order for a decision to take place, actors ought to accord time to a decision making process. Decision makers' concept of time and its management has a bearing on judgment and decision making (Trompenaars 1996:109).

According to Howlet and Ramesh, in the ideal situation, there should be no urgency for the decision to be made. Time must be infinitely available to decision makers to consider all possible contingencies and their present and anticipated consequences (2003).

3.10.7 Setting

The setting could be single and closed, where by there are few actors and entry is highly restricted. This also means that external influence is minimized. Here it means that it is very difficult for new members to be accepted to participate in the policy community or decision making body. Second, such a setting has little regard to new ideas, and therefore focuses more on what is already their in terms of human resources and ideas.

However, on the other hand, the setting could be multiple and open. By being multiple and open, it means that it welcomes influences of other policy actors other than the ones involved in the relevant subsystem. In here, the actors may allow ideas from outside themselves to be incorporated within their debate as long as it is relevant. By doing so, they are not only being inclusive, but also opening up themselves to possible influence from those outside the subsystem. The influence may either strengthen or weaken the decisions they are coming up with. In addition, this policy subsystem has the ability to allow the entry of new actors who may be considered important to the issues at hand. They may include stakeholders who had not been conceived prior to the formation of the policy subsystem. Their entry may energize the policy unit, and strengthen it, or increase conflict and reduce chances of reaching a consensus.

Forester suggests that in order for decision making to take place, the setting, among other issues ought to be right. He argues that the organizational setting for the decision has to be very simple. By simple, he means that actors should be restricted to members of the relevant policy subsystem, since in order to participate, especially during policy formulation, one needs minimum knowledge in the subject area on the feasibility of options suggested to resolve the policy problem (cited in Howlett and Ramesh 2003:180).

These factors may affect and constrain decision making in various ways. In the final analysis, we may conclude that in situations of high constraints, it is rare for policy makers to adopt large-scale, high-risk policy options. They therefore establish incremental decisions. To the contrary, when constraints are low, actors may adopt new policy options with major changes from the existing policies. They therefore establish novel decisions.

3.11 Hypotheses

An analysis of these concepts and theories led to the following hypotheses:

1. *If actors follow rules in the decision making procedure, policy options reflect policy objectives.*

2. *If actors follow strategic decision making procedures, policy options reflect compromise.*

3. *If actors follow communicative decision making procedures, policy options reflect a consensual and working agreement.*

4. Rule-following and strategic decision making procedures generate policy options reflecting policy objectives and compromise, which are incremental decisions.

5. Communicative decision making   procedures generate policy options reflecting consensus, which are radical and novel decisions.

3.12 The analytical framework

Figure 3.2 in this section shows the relationship between these three modes of interaction and their effect on policy outcomes. The figure further illustrates the type of decisions that the three patterns eventually generate; they may either be incremental decisions or radical decisions in nature. It is proposed that a) institutional decision making leads to a cluster of policy options reflecting policy objectives, b) strategic decision making leads to a cluster of policy options reflecting compromised positions, and c) consensus oriented decision making leads to working agreements, which are in some cases novel ideas[5]. These three policy option clusters converge into the comprehensive pension reform policy proposals, thereby reflecting the three tendencies in the policy outcome.

However, the analysis goes further to classify the comprehensive policy reforms into two broad categories, incremental versus radical. This thesis works on the premise that policy options reflect policy objectives which are a result of institutional decision making, and policy options reflecting compromised positions which are a product of strategic decision making may lead to the broad category of policies that are incremental. On the other hand, consensus oriented decision making may lead to working agreements, which are in some cases novel ideas. These policy options may consequently lead to the broad category of policy options that are radical in nature. This means that they are more likely to be new and revolutionary, independent, and not necessary opposed to the old and existing policy options.

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[5] In this thesis, I argue that patterns of interaction are not mutually exclusive. However, at a given time during the policy formulation stage, either the institutional, strategic, or consensual pattern of interaction is dominant. Therefore, there is no point that can be referred to as purely institutional, strategic or consensual. In other words, generating policy options may entail having one pattern of interaction dominate the decision making process at a given time. However, the final comprehensive policy recommendations result from a mixture of all the patterns of interaction in various proportions.

The above scenario is illustrated in the diagram below. Figure two shows that during the policy process, there is interplay of various factors. This interplay emerges into three patterns of communication, i.e. institutional, strategic and communicative, which are responsible for particular policy options. And finally, these policy options fall into two broad categories as either incremental or novel policies.

Figure 3. 2   Relationship between Policy formulation and actor's interaction patterns

The Policy Process It is the interaction and relationship between actors and independent variables:- -Actors -Actors participation level -Actors' preferences -The basis of agreement -Actors' resources -Time -Information -Setting -Constraints -Techniques of advancing preferences	Policy Outcomes (STG Pension Policy Reform Proposals) a) Policy options reflecting objectives of the reform b) Policy options reflecting compromise amongst the actors c) Policy options reflecting consensus amongst the actors	Policy options i) *Incremental policy options*; they includes policy options reflecting objectives and those reflecting compromise among actors. (a and b) ii) *Novel/radical policy options;* these include policy options reflecting consensus amongst the actors. (c).
Box one	**Box two**	**Box three**

Source: Personal notes

In box one are factors that are necessary conditions for a decision to take place. The arrow represents the independent variable affecting policy outcomes into three forms of interaction that may emerge from the interplay of variables; a) institutional, b) strategic and c) consensus. Within box two, there are policy outcomes which are the STG pension policy reform proposals. The top one, stands for the a) institutional mode of interaction amongst the STG members which leads to a cluster of policy options that reflect policy objectives: The middle one, stands for the b) strategic mode of decision making which leads to a cluster of policy options that reflect compromised positions, and the bottom one, stands for the c) consensus oriented decision making which leads to working agreements. The final policy recommendations proposed to government

contains policy options from the three modes of interaction in various proportions, as illustrated on the box two in figure 3.2. Finally, in box three, we find that the policy outcomes can be broadly categorized as incremental or novel depending on their content. Policy outcomes (a) and (b) in box two eventually are categorized as incremental, i.e. (i) in box three. Policy outcomes in (c), box two are categorized as novel in box three i.e. (ii).

3.13 Conclusion

This chapter presented the theoretical framework guiding this thesis. It has been argued that in order to understand a decision process, within the context of policy formulation, an analysis of the relevant actors is requisite. These actors interact within a policy subsystem through institutional, strategic, and communicative modes of interaction. Conceptual models by Allison give more insight into these processes. The institutional proposition is enriched by the second model, organizational behavior; the strategic explanation is enriched by Allison's first and third models, the rational actor and governmental politics respectively; and the communicative model is enriched by Habermasian communicative action and deliberative democracy theories.

Subsequently, these processes lead to decisions that are either incremental or novel. The supposition here is that institutional and strategic modes of interaction lead to incremental decisions and the communicative mode of interaction leads to novel/radical decisions. All these occur because of the relationship between the actors, their participation, preferences, bases of agreement, resources, time, setting, information, constraints and techniques of advancing preferences. In order to understand these processes empirically, the next chapter presents the context within which the STG was formed, developed and concluded its work of formulating Uganda's pension reform policies.

THE OPERATIONAL CONTEXT OF THE SOCIAL SECURITY AND PENSIONS SECTOR STAKEHOLDER TRANSITION GROUP (STG)

4.0 Introduction

This chapter presents the setting within which the STG operated. It gives an outline of the context within which the STG developed and executed its duties. First, I present the global context then the national context of social security and pension reforms. This chapter also summarizes how the STG conducted its work. The STG is part of broad government programmes designed to improve the socio-economic status of Uganda. It had a secretariat to do research and provide relevant information to actors. It formed four task teams to thematically discuss and synthesise information on policy options. Results from task teams were discussed in the plenary and at workshops.

I also highlight some substantive issues which generated heated debated that created a background to arguments in the discussion chapters. Though I present the general picture of the STG operations, the main focus is on the plenary sessions. It was during the plenary sessions deliberations that actors met and developed policy options. The debate that raged within the STG is critical in order to understand the decision making process. Contentious issues included questions like; should we liberalize the sector or not? If it is liberalized, who should do what? Must we regulate? Is there need for other social security arrangements? My basic argument is that in order to reform the sector, decisions had to be made. The way decisions were made determined the policy options the STG came up with.

4.1 The global context

At the international level, social security and pension policies are reforming. This is because policymakers are being criticised about the current social security arrangements. There is also loss of public confidence in pension programs, and beneficiaries are frequently questioning principles underpinning social security and pension arrangements. The reasons behind this phenomenon are numerous and complex, they include; globalisation of national economies,

dominance of market oriented thinking and loss of confidence in the ability of governments to plan for the future (Dalmer Hoskins 2001: 3-6).

In order to overcome the above challenges, some countries have taken significant steps like taking away the monopoly of social security arrangements from the state. Charlotte Roy pointed out that Australia and the United Kingdom have established semi-autonomous agencies to deliver social security directly because, "monopoly is being challenged in many countries by private sector organisations which believe that they can take advantage of their infrastructures and experience to administer social protection at lower costs (Charlotte, 2001:15)." The international community is increasing attention to social security issues in developing countries as part of its preoccupation with poverty reduction (ILO 2000).

4.2 The national context

Over the past decade, the size of Uganda's economy has more than doubled, with an average growth rate of 6% per annum. Real GNP per capita growth has averaged 2.2% since 1985 and over 3.3% since 1990. Uganda ranks as the 3rd fastest growing economy in Africa and 38th of the 168 countries surveyed worldwide. Uganda is being stabilized through rehabilitation of the economy, and implementation of reforms to remove structural distortions in the economy. Uganda is undergoing a number of transformations in order to overcome its economic problems. At the same time, the country is undergoing various political and social transformations. (MFPED, 2000:1-5).

In 1987, the economic recovery program was started to control inflation. Public spending was contained within an overall budget framework designed to restore budget discipline and macroeconomic stability (NORAD 2001: 7). Financial repression ended with liberalization of interest rates which are now market determined. The financial sector has undergone several institutional reforms such as the establishment of the Financial Institutions Act 1993 and the Bank of Uganda Act (MFPED 2000: 4).

Within this framework of reforms the pensions and social security become involved. The Uganda government's plan is to increase capital and liberalize the pension sector, hence unlocking a major source of long-term capital for the domestic financial market. The NSSF, a defined contribution pension scheme, has an asset base of roughly $ 260.4 million, equivalent to 10% of the total assets of commercial banks. It invests mainly in short-term government securities and property, depriving the private sector of a vital source of long-term investment funds (STG Report, 2003).

Government records, discussions and media reports suggest that the Uganda government intend to liberalize the pension sector, allowing Ugandans to choose pension service providers. Competition, it is hoped, will improve the efficiency of pension funds are investment, bringing greater long-term capital to the financial markets.

Projections indicate that total investment could rise to 26.2% of GDP within 10 years. Uganda is poor, with a per capita income of 370,000/= (USD 200). It has a population of 24.7 million, growing at 3.4%. Most of the population is young, with over 50% being 15 years and below (Uganda Poverty Status Report: 2003). This young population has created a high dependency ratio and constrained provision of basic needs and services. It is estimated that there are 168,000 government workers and another 150,000 employees in the private sector. These alone cannot support the whole population with the current social welfare policies, hence the need for reform.

4.3 Historical account of social protection in Uganda

Social security provision in Uganda was predominantly informal, unfunded and unstructured. According to Kabugo (2002:4), Uganda is "one of the former British colonies where the development of social insurance has been slower, compared to former French colonies in Africa".

Tumwesigye notes that traditional social insurance coverage from extended families has been the main source of care for the vulnerable: elderly, orphaned children, disabled destitute, incapacitated, victims of disaster, the sick and unemployed-under informal arrangements (2003:4). It was not until the NSSF was established as a sole funded provider of social security for the private sector and the public service pension scheme for civil servants, that social

protection became institutionalised. Muhumuza (2000) has observed that NSSF provides only four of the nine recommended benefits as per the ILO Convention No. 102 of 1952.

There are a few other semi-formal social insurance arrangements in the private sector and parastatal organisations; however, they do not have a national infrastructure.

4.4 Social security reforms in Uganda

An earlier effort to reform social security and pensions was directed at the NSSF as the perceived lead player in the sector. These measures began with the United Nations Development Programme sponsored project in 1992 – 1994 to turn NSSF into a social insurance scheme, followed by the World Bank funded Public Enterprises Reform and Divestiture (PERD) and Financial Markets Assistance Project of 1998-1999. Both projects aimed to identify deficiencies in coverage, policy formulation, guidelines, and legislation. Instead, they focused on the NSSF rather that the entire social security and pensions sector.

Subsequently, in June 2002, the Ugandan government created an entity to develop policy options for reforming the sector. In effect the STG was formed both to overcome challenges of earlier reform efforts and to consolidate gains thereof.

4.5 Social Security and Pensions Sector Stakeholder Transition Group (STG)

4.5.1 The establishment of STG

On November 2nd 2002, the Minister of Gender labour and Social Development, appointed a 19 member team to study all aspects of social security protection and suggest reform policy proposals. The STG formation followed government decision to liberalise the sector.

It must be underscored that various organisations, including the presidency, were involved in the formation of the STG. The STG was formed with the support of Export Led Growth Strategy

Unit, the World Bank and the private sector. It was inaugurated in January, 2003. For purposes of wider representation from perceived stakeholders, the Bank of Uganda, Capital Markets Authority, Enterprise Uganda, the Foundation for Advancement of Small Enterprises and Rural Technology, and the Federation of Uganda Employers, were incorporated.

Others incorporated were the Ministry of Finance, Planning and Economic Development, Ministry of Public Service, Ministry of Local Government, National Organisation of Trade Unions, NSSF, National Resistance Movement (NRM) Secretariat, Office of the Vice President, Parliament, Platform for Labour Action, Private Sector Foundation Uganda, SPEED, Stanbic Investment Management Services, Uganda Insurance Commission, Uganda Insurers Association, Uganda Investment Authority, Uganda Securities Exchange, and Department for International Development (DFID).

4.5.2 The STG's funding

Most of the STG's funding came from DFID and the World Bank. The NSSF provided bridge financing on top of office space, equipment, transport and other forms of facilitation. One wonders whether this form of facilitation did not in any way influence the decision making process. It is also interesting to note that the Ugandan government set up the STG and did not provide funding. A number of questions may be posed: How did the Ugandan government expected the STG to survive without funding it? The readiness of the World Bank and DIFD to fund this project is worth a closer look. Was it out of philanthropy? Good intentions? A way of controlling the one you feed? We may never get to the bottom of these questions but they are worth investigating.

4.5.3 The STG's terms of reference

In designing the STG, it was the intention of government to have an independent policy formulation body. To get maximum value, the appointing authority had to delimit STG business through a time frame and terms of reference (TOR). TOR took cognisance of the many stakeholders and broad issues concerning social security and pension reform.

The STG was created to provide a comprehensive basis for reforming the social security and pension sector in Uganda. The two central objectives were, providing more social protection and enhancing domestic capital formation. The reform process aspired to handle all legitimate interests and challenges. These were the STG's TOR.

1) Carry out a study for the introduction of a Social Security National Identification Number which will be the primary identification for every Ugandan and make implementation proposals for the most cost effective and efficient approach to this exercise. This social security number will be integrated with the registers of births, marriages and deaths as well as the database of the Uganda Revenue Authority.

2) Review the governing law and operations or coverage and scope, of the National Social Security Fund with a view of transforming it into a Basic Mandatory National Pensions Scheme (BMNPS).

3) Review the law and regulations governing the Public Service Pension Scheme and the implications of incorporating its members into BNMPS.

4) Review the existing social security arrangements for the armed forces and the implications of incorporating its members into the BMNPS and make appropriate proposals.

5) For the informal sector, identify the various categories of people for whom social security products are to be provided and make appropriate proposals.

6) Identify the social security needs of each category in number five previously mentioned, which must be addressed and make appropriate proposals.

7) Identify the benefits or products that should be provided to respond to the needs identified in (6) above and make appropriate proposals

8) Identify sources of financing for various benefits (products), bearing in mind the importance of contributory arrangements in encouraging and mobilising long term savings and make appropriate proposals.

9) Identify the character and shape of an appropriate regulator/supervisor for social security financing and savings schemes and make appropriate recommendations

10) Examine the issue of the liberalisation of the social security service provision, including the related legal and regulatory framework and make appropriate recommendations

11) Arising from the above, prepare and present a comprehensive report giving findings, recommendations and an action plan for the proposals made on the transition and reforms in the social security sector. (STG Report: 2003)

4.6 The STG procedure

The STG designed ways to meet its TOR in the required time. It had a plenary where members met and deliberated. The plenary was originally small, but kept expanding as need arose. Secondly, there were task teams designed by the plenary for doing further analysis and research on specified issues. Task teams fed the plenary with information which was either discussed, rejected, accepted or contested. The workshops were another source of information for the plenary.

4.6.1 The STG plenary meetings

Plenary meetings were held weekly for nine months between March and November 2003. I have examined 22 minutes of the said meetings. I observed that during the first seven months, plenary meetings were held regularly, initially on a weekly basis. However, later the frequency reduced to sometimes fortnightly.

During the first plenary, the STG secretariat leaders were selected. They included a coordinator, a secretary and a treasurer. Plenary meetings were conducted with set agendas. The secretary circulated the agenda to members a few days before the meeting. All meetings were held at workers house owned by the NSSF. The chairman chaired plenary sessions, but in his absence the coordinator, or the secretary, in absence of the chairman and coordinator. Minutes for every meeting were recorded and circulated to members. Common items on the agenda included; communication from the chair, communication from the secretariat, task team reports, workshop reports, examination of secretariat activities, approval of budgets and setting dates of activities.

It is during these regular plenary sessions that decisive steps were taken. Information was gathered from different angles and brought here for discussion. Members represented

governmental, private, personal, public, and sectoral interests. They participated by articulating issues and agreeing on policy options. It is from these plenary sessions that we can measure time as a variable. I shall explore whether there is a sequence in the identification, development and selection of issues. As a main source of our inquiry, it is of good value to find out how this time was allocated and its importance.

We also have to understand whether key actors are one or many. It is not mere presence that qualifies one to be regarded as a key actor. It has been noted that the STG plenary was initially open, allowing in other new actors, but with time, it became more difficult for new actors to join though they were not closed. The attendance of STG members, as seen in the minutes I examined, reflected that at each plenary seating there were between eleven to thirty two members present.

For the STG to make decisions, the problem issue had to be well defined, so that its scope, time horizon, value dimensions and chains of consequences are well understood. The problem issue was very clear, i.e. to formulate social security and pensions reform policies. To carry out this task, they were dealing with a lot of information. This information was obtained from individual members and the organizations they represented. It was also supplied by the public, mass media, workshops and task teams. Therefore, the challenge of this study is to understand whether information was adequate or limited, clear or ambiguous, accessible or restricted. The plenary was operating in an open context, and facilitated by research assistants from the STG secretariat, and financial resources from the World Bank and DFID. Various techniques such as bargaining, arguing and negotiating were used to arrive at consensus or compromise.

4.6.2 The main issues debated within the STG plenary sessions

According to a survey done by the STG, the political, moral and economic responsibility to steer reforms rests with the government of Uganda. This includes establishing the necessary legal and regulatory framework, maintenance of economic and political stability, and the social responsibility for providing decent life to the citizens and residents.

It was noted that since the Ugandan government is the country's biggest employer with over 168,000 workers, it ought to provide a direct contribution to pension schemes and the reform process. It is also imperative to note that the same government controls tax administration and is therefore central in motivating pension contributors and operators. This can be done through tax incentives to both fund managers and pensioners. Respondents to this survey also expressed their concern that government should not use its influence to divert contributors' funds. However, in spite of the debate, there was consensus on creating a working relationship between government, labor unions and employers (STG Report: 2003).

The other issue that came out of the survey was that policy reforms were necessary. "75% of the respondents perceived the need to reform the sector as urgent with a sizeable 45% maintaining it was very urgent. The sense of urgency varied amongst classes of stakeholders for instance the majority of members of parliament (62%), employers (52%), civil society (55%) and the central region delegates perceived the reforms as being very urgent. The challenge therefore is not so much whether to change but what to change to and how to manage the transition process" (STG Report 2003:81).

However, there were other controversial issues. Alan Berkeley Thomas posits a controversial issue must be a focus of dispute, be considered important, and focus of an actual debate (2003: 9). I shall elucidate on some of the salient points of contention during the STG plenary debates.

a) The issue of the social security and pension's regulator: There was passionate debate on the issue of the regulator. There were members on the STG who were of the view that social security should be regulated by a financial institution. They held that the Bank of Uganda is in the best place to handle the NSSF since it monitors financial institutions. They argued that the Bank of Uganda may do the regulation in the interim period, but another regulator should be created by merging the Capital Markets Authority with the Uganda Securities Exchange or any other regulator determined by parliament. This meant that the NSSF would be under the Ministry of Finance, Planning and Economic Development instead of its current regulator, the Ministry of Gender, Labour and Social Development. It is still unknown whether the debate was a result of

academic definitions of social security (a monetary versus a welfare understanding of social security), or a fight between government ministries.

b) The issue of insurance companies and the private pension providers: The insurance sector and private pension providers were arguing for complete liberalization of the sector. Insurance companies argued for their business of providing annuities. Meanwhile, the private sector was of the view that the social security sector should be fully liberalized, while on the other hand their protagonists argued that privatization of the scheme should be done incrementally.

c) The issue of contributions: Employers were arguing that employer contributions to pensions should be maintained at the current rate of 10% whereas opponents called for an increase in the percentage. There was also debate on whether to have all workers contributing or let public servants maintain the status quo where government contributes all.

c) The issue of political versus technical considerations: There were arguments which were only geared towards technical issues. Issues like actuarial studies, capital formation and financial regulation were against views of a political nature. Issues such as gender discrimination, and other political interests were seen to be in favor of the prevailing political environment, and perceived as derailing the whole debate.

Generally, there were as divergent views as were the actors beyond those highlighted above. People came with preferences and articulated them. Some won and others lost. Some appreciated others points of view and others felt dejected. The STG members debated passionately on social security and pensions arrangements for public service and armed forces, on the social security and pensions arrangements for the private sector, the national social security sector and pension strategy and regulatory framework sector.

Arguments arose from these broad themes. Agreements were reached, contentious issues resolved and preferences promoted. Compromises were met and rules followed. The intention of the STG was met: A decision or decisions had to be made, so policy options were generated and presented to government.

4.6.3 The STG secretariat

The STG secretariat was composed of a coordinator, four research assistants, two administrative assistants and an office assistant/driver. The coordinator was a member of the main STG. In his other capacity he is an NSSF board member and chairman of the FUE. His duty at the STG secretariat was to provide leadership and organisation of necessary activities.

Research assistants were drawn from various backgrounds. They included a lawyer in private practice, a research and marketing expert working with Mobile Telecommunications Network, a history and development studies university professor, and a social scientist working with an independent research and consultancy firm. The four were attached to four task teams and played a key role in compiling the final STG report.

Other staff included two resource persons, and the public relations officer, who are part of the technical assistance provided by the NSSF. They are the NSSF staff. In addition to these officials, there were administrative assistants and an office assistant.

The STG was based on the 13th floor of Workers house. The Workers house is owned by the NSSF and its headquarters are based there as well. I shall come back to the significance of NSSF accommodating and providing staff to handle the STG work later, while analysing field data. The secretariat carried out administrative functions such as budgeting, providing and maintaining office facilities, coordinating partners, organizing workshops, handling public relations, and time keeping during STG's progress.

4.6.4 Task teams

These were formed on the basis of core STG functions derived from the terms of reference. The first task team was on social security and pensions arrangements for public service and armed forces, the second task team was on social security and pensions arrangements for private sector, the third task team was concerned with national social security sector and strategy, and the fourth task team was responsible for legal and regulatory framework.

Their main purpose of the task teams was to study options under their mandate and feed the plenary with synthesized information for discussion. Each team agreed on its own time table and all presented reports to the plenary within a month. Teams had the liberty to co-opt other persons outside the STG who were considered resourceful.

Each task team had a chairperson and secretary. The chairperson submitted weekly progress reports to the plenary. Members of each team were expected to attend the plenary. Research assistants provided background information and often discharged the duty of the secretary. Task teams were composed of 7 to 13 members. Task team one was responsible for public service social security and pensions arrangements. It was headed by Ministry of Public Service. Task team two was responsible for social security and pensions arrangements for the private sectors and was led by the Uganda Securities Exchange. Task team three was responsible for the national social security sector and pensions strategy and chaired by Ministry of Gender, Labour, and Social Development. Task team four was responsible for the legal and regulatory framework of the sector and headed by Capital Markets Authority. It was dominated by lawyers.

Task teams fed the plenary and the plenary made tentative proposals to workshops. At the consultative workshops, these issues were deliberated and brought back to the plenary for final debate and drafting of the policy options. Table 4.1 gives a summary of the composition of task teams and the detailed functions they carried out.

Table 4.1:   **Summary of task team tasks and their responsibilities**

Task team	Specific point of responsibility
Task team I (9 members)	• Identify the social security needs of civil servants, the military and other public servants. • Review the adequacy of pensions for public servants. • Make recommendations on affordable solutions and products to respond to the identified social security and pension needs. • Make appropriate recommendations on pensions funding. • Review implications of integrating the public service and armed forces into a basic mandatory national social security scheme.
Task team II (12 members)	• Identify basic social security needs for the formal sector • Review the adequacy and appropriateness of existing social security and pension schemes in the formal and informal sector. • Assess the need for establishing a basic mandatory national social security and pension scheme and the means of funding it. • Review liberalisation of the sector. • Review the need for additional private social security pension schemes and how they can be created and managed.
Task team III (7 members)	• Make national objectives of social security and pensions sector. • Make general social security principles for guiding the reform. • Draw targets for implementation and evaluation of pension schemes. • Review the issue of social security identification numbers. • Recommend national social security policy guidelines. • Assess the adequacy of social security benefits.
Task team IV (13 members)	• Review laws and benefits governing social security. • Suggest an alternative regulatory framework.

4.6.5 The STG workshops

The STG organized 16 consultative workshops and one grand national workshop. Between April and October 2003, eight regional workshops were held in the districts of Mbale, Fort portal, Mbarara, Gulu, Jinja, Masaka, Kampala and Arua. Attendance included, but was not restricted to resident district commissioners, district council chairmen, chief administrative officers, representatives from the armed forces, education officers, labour officers, district service commission chairpersons, employers, workers, representatives of the disabled, NSSF regional representatives, two informal sector employees, and members of parliament. The other 8 workshops were offered to special interest groups such as employers, civil society, the

academia, informal sector, members of parliament, the armed forces, the NSSF management and National Organisation of Trade Unions.

During these workshops, each task team made a presentation of the STG's views on proposed reforms. Presentations reflected positions established at the plenary, and not those of individual task teams. Workshop participants were divided into groups to discuss issues in detail, corresponding to task topics. Each group presented findings to the delegates who would debate, amend, reject or adopt recommendations. During these workshops, a survey was done on proposed policy reforms. Workshop participants also filled out an evaluation form. A repertoire usually provided by the STG, recorded workshop recommendations, and processed questionnaires and the evaluation form for submission to the STG secretariat for analysis.

At the grand national workshop the draft report was presented for critiquing. The workshop was attended by 187 delegates from the Ugandan government, development agencies, political leadership, and representatives from regional and sectoral workshops. This workshop led to the final draft which was presented to the STG plenary for improvement. It was during the grand national workshop that the need to have actuarial and socio-economic studies was underlined. Three major controversial issues emerged; whether there was need for an interim regulator as proposed; whether the interim regulator should be the BOU, and whether fear that the insurance sector would be deprived of business was justified. It will be shown later how these and other issues became the main subject of debate. This is because these were part of the preferences of actors, and each group was zealous to ensure that their views took center stage.

4.7 Conclusion

This chapter discussed the research problem within its context. A preview of the global and national trends in the social security and pensions sector has been presented, followed by a historical account of social security and pension reforms in Uganda. A situational analysis of current reforms in the social security and pensions sector is made. The STG, which is the

focus of this study, was introduced. The chapter placed much emphasis to plenary meetings, because this study is confined to them. A glimpse at some of the issues that generated debate is given. From here this study will look at what happened during the debate and how the decisions were made. This is the concern of the following chapter which presents field work findings.

CHAPTER FIVE

THE DECISION MAKING ARENA

5.0 Introduction

This chapter presents empirical findings. It focuses on the policy subsystem where policy options were generated. It gives a view of the STG's goals, participation levels of its members, members' preferences, resources, basis of agreement, time, information, constraints, and techniques used in advancing preferences. It portrays the scene where the STG deliberations took place and the impact it had on the STG policy recommendations.

5.1 What were the goals of the STG?

Any assemblage of people with a mission must have goals to achieve. Goals give direction to a decision making entity like the STG. Though STG goals were clearly established in the terms of reference provided by the Ugandan government, members had own perceptions of these goals. Cabinet minutes 38 (CT 1995) and 266 (CT 1995) say the STG should "identify pension deficiencies in coverage, formulating policy and guidelines and legislation" (Memo by the minister of Gender, Labour and Social Development (CT 2003: 6).

Respondents had their own impressions on goals of the STG. The highest ranking was that the STG was formed to recommend policies to reform social security and pensions. The pension sector is said to be characterized by delayed benefits, insufficient returns to contributors, inadequate value of benefits, small range of benefits, little visibility of contribution to national development, little or no provision of social aid, absence of national social protection strategy, insufficient regulatory framework, and excessive direct control by the Ugandan government (STG Report : 2003).

Interviewees highlighted the issue of liberalizing the social security and pensions sector as another goal for the STG to achieve. A member remarked,

> "The main goal of the STG was to liberalize the sector. Make it competitive and break down the monopoly of the inept NSSF."

The above quotation summarizes what most respondents considered the main goal of the STG

Another major concern mentioned about the STG by interviewees was the need to widen social security and pension benefits. Currently, the NSSF provides three out of the nine required minimum benefits stipulated in the ILO Convention No.102 of 1952. Others said it would increase GDP, heave the number of benefits, and multiply savings for Ugandans.

It was observed that there was unity of purpose on the STG goals. Common conditions seem to beget a common consciousness; if they are conditions of a poor policy they beget a consciousness of change. Therefore, there was a high motivation to change pension policies amongst STG members. Secondly, the STG was created to provide comprehensive policy proposals with the objective of providing more social protection and enhancing economic transformation. Based on this fact, and the responses from interviews, I would like to infer that members of the STG had clearly understood the intention of their mission.

However, during the interviews it occurred to me that some respondents had a very narrow view of why the STG was set up. Their narrow view was either a result of misinterpreting the STG's work, failure to read and understand the Terms of Reference, bigger ambitions, or being blinded by the desire to do a bigger job than policy formulation, probably, policy implementation. An STG member from the business sector looked at the STG as an organization to "run the social security sector in the near future". In fact, during the 22nd plenary session held on October 22, 2003, it was recorded that:

> "The STG is only to give recommendations and guidelines to government through the ministry - it's not an implementing agency." (STG Minutes)

From this quote one could suppose that some STG members had misconstrued its goals. It did not help that they had spent eight months on board. It is actually a contradictory situation when a policy formulator is viewing himself as a policy implementer, a phenomenon that prevailed in the STG.

5.2 The STG Actors

As pointed out by Rhodes (1988:82), policy making units are created by government, and the government eventually influences the policy process. Governments are responsible not only for the creation of policy making units, but they also access these units and determine rules of the game.

5.2.1 The selection of the STG members

The selection of STG members was based on several factors. According to the Minister of Gender, Labour and Social Development, the STG was composed of a multi-sectoral and multidisciplinary group selected on the basis of sector representation. (STG report 2003).

However, a proportion of respondents said there was ministerial discretion in choosing STG members. An STG member remarked that the minister appointed whoever she thought was relevant to the STG process. "It was sheer ministerial discretion", the member said. It is a situation akin to the political interference referred to in other scholarly studies on decision-making (Phillip and Zelikow: 1999). Remarks from the study suggest that since there was no call for applications and no clear recruitment method to the STG, the ambiguity of selection can be attributed to ministerial discretion. Others did not take this as an anomaly, citing appointments elsewhere that have followed the same trend.

Actors can be chosen by inviting volunteers (Smith: 1997). Some members of the public showed enthusiasm and volunteered to join the STG. Fortunately, some of them like the Foundation for Advancement of Small Enterprises and Rural Technology were incorporated. In its first ten meetings, the STG discovered some sectors, like the informal sector and civil society which had been overlooked. Hence, the STG incorporated the Platform for Labour Action (PLA) to represent the civil society as a way of soliciting a competent stakeholder.

5.2.2 The catalogue of STG members

There were several actors, referred to as stakeholders by the STG. Some were very influential and others less influential. Influence was a result of political, social, or economic factors. Some actors were for particular issues and others were "against"; some had more to loose or more to gain (Meltsner, 1972: 861). Herebelow, I present an outline of the STG members.

a) Donors and multilateral organizations:

They included International Labour Organisation, the World Bank, (DFID-UK), and the Swedish International Development Agency (SIDA).

b) Elected officials

They included four parliamentarians and the Minister of Gender Labour and Social Development.

c) *Appointed officials* (*technocrats)*

These were from government, and could be in two categories; 1) Those whose responsibilities include social security and pensions, i.e. the NSSF, Ministry of Gender, Labour and Social Development and Ministry of Public Service, and 2) Those which the Ugandan government desired to have a role in pensions management in future, such as Ministry of Finance Planning and Economic Development, Ministry of Local Government, National Resistance Movement Secretariat, Vice Presidents Office, State House, Export Led Growth Support Unit, Bank of Uganda, Capital Markets Authority , Enterprise Uganda, Uganda Insurance Commission, Uganda Investment Authority, Uganda Securities Exchange, and the Private Sector Foundation Uganda .

c) *Interest groups*

These were non state organizations whose operations directly relate to social security. This category is composed of National Organisation of Trade Unions, Federation of Uganda Employers, Platform for Labour Action, Foundation for Advancement of Small Enterprises and Rural Technologies, Stanbic Investment Management Services (SIMS), and the Insurance Company of East Africa (ICEA).

d) *Academics and consultants*

These provided analytical and research reports on a consultancy basis. They included Professor Rolf Luders (Pontifitical Catholic University of Chile/Diego Portales University), Dr. Simon Rutabajuuka (Centre for Basic Research/Makerere University), Edward Kazibwe (First

Management Research and Development Consultants), and Deo Bitaguma (West End and Company Advocates).

e) *Mass media.*

Most stories, both for publicity and critical commentaries, were reported in *The New Vision* and *The Monitor* Newspapers.

5.2.3 The Key STG actors

While conducting the study, it became apparent that some actors were prominent and fellow STG members considered them to be more powerful than themselves.

a) The NSSF: Though members were pointing out organizations and individuals that were related to the NSSF, the NSSF as a single entity, was more visible. Interviewees stressed that NSSF was a key actor for a variety of reasons. First, it is an important player in the industry. NSSF monopolizes the collection of non public service pensions, which makes it an interested party in these policy reforms. NSSF appeared to be the most threatened actor and therefore had to devise ways of surviving. Survival instinct made it create allies, seek collaboration and garner resources, hence becoming more socially visible on the scene.

However, this may not have made it so powerful, except for the fact that it has raised funds currently worth 456 billion shillings (260.4 Million US Dollars). This huge resource made the NSSF an attractive and influential player. For example whenever the STG was short of money, NSSF bridged the gap. Its generosity was extended to accommodating the STG and providing facilities such as vehicles and drivers.

There was also a heavy presence of NSSF board members and staff on the STG. Of the 36 individuals in STG, 10 were from NSSF. Seven of the ten were NSSF board members; one was from the Ministry of Gender, Labour and Social Development which overlooks NSSF and the other two were senior managers in the organization. At the STG secretariat, it was observed that of the 11 staff, four were from NSSF. The influence NSSF had was also attributed to the heavy presence of NSSF on the STG leadership composed of the chairman, coordinator, secretary and

treasurer. Three of these posts were occupied by NSSF, i.e. the NSSF chairman took the STG chair, an NSSF board member was the STG Coordinator, and the NSSF Managing Director was the STG Secretary. Institutions usually gather strategies to confront institutional pressures as demonstrated by Oliver (1991:152). In this case, NSSF may have used the strategy of heavy representation to articulate its preferences from an advantaged position. Whether the dominance of STG leadership by NSSF was by design or default, preconceived or proper, may never be known. However, it is clear that its high representation on the STG made it an important actor, and without doubt, an influential member of the STG.

b) Donors, i.e. DFID and the World Bank were considered key players because they funded the STG. Williams(1996) has established that World Bank proposals are followed depending on funding alone, yet some of the World bank projects are based on unrealistic assumptions and misleading intellectual foundations. Of all the donors it was only DFID that participated in the STG to the very end. It had two representatives that succeeded each other. In an interview, one of the DFID representatives stressed that his organization was an outsider and not interested in running the STG, but providing financial and technical support.

The World Bank and DFID were highly praised for funding the STG process (STG Report 2003: xiv). These institutions had immense, but subtle influence, right from November 2, 2002, when the STG was conceived[6]. They were interested in ensuring that the sector is privatized, NSSF is liberalized, and placed under the Ministry of Finance, Planning and Economic Development.[7] Investigations on the STG workshop for October 31, 2003, indicate that Adrian Stone (DFID) suggested that the Ministry of Finance, Planning and Economic Development should be central in the STG. At the same meeting, William Steele (World Bank) said his institution was pleased because the STG had brought up issues crucial to poverty alleviation programs the World Bank way. The World Bank pledged continued support, since the STG had given a broad view of what was desired. These statements imply that these institutions were not only interested in the STG policy process but ensured that their preferences prevailed as well.

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[6] Views in a statement by the STG chairman on Page xi of the report.
[7] This happened when the president of Uganda directed the NSSF to be placed under the Ministry of Finance, Planning and Economic development almost a year later. (Published in the Sunday *Monitor* of September 25, 2004 under the headline *NSSF handed over to Finance).*

An STG researcher had this to say, to demonstrate donor power;

> "DFID and the World Bank are very powerful. It is amazing that although the STG chairman and some of the STG members wanted the STG to hire services of a technical advisor, it never happened because these two institutions (DFID and the World Bank) refused the STG to have one."

c) Employers were also considered key players by the interviewees. Employers were represented by the chairman and the executive director of the Federation of Uganda Employers. First, was the issue of numerical strength, the Federation of Uganda Employers has a membership of 157 business organizations. The Federation of Uganda chairman was voicing the views of many organizations, which contribute significantly to the social security pool. Second, he was the STG coordinator, and central in the policy process. His charisma and managerial skills gave him clout and prominence. This was attributed to his training in accountancy, vast corporate experience, strong personality and firmness in decision making. He was also backed up by his executive director, Rose Ssenabulya. These two represented a big constituency which led them to be key players, and by extension, the employers became an important actor.

d) The private sector was also regarded highly in terms of influence and importance by the research participants. Private sector interests were important because they would benefit from liberalization of pensions. It was represented by actors from the banking and insurance industry. They had large sympathy from the public and were very articulate. Their main source of strength was eloquence, brilliance and knowledge.

e) The Ugandan government was considered a key player because of appointing the STG. It was recorded in the first meeting held on February 14, 2003 Page 5 that,

> "Government wants to leave a legacy of a strong social security policy in the country"

From this quote, we learn that the government of Uganda made deliberate efforts to influence the STG in order to have its policy preferences sustained. This view is supported by one of the participants, who happen to be a senior member in the Ministry of Gender, Labour and Social Development.

> "We felt the heavy hand of political forces and aspirations being imposed on us from the executive. Some of the members on the STG either wanted to please certain political quarters or were detailed to just ensure that particular positions are reflected in the final document."

This is backed by the fact that the STG was appointed by the Minister of Gender, Labour and Social Development, Ms Bakoko Bakoru Zoe Ze, following a presidential directive.

5.2.4 The size of the STG

The size of a decision making body is important. Key policy decisions are often made in small groups because they are more effective, whereas large groups are more complex to manage. A small group should have six to twelve people to achieve a high degree of cohesion (Janis: 1982 and Eriksen, 1999:84). Bassett (1994:21) also discourages large groups because many participants overshadow individual participants, and a big group can be easily swayed by passion and confusion by a few. Though there were 36 STG members, the average plenary attendance was 23 individuals. This implies that the group was not big, and thus, a high level of cohesion prevailed, creating conditions for consensus and compromise. The other implication may be that the tendency to suppress dissent and the consideration of alternatives was also high within the STG meetings (Allison and Zelikow 1999: 283).

5.3 Actors, resources, environment

5.3.1 The role of resources in the STG's decision making process

The resources an actor has are useful in having his preferences promoted. Scholars have found that scarce resources like skills, knowledge, money, materials, equipment, are of great influence in decision making games (Brady et al 1995; Woodward 1973; White1974). I analyze resources in the STG under five categories: managerial, technical, financial, material, political and the leadership quality of the chairman.

a) Managerial: The STG was composed of highly trained people who were highly placed executives in their organizations (see appendices 1 and 2). Most STG members had higher degrees in law, business and social sciences. Advanced education, international exposure and vast experience enhanced their managerial skills and the STG benefited from these skills. Basing on

these observations, I attribute the smooth running of the task teams and plenary sessions to the skills and education of STG members.

These skills were useful to the STG secretariat in budgetary matters, soliciting funds, personnel management, control of support services, ensuring timely disbursement of allowances to members, organizing research work, workshops and managing the media. Managerial skills were noted as critical in the overall leadership of the STG as summed up in an interview,

> "Mr. Onegi Obel came out as a very great chairman, thanks to his managerial skills gained from a vast experience as a leader in the corporate world and consultancy management. The coordinator, Mr. Ssemanda was also a very balanced fellow who captured interests from both sides. It was a super leadership for the STG" (STG member representing private sector interests)

Data suggest that managerial resources were more useful to the common good and the STG leadership than fulfillment of individual interests. The skills helped the STG move at a given pace, meet deadlines, delegate authority and mobilize resources through conscious and concerted efforts. The other important point was the way in which networks were built, managed and coordinated (*a more detailed discussion is in chapter six*).

b) Technical skills included specialized knowledge and expertise, capacity in economic analysis and forecasting, actuarial lore, legal knowledge and political analysis. Knowledgeable actors dominated debates. Having the capability to weigh implications of technical arguments and evaluate financial resources as far as pension reform policies are concerned was very important. One of the STG leaders remarked that, "We were operating under the spirit of technocracy and not politics". I reviewed member profiles and found out that half of the STG members originated from financial institutions. This background played a big role in contributing to, and benefiting from, the STG policy process.

Social security is in a way a financial issue. Individuals with financial knowledge tended to eclipse the rest when evaluating economic issues. Therefore, it is not surprising to find a high instance of financial and economic jargon in STG interpretations and reports. I highlight this issue because there was a big divide on how the definitions of pensions and social security were

given. Some members looked at social security as an economic phenomenon while others saw it as a welfare issue. In the final analysis, the economic view prevailed.

The NSSF and Ministry of Public Service were the only practitioners of pensions and social security on the STG. Actors from these institutions possessed a lot of knowledge on social security and pensions which gave them an edge over others. This knowledge could have been a source of power and influence, especially when those possessing it overshadowed colleagues and swayed opinions in meetings to their favor. Members noted that though participating in the STG was a learning experience, some of their colleagues did not want to appear ignorant. As a way of concealing their ignorance, they could not question assumptions and pretensions passing as ideas. As a consequence, the less knowledgeable were dominated, and their preferences overshadowed.

Lawyers displayed legal command over language and sound professional advice. They were well represented on task team four charged with handling the legal and regulatory framework. They have dominated the discussions that dealt with legal and regulatory issues because it was their "territory".

c) Financial: Some actors brought economic resources with them to the STG. The possession of money, or funding the STG could have influenced the decision making process. Respondents pointed at NSSF and DFID as key actors because the two institutions were involved in providing financial support to the STG to meet its 150,000 USD budget. In addition, DFID, the main sponsor of the Program for Labour Action (PLA) may have influenced the inclusion of the PLA on the STG. The PLA, one of the few NGOs in Uganda dealing with labor issues, represented the civil society and NGOs.

Though most STG members were of a high stature and claimed they were not being intimidated by this financial muscle, it would be naive to underplay the role of financial resources. For example, one member exclaimed that he could not see any reason why the NSSF would be dismantled in the name of privatization.

> "They say that NSSF not functioning properly. However, whenever we are in a crisis, they seem to know how to manage such situations. And beside, NSSF has vast resources. We need to know how best to streamline its operations than try to fight it or bring it down."

This respondent was not a traditional ally of the NSSF. He built his impressions, among other things, on the way the NSSF financed STG activities. It is worth suggesting that this person may support policies that seem to favor NSSF.

d) Material: The NSSF provided office space and staff to the STG secretariat. I observed that accommodating the STG secretariat created a sense of place and association with the NSSF. An examination of minutes revealed that the STG's plenary meetings were held in the Export Led Growth Support Unit office. Interestingly, ELGSU rents its office space at the same building, Workers house[8], owned by the NSSF. Moreover, ELGSU is headed by the NSSF board chairman. As March (2003) said, "Sometimes symbolism matters more than reality", and that was the case with STG. An STG secretariat official said it was a favorable situation for the NSSF to provide the STG with accommodation "You know it's just a psychological thing. They call it home ground in football." Though his view was dismissed by other respondents, it could not be ignored because this positioning may have influenced the decision making process.

e) Political resources: The chairman of the STG is a senior presidential advisor. By virtue of this position, it is indubitable that he is perceived to have the president's ear. It is logical to presume that one who advises the president on the American African Growth and Opportunity Act (AGOA), runs the Export Led Growth Support Unit in the president's office, knows what the president wants. There was also another person from the presidency on the STG. He is the economic assistant to the vice president. These individuals were perceived by colleagues not only as listening posts of the president, but as hatchet men in the pension policy process. A claim they, however, disputed.

Another category of political influence was traced to members of parliament. Four legislators were chosen to join the STG because of their position in parliament. One is a representative of workers and at the same time the chairman of the NRM parliamentary caucus[9]. The other three are chairpersons for parliamentary session committees on a) social services b) budget, finance

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[8] The main NSSF building is called Workers House.
[9] NRM is the National Resistance Movement. It is the political party (though it prefers to call itself an organization) that runs the government. There are other caucuses based on opposition groups, regions, and other criteria. The NRM caucus has the largest membership and is very influential in legislative matters. This one in particular was later appointed a cabinet minister in January 2005.

and economy, and c) commissions, statutory authorities and state enterprises. These legislators eased the work of their fellow parliamentarians to understand the STG as it (STG) got the opportunity to express the intention of its policy propositions. In an interview one of the MPs remarked,

> "Those who harbor very divergent views form the ones the STG holds now should know that some of us also learnt a lesson or two by joining the STG. I for myself learnt about and appreciated some of the things I used to oppose as a workers' representative. We shall sort it out in parliament. Ultimately, Parliament will say the last word".

These members of parliament chair key parliamentary committees, to which STG recommendations will be sent for discussion. Having them in the process may be considered as a means of lobbying and sensitizing on one hand, and a skilful way of participatory decision making on the other.

At least 83% of the respondents answered in the affirmative when asked whether political resources played any role in influencing the decision making process. The other 17% maintained that these resources were of no significant consequence since the STG was composed of high caliber experts, adequately educated, and strategically employed. Whether expectations and innuendos generated by political participants had an influence on the STG proceedings is not in dispute. The greater task is to establish the extent of this influence in the whole process.

5.3.2 Environmental factors that influenced the STG process

A variety of institutions and forces external to organizations influence decision making (Bass: 1983, Ebert and Mitchell: 1975). According to Ashby (1964), it is desirable to have the structure of a system that matches the environment. This situation equally prevailed during the STG's deliberations.

Uganda's economy is being reformed to meet global and local challenges. Social security reforms came under a broader category in the Poverty Eradication Action Plan (PEAP) framework and the Medium Term Competitive Strategy. These economic reforms aim at integrating different public systems. The STG had to be within the confines of broad national goals and its proposals were

supposed to be consistent with them. In a way, this also constrained and or shaped the decision making process since the STG had a predetermined boundary within which to operate.

Respondents mentioned vested interests by some of the key actors as another great source of influence. There was a lot of reference to the NSSF and its desire to remain a dominant player in the sector. The Ministry of Gender, Labour and Social Development was cited for wanting to retain control over the NSSF and any new pension schemes. The Ministry of Finance, Planning and Economic Development was interested in a fully liberalized sector and supported the banking and insurance industries in their quest for pension business opportunities.

Global pension trends also affected this policy formulation process. In Western Europe, where pensions are relatively generous and mature populations older, they are adapting pension systems to future demands rather than wholesale reforms. In Latin America, Central Europe, and Eastern Europe, where systems are faced with problems of solvency, coverage and compliance, they are having fundamental reforms aimed at individualized accounts, defined contributions and pre-funding. In Asia, and the pacific region, pension reforms are directed at expanding coverage. In Africa, schemes are being remodeled to meet new demands of liberalization and expanded coverage (Devereux 2001; ISSA 1996; Dostal 1998; Ditch and Barnes 1996, STG report 2003). Dalmer Hoskins, Secretary General, International Social Security Association (ISSA), said, "We have reached a point where it is essential to move the debate beyond the narrow view on the technical parameters to build financially sustainable and adequate pension schemes for the future."[10]

The STG report explains that consultations were made and case studies taken from China, Mauritius, Chile, South Africa, Ghana, Kenya, and Tanzania (STG Report 2003). In one of the interviews, it was observed that,

> "We are in a global village, and the Ugandan social security system is one of the crudest in the world. We have to move forward and at least capture what is most appropriate for us. The international social security system is changing rapidly"

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[10] This was carried in an article entitled, "International Trends in Public Pensions: Towards Strong Social Security Systems," posted on a pensioners lobby group website , the American Association of Retired Persons (AARP) www.aarp.org

Therefore, what was happening elsewhere in the world influenced STG policy proposals. In some instances it appeared as if the STG was just being fashionable and copying policies directly from other economies. This type of policy transfer, referred to as voluntary by Dolowitz and Marsh (2000), is driven by perceived necessity such as the desire for international acceptance because it is neither a direct imposition from any system nor a perfect lesson-drawing policy transfer.

5.4 Actors and information

Information is knowledge about the decision, the effects of its alternatives, the probability of each alternative, and so forth. A major point is that while substantial information is desirable, its usage is more important. Too much information can reduce the quality of a decision (Bass 1983). This information could be of various types, i.e. experience, skill, knowledge, tacit knowledge, and information obtained from others.

Data indicates that at least 78% of the respondents were dependant on relevant information to execute their tasks. Information was mostly gathered by research assistants from the STG secretariat. It was attained from the internet, International Social Security Association, International Labour Organisation, the World Bank, NSSF library; Ministry of Public Service, Parliament, Sussex University (Institute of Development Studies), Chile Institute of Economic Development, and Bank of Uganda. Some STG members would also provide information on pension reform. A member from the informal sector said he invested a lot of time in gathering and disseminating information concerning his industry since most STG members were ignorant of the informal sector. However, divergent views were also registered on this issue.

The availability of information is usually referred to as power (Pfifner 1960:127). It is interesting to know if actors had information on pensions. Evidence from data analysis reveals that information within the STG was sufficient and adequately shared amongst actors. Information was considered sufficient by 69 % of the respondents and insufficient by 31 %. However, some respondents were of the opinion that information was poorly utilized. Why did some of the members think so? Two ideas may help us understand this situation. First, it could be that STG members were very reliant on task teams and eloquent presenters, and therefore never bothered to get all the information as individuals. Second, it is possible that STG members would only offer

critical views on controversial issues, and hence minimizing the opportunity to know how much information was used to process ideas. It has been demonstrated that largely, information was shared, and information asymmetry were not used as a weapon against others. But we can not rule out the fact that while making presentations, some actors used information as a bargaining weapon. This is illustrated by the fact that 22% of respondents insist that STG members were not sharing information.

When too much information is obtained several problems can arise. A delay in decision making happens because much time is required to obtain and process extra information (Pfifner 1960:129, Bass 1983). This situation occurred within the STG and may be responsible for having less information used. March (1994:124-5) argued that information overload may also lead to forgetfulness and members start using information selectively. Actors chose information which supported preconceived policy positions. To make decisions, one must take into consideration available alternatives and sufficient information. However, in most situations, decisions are established on bits and not all the required information (March: 1994).

5.5 Time and the STG

The time available for the STG was limited. The STG had a deadline for submitting its findings. Time usage had an impact on the STG's recommendations because the actors' concept of time and its management has a bearing on judgment and decision making. March argues that there are always more things to do than the time to do them (1994:24). The STG's decisions happened the way they did, partly because of the way timing was handled.

In order to make the best use of their time, the STG had the right people to attend meetings, since all members were stakeholders as far as pensions are concerned. Before every meeting, the agenda would be agreed upon and circulated in advance along with other necessary documents to members. The coordinator observed that in some cases deliberations would delay because participants arrived late. Sometimes, either the coordinator, or the other participants would come to the meeting without having gathered the necessary information to help them have fruitful deliberations and consequently caused a lot of unnecessary questions and delays. Though strict

time rules were enforced, extreme situations of delays were treated as exceptions. Speakers used a limited amount of time in the plenary and this situation had implications for debate. In a way, it undermined vitality of discussions because speakers, and those asking questions, felt they were not accorded ample time to dialogue.

In general, most respondents expressed dissatisfaction with available time for the STG. They opined that time was not sufficient for both the discussions and preparations for every session.

5.6 The STG Setting

According to Forester, in order for a policy decision to be made, members of the relevant policy subsystem must be involved (cited in Howlett and Ramesh 2003:180). Using Foresters analysis as a standard measure, what then was the case within the STG?

As indicated in 5.2.2 above, there were several actors, and all of them were relevant to the social security and pension sector. The 24 institutions included key government ministries, the legislature, financial institutions, the private sector and academia (see appendix 2). Despite the fact that all these institutions work directly with pensions, their employees are also future pensioners. Given the STG composition, one could argue that all those involved had at least minimum knowledge on social security. This knowledge would therefore enable them evolve appropriate options to resolve Uganda's social security and pension policy problems.

I also observed that, in order to have meaningful deliberations, and encourage participation, the 36 actors were divided into task teams as identified in section chapter four (4.6.4). I further noted that this policy formulation unit may be the first of its kind in Uganda. The usual practice is to have consultants or the bureaucracy do the job and then prepare a cabinet paper for parliamentary discussion. Policy scholars such as Howlett, Ramesh and Forester, recommend that the ideal setting should be single and closed, where by entry is highly restricted (Howlett and Ramesh 2003: 170-181). For the STG, entry was open and controlled at the beginning, but became closed with time. I found out that during the first three months, the STG took liberty to adopt new members and this is how a number of parliamentarians, the Program for Labour Action and the

Foundation for Advancement of Small Enterprises and Rural Technology, were incorporated within the STG. Eventually, the STG could no longer take on new actors and hence became a closed system.

Another aspect of the setting concerns external influence. Data show that there was significant external influence, though the STG made efforts to minimize this influence. I noted in chapter five (*section 5.2.3*) that influence from the government of Uganda, the World Bank, and the British Department for International Development was feasible. An interesting aspect of external influence is that the above institutions were part of the STG. Therefore, the STG minimized influence of other policy actors other than the ones involved with it.

5.7 Actors' participation in the STG

5.7.1 Level of participation

Participation implies active involvement. Within the STG, members' participation was shown through verbal contributions, creating alliances and bargaining games. Presence of participants in choice opportunities is important for decision outcomes; participation may even be fluid (Pinfield 1986). Most respondents suggested that the rate of participation was high. High participation was evident in plenary sessions, workshops and task teams. 62% of the respondents said that during plenary sessions high participation and attendance prevailed. However, 24% put the participation rate at medium; and 14% said participation amongst STG members in the policy process was low.

Attendance of plenary sessions was taken as an indicator of participation. An analysis of the 21 STG meetings indicated that the least attended meeting had 11 participants (31%) and the most attended had 32(89%). The average attendance was 23 members (64%), which shows that attendance was high because it exceeded half the total number of members at most sittings. Mere presence and attendance of plenary sessions may not constitute real participation. However, attendance is an indication of people's interest. A person is less likely to attend a meeting she/he is uninterested in.

From the 22 meetings, I got the impression that debates were stimulating and defined by a variety of submissions presented dramatically and emphatically. Plenary sessions got synthesized information from task teams. Speakers were offered the opportunity to share views and exchange ideas. Each contribution was valued and the chair facilitated discussions. The chairman brought the group together at key points for summary, and refocused debate as need arose. Agreements and action points were apportioned to responsible persons where applicable. Differences of opinion were used to broaden understanding and survey available options. Debates ensued before agreeing on some issues and the opportunity to talk was availed to all parties. In fact a member said,

> "I had to listen to different parties so as to come up with a reasonable position. Eloquent and articulate presenters usually convinced us. The views they forwarded were adopted as policy options for the pension reform. However, there were also moments of grilling, emotional outbursts and hitting tables as members tried to put their points across" (STG member from NSSF)

Matters related to the administration of the STG were done with considerable openness. All were free to ask and be briefed on financial and governing matters. Budgeting was done together and in this way participation developed. The other form of participation was the creation of alliances and bargaining games. It has already been observed that the NSSF and those linked to it worked very closely. An STG member affiliated to NSSF said,

> "I realized that NSSF board members and managers were on the STG, and they colluded with National Organisation of Trade Unions and Federation of Uganda Employers to come up with policies".

This is supported by another member who looked at alliances from the private sector and ministry of Finance, Planning and Economic Development.

> "The ministry of Finance wanted to monopolize the whole thing. It was like a predator, prowling like a lion looking at NSSF to devour it. Bankers and insurers were like vultures, hovering around to eat the baby of the Ministry of Gender, Labour, and Social Development"

Alliances helped forge consolidated and shared views. The adage that the larger, the louder equally applied to this exercise. At another level, it helped sort out differences before plenary meetings thus making discussions smooth and faster. It was common for members to meet before coming to the plenary and agree mutually to support each other's claim.

Participation could also be seen through the concept of leadership. The leadership of the STG was elected. The coordinator said that representatives met and popularly elected leaders, apart from the chairman, who was appointed by the minister. The secretary, treasurer and coordinator were nominated and accepted unanimously. By showing interest in leadership, nominating leaders and accepting these leaders, the STG members were actively participating in the policy process. Every task team also had leaders. Team one was led by the commissioner of compensations Ministry of Public Service, team two was led by the chief executive officer of Uganda Securities Exchange, team three by the commissioner for labor, employment and industrial relations Ministry of Gender, Labour and Social Development, and team four was led by the legal and compliance manager of the Capital Markets Authority.

Participation was seen through submission of policy proposals. I found four contributions referred to as position papers from the Federation of Uganda Employers, the Private Sector Foundation (PSF), Uganda Insurance Commission and Uganda Insurers Association. These position papers offer a stand on critical issues concerning desired policy reforms, by the authors. Other contributions were acknowledged, and they informed the process, such as the papers by academics, Dr. Ezera Suruma, an Economist and Director of Economic Affairs at the NRM Secretariat[11], and a draft report on Social Security in Uganda by Rolf J. Luders, an Economics Professor at the Pontifical Catholic and Diego Portales Universities in Chile. According to minutes for the 18th plenary meeting held on August 6th, 2003 other written submissions were form Frederick Ssekandi, Japheth Kat, Dr. Polycarp Musinguzi, and D.W. Maswere of Uganda Pensions Cooperative Society Limited. They helped actors in various ways; to know preferences of their colleagues; to know allies; to identify foes; to know what others think; to know more about the sector; and to know why people insisted on particular issues. Particular policy positions confluence in values and others diverge. For example, all these documents called for an independent regulator and controlled liberalization, which was in a way, a confluence of ideas. There were instances where proposals diverged. For example on taxation, Uganda Insurers Association wanted social security contributions tax deductible to a threshold. They also wanted benefits to be taxed on a graduated scale. Meanwhile, Federation of Uganda Employers sponsored the view that both contributions and benefits are exempted from taxation.

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[11] Dr. Suruma was appointed Minister of Finance Planning and Economic Development in a cabinet reshuffle, January 2005.

The knowledge and information raised were very useful in leading actors to agree. A closer look at documents revealed yet another interesting finding. In 2001, the Private Sector Foundation, NSSF, the Ministry of Finance, Planning and Economic Development, Capital Markets Authority, Bank of Uganda and Uganda Investment Authority prepared a report on pension reforms. This report was a great influence on the STG report. Could it have been the source of synergy? Does it explain why these organisations were on STG? Was it a source of compromise and deals? Did it help the STG finish the task of formulating the social security and pension reform policy in the time set by the government of Uganda? Or was the STG a foregone conclusion and mere rubberstamping of earlier made conclusions? In our search for answers, we may not come to the bottom of these issues, but we are provoked to conclude that some of the STG's recommendations can be easily traced to pre – STG meetings. The most illustrative being NSSF's liberalization and converting the government pension scheme from a defined contribution into a defined benefit one.

Interviewees clearly pointed out position papers that were omitted in the STG report. Stanbic Investment Management Services (SIMS) presented a paper to the STG entitled "The Case for Professional Roles in a Reformed Ugandan Pension Industry". It was never included in the STG report, to the chagrin of some members. A review of this document indicates that it has a number of similar positions with other position papers, especially on having an independent regulator. Its major addition is emphasis on the importance of actuaries and fund managers. Though some of these issues were addressed by the STG report, the big questions are: Why was it ignored? Was it because it had some elements that appeared to advertise SIMS? Was it because some SIMS ideas departed from those held by dominant forces in the STG? Was it because SIMS and the Ministry of Finance, Planning and Economic Development had a cozy relationship? Was it because it had nothing new to offer? Was it because representatives of SIMS were perceived to be in alliance with forces hostile to dominant and key actors? One actor lamented that the views from SIMS were even never debated,

> "These guys leading the STG are very powerful and domineering. There is need for room to get a middle ground at the end of the day. But SIMS proposals were just ignored. It is actually unfortunate"

A section of the STG members in conjunction with some members of the public met the vice president and the prime minister to share their views as an alternative forum. This acted as another power center but it yielded nothing. It was hoped that they would disband the STG or strengthen the Association for Pension Reform, however, by the time of filing this report there were no indications that it would become a strong and viable venture.

5.7.2 Factors affecting participation

The Ugandan government made several statements and expressed willingness to support the STG's work. This led to high levels of participation. Usually when the government does not pronounce itself, the level of voluntary participation goes down. It renders people flummoxed and they wonder whether they should proceed with the task at hand. Government commitment climaxed when the government discussed the pension policy reforms at cabinet level. The president's personal interest also boosted the confidence of members, charged their motivation and heightened their participation. A record of the proceedings for the 12th meeting, page two stated,

> "The Chairman conveyed the appreciation of His Excellence the president…who is very keen to know the milestones that will arise from the STG…"

By giving this piece of news to his fellow STG members, the chairman was confirming governments' political support. Interviewees indicated that such an assurance was sufficient to enhance participation

This study found that STG members were earning a good allowance for the meetings. Each member was paid 100,000/= (50 USD) per sitting which is a handsome package by Ugandan standards. Though there were other sources of motivation, attending a two hour meeting worth 50 dollars was very motivating. An economist suggested that the allowances enhanced participation. Common responses to the relatively high interest in pensions included, "it touches each and every person directly", and "our money and who is responsible for it is the big concern". At the back of many people's mind was the pursuit of personal interests. Motivation stemmed from a strong desire to participate in shaping a desirable post- retirement future for self and others. Personal and

organizational interests seem to have taken centre stage in generating participation and interest among STG members.

Credit was ascribed to the STG leaders for managing plenary deliberations well. Meetings were well planned ahead of time. Minutes of the previous meetings were circulated together with the proposed agenda prior to the meeting. Order and systematic handling of issues prompted participation in subsequent meetings. Data obtained from some of the interviews shows that there was appreciation for the way meetings were conducted. Agendas were followed, people were allowed to express their views and most issues were given acceptable debate. In Uganda, it is common for such meetings to face time related problems, i.e. late coming, starting behind schedule, postponing meetings without notice, attendees taking more than necessary time to argue a point and so on. However, the STG's discipline with time invigorated regular and high participation. The vision of the STG chairman and the managerial dexterity of the coordinator were equally recognized by interviewees.

Respondents reported that plenary debates were interactive, educative and stimulating. Attendees expressed their views without inhibitions. There was minimal fear and favor, apart from preservation and promotion of personal interests. Pensions and social security issues do not frequent news headlines and people usually have vague ideas on their operations. Those hungry for knowledge and information developed a desire to frequent the meetings, initially to learn about pensions and subsequently to generate policy reforms. Debates were a source of inspiration and stimulated participation. Members were eager to learn, ask questions, and contribute ideas. This was coupled with rich information provided by research teams which excited people and eventually stimulated participation.

The STG members were high profile professionals, occupying top or middle level management positions in their organizations. This was an elite group seeking to demonstrate that it can carry out a task in a prescribed timeframe. Such a scenario had influence on their seriousness and participation. It was noted that individual members who could not proceed as the STG went along delegated to their juniors for the furtherance of organizational interests.

The policy subsystem drew on relevant stakeholders and a broad spectrum of interests were represented, leading to wide membership. The need to push for organizational interests was embedded within these two pronged elements. Each stakeholder had preconceived preferences which they wanted to be reflected in the final policy proposals. It was also observed that there was a certain sense of urgency to have the work done and finished. This also, members said, influenced participation. The country is undergoing many reforms, both political and policy related. It was felt that since the current regime may no longer be in power after 2006, it has to leave a legacy of good pension laws.[12]

5.8 Conclusion

In order for a policy to be formulated, there must be a group of individuals tasked with the responsibility to establish policy recommendations. The 36 STG individuals representing 24 organizations had a clear goal, to propose polices for reforming Uganda's social security and pension sector. However, NSSF, donors, employers and the Ugandan government emerged as key players due to perceived or actual power and resources. This study found out that managerial, political, technical, financial factors plus leadership qualities made some actors dominant. Another important point was that information was available to all but it was not used sufficiently. Time was limited and STG members felt that time was highly manipulated since it was inadequate. The STG was initially open to new ideas and actors, but later it became closed. Participation was high and in various forms. High participation was attributed to the political support from the government, allowance offered to the STG members and the nature of the subject, i.e. pensions, which concern many people and generated debates within STG plenary sessions. This chapter, therefore, has portrayed the stage where the STG took its policy decisions.

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[12] There will be general elections in Uganda in June 2006, and one can not state with certainty that the current regime will still be in power. A new government may be elected.

CHAPTER SIX

THE DECISION MAKING PROCESS

6.0 Introduction

This chapter outlines the patterns of interaction which prevailed within the STG. The issue addressed here is the extent to which the process of policy formulation in the STG corresponds to the following types of logic: a) logic of rule-following decision making, b) logic of strategic oriented decision making, and c) logic of communicative action oriented decision making. Each pattern informed the policy proposals differently. Although these patterns of interaction are not mutually exclusive, each naturally covered a specific need. Some decision making processes dominated the arena; subsequently, the decisions made were either incremental or novel. This thesis works on the premise that the above logics result from the articulation of the preferences of actors; therefore, there is a need to understand these preferences.

6.1 Preferences of the actors

Each stakeholder stood for a particular position concerning pension policy reforms. By preferences, I mean the principle where actors within the STG gave advantage to some policy options over others. Preference-based choices are consequential because the decisions depend on the value of future outcomes (Mellers et al: 1998, Edwards: 1992). On the other hand, differences on specific policy issues may have a conflictual or complimentary relationship. For example, the workers union preferred to have employers contribute a high percentage on behalf of workers to the pension scheme, whereas employers petitioned to have it lowered. In such a case, preferences were diverse and potentially conflictual. At the same time, they had similar views on the issue of having the NSSF remain under the supervision of the Ministry of Gender, Labor and Social Development and not to be transferred to the Ministry of Finance, Planning and Economic Development. This issue led to similar preferences. Outlining the preferences of each actor is

beyond the ambition of this chapter; however, in the discussions that follow I shall identify the preferences of different actors and how they were promoted.

6.2 Scenario I: Policy options as a result of institutional decision making (rule-following).

Prelec (1991) posits that rules could be examined from two perspectives; a) personal rules, those which people have set for themselves, and b) communal rules, those that are legal in nature, or binding to a group. Individuals consider not only their preferences for different alternatives, but also rules as guiding principles for making choices. It is further proposed that rules can be invoked depending on the situation; therefore, individuals may choose alternatives that fit rules but not preferences, and thus will not maximize their happiness. The rules participants follow can be disassociated from their preferences, consequently leading to loss of utility. The use of rules does not necessarily arise because of cognitive limitations. It must be recognized that when rules are invoked, they are used. Though rules are used as a first response to the decision problem, they can also be overridden.

6.2.1 Why, "Rules"?

Various authors have suggested that rule-following decision making puts a lot of premium on self-control and identity maintenance, independent from tastes or preferences (March: 1994, Ainslie: 1992, and Prelec: 1991). These rules are general over-arching guidelines for behavior. They are applied broadly in a "do or do not do" legal-like manner.

Actors adopt organizational value premises as a guide for their decisions, in the form of rules, procedures, and routines, which constrain behavior (Scott 2003:27). As actors interact, the organizations they are in develops distinct culture that shapes individual behavior. When rules are followed, roles are fulfilled and identities are formed (March and Olsen: 1989). A decision maker tries to match a situation to the demands of a position. He/she then does what he/she ought to do, but with self-awareness of one's role.

In the case of the STG, the study is concerned with the following questions: 1) what is the STG? 2) Which identity did the STG members take? 3) Which situations did STG members consider themselves to be in?   4) Which rules did the STG follow? 5) What capabilities and constraints did these rules create in relation to threats and opportunities? 6) What are the capabilities and constraints for implementing the STG's policy recommendations? How did this situation impact on policy options?

6.2.2 Which Identity?

The STG members may have had the following questions in mind concerning their identity: Who am I on the STG? And what is the role of the STG? To answer the first question, it was found that they had multiple identities. It was important for them to determine their identity in order to make appropriate decisions. However, in this case, the two most important were: a) as representatives of a stakeholder, for example, the informal sector, b) as members of STG. These two identities were sometimes in conflict and at other times in agreement over particular issues. Each has its own rules; however, members dealt with the problem of multiple identities by continued experimentation of identity, self discovery and doing what they considered good for the nation. When members viewed themselves as part of a policy making body and not representatives of particular interests, rule-following prevailed. Rule following operates within the logic of appropriateness, where actors see themselves as an elite group to make policy reforms, hence rely more on intuition than appealing consequences. This intuition resulted from their background as professionals, experts, educated people, and the associations they belonged to such as religious congregations and Rotary clubs. To the extent that policy choices were based on a moral dimension, they were following rules.

A collective identity was seen while decisions were being made. Quite often I heard respondents refer to a "we" feeling, meaning that membership is based on shared values. The shared value was to set up appropriate pension reform policies. In the minutes of the STG, I discovered that even when individual interests of a certain actor were promoted, the only way the chair would bring the debate back to order was through invoking the STG terms of reference and rules of procedure.

6.2.3 Where did the rules come from?

Rules develop and change by adapting to the environment in five processes; analysis, bargaining, imitation, selection and learning (March: 1994).

By analysis, the STG looked at the future consequences and intentions of debates. An evaluation reflected that when more than one speaker talks at the same time, chaos will reign in meetings. It was also anticipated that discussions have to be focused on pension reforms so that enthusiastic attendees do not veer off course and get into other subjects. Quite often members wished to solve all imaginable economic problems through pension reforms. However, following the analysis of the costs, benefits and opportunities, they would zero down on particular policy options

By bargaining, the STG arrived at its rules through a series of discussions, disagreements and negotiations. A case in point is the rules of collective responsibility. Some members were not ready to take collective action and responsibility but to relinquish it to the leaders, especially when something went wrong. The other example is the number of times to meet. Those who were suspected to be eager to raise money from attending meetings wanted them (meetings) as frequently as possible, though they never explicitly stated so[13]. Another group which had very busy schedules at their normal places of work, and were interested in minimizing costs, wanted few but intensive meetings. Through haggling and negotiations they settled at not more than four meetings a month.

By imitation, the STG members established rules, practices and standards of procedure that were being used else where. This included their mother organizations, social clubs they belong to and other instance where meetings take place. These rules are universal for managing any kind of meeting (Swartz: 1994 and Haskell & Prichard: 2004).

By selection, the STG imitated only rules that were applicable to their situation and circumstances. Some rules also died away as work progressed and were either stopped or not strictly enforced. Such rules include one concerning talking to the press. Members felt that they

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[13] This conclusion arrived at following remarks obtained from 20 interviews.

should not be muzzled and were not dealing with state secrets but an issue of public concern which shall even go to parliament for further debate. So they gave press interviews without seeking permission.

Lastly, by learning, some routines developed as a matter of practice. For example, meetings would follow a predictable pattern. The chair would give opening remarks; followed by reading and adopting minutes of the previous meeting, matters arising from those meetings, submissions from the task teams, reactions, and points of agreement and action. Using this example, routine led to unwritten but agreeable rules of procedure.

Therefore, standards of procedure were developed to enable actors to perform their duties in the STG. These standards of procedure shaped their identity of STG members and constrained the STG members' behavior. Such a state of affairs indicates that the STG evolved purposes and practices common to its members, as an organization. In section 6.2.4, I analyze at least 13 rules of procedure that the STG came up with. It created an enabling environment to achieve its own tasks. By executing standards of procedure, the STG members fulfilled their expected role, by coming up with comprehensive social security reforms.

The STG acted as a stage where various interests were aggregated. I noticed that there was a need for the STG to agree on a proposal to be accepted by government. Common identity, consciously or unconsciously, bred cooperation, because people on the task teams felt they had collective accountability and responsibility over the policy options agreed upon. Since there were no walk outs or major denouncements, but significant disagreements, one can safely suggest that contentious issues were resolved. To measure performance, the STG relied on its autonomy to define specific objectives.

6.2.4 Which organization and which rules?

Though the STG lasted too short a time to be fully institutionalized, its lifetime was sufficient to shape individual action by providing identities, rules and appropriate cues for invoking them.

As an organization, it developed its own identity, and rules and procedures on how to invoke these rules. The first set of rules was those that individuals came with. The rules which they have been socialized into both as leaders and managers in their organizations and any other identity they may possess. The second set of rules was the STG terms of reference issued by the government of Uganda which defined the goals of the STG and delimited its operations. I noted that in its first meeting, the STG formed its rules of procedure. The rules of procedure decided the type of participants. The third set of rules was related to the task groups. Each task group was given a mandate (see Chapter 4), and liberty to decide on how to be governed. The last sets of rules were those guiding the plenary. Rules were not written in a separate script, but I gathered them from minutes and electronic mails. They included the following:

- All correspondence will go through the chair.
- Each speaker will be given limited time to make a presentation.
- The meeting starts and ends at the agreed upon time.
- The meeting is conducted as per the agreed agenda. Prior to the meeting, members were provided with a proposed agenda by the coordinator. During the first few minutes, members would first agree on the agenda. At this time, new items on the agenda would be proposed and were either accepted or rejected as per general agreement. Usually, the agenda included items such as communication from the chair, adoption of the previous minutes, communication from the STG secretariat, task team reports (usually the main topic for discussion), and so on. After accepting the agenda, the meeting would follow the agenda and members would be restrained from discussing issues that have not been listed on the agenda.
- A speaker should not be interrupted when deliberating.
- The plenary has one spokesman.
- Discussions should be focused on the topic at hand. Due to the fact that social security and pension is a broad issue, during the first meetings, there was a tendency of members to interrupt an ongoing debate, by introducing new topics, and mixing up issues. According to the STG chairman, the STG had the mandate to address so many aspects of the pension policy. Therefore, in order to come up with policies that are comprehensive, comprehendible, all embracing, of international stature, and implementable, they had to follow issues in a systematic manner. To achieve this objective, apart from operational

issues, matters concerning policy formulation followed these four themes; a) public service pension, b) private sector pension, c) national pension strategy, and d) the pension sectors legal/regulatory framework

- Record all suggestions.

- The nature of voting is through verbal assent and not show of hands or secret ballot.

- If a decision can not be reached, refer the issue to the relevant task team. If the plenary failed to reach a working agreement on a particular issue, this particular issue would be referred to the relevant task team which would review the issue and come up with an appropriate policy proposal. According to the STG coordinator, most of the controversial issues that were referred to the task teams would be eventually resolved after being reformulated and presented to the plenary for adoption.

- Members take collective responsibility for STG decisions. The principle of collective responsibility in the STG was based on usage, rather than law. The minutes of the STG indicated that once a decision had been taken, then all STG members are bound by it and must support it or resign from the STG. It did not matter whether or not all the STG members were present at the meeting concerned. None of the STG members, including the leaders, were allowed to make public statements contradicting policies agreed upon in the STG.

- Debates shall be guided by the STG terms of reference. The government of Uganda offered the STG 11 terms of reference to guide its operations and activities. The overall aim of the terms of reference was to provide social security protection to all Ugandans and enhance domestic capital formation. These terms of reference helped the STG to have focused meetings. They were also used to put STG plenary sessions to order especially when members would appear to have misunderstood the exact role the STG.

- Meetings to be held regularly (at least four times a month).

6.2.5 Elaborate or simple rules?

In order for a policy formulation unit to function, it must have rules. In the case of the STG, like any other organized entity, it is significant to know to what extent the organization was characterized by elaborate and simple rules. Elaborate rules are usually complex, detailed,

involved, and sometimes sophisticated. Elaborate rules give little room to participants to discuss. It is usually a few individuals who have mastered the rules that dominate discussions, and sometimes prefer to manipulate discussions on the basis of technical reasons by invoking rules of procedure at the expense of discussing substantive matters. On the other hand, rules may be simple. Simple rules usually constitute basic guidelines and outline the fundamental principles to follow. Such rules are readily understood because they have few exceptions or restrictions. Therefore, simple rules offer ample flexibility allowing members to have sufficient room to formulate policies and discuss problems. So, what was the case in the STG.?

There are two types of rules we are looking at in this study; first, are the 11 terms of reference which the government of Uganda provided to the STG to delimit their work, and second, the 13 rules of procedure the STG created to govern their deliberations. Data gathered from participants and STG minutes give the impression that the STG terms of reference were elaborate. Elaborate because the objectives of the STG were clear, unbiased and stable. Neither the STG, nor its leaders had the authority to change their terms of reference, but to follow them as they are. It was their duty to understand them and act accordingly.

The second set of rules, which may be referred to as the standards of procedure were crafted by the STG itself. The standards of procedure included such rules as 'all correspondence will go through the chair',' meetings follow agreed time', 'a speaker should not be interrupted,' and so on, as discussed in section 6.2.4, of this chapter. These rules were also elaborate; first, the participants had to agree to them before they became binding. Given that all STG members were involved in the formulation of these standards of procedure, it may suggest that they were clear to all the STG members. Second, they were unbiased because they were established following meticulous discussions. As such, they reflected an aggregate position of the STG. More so, the rules were designed along the universally accepted rules of procedure that are common in most deliberative bodies, e.g. the legislature. Third, these rules were stable because during the STG policy process, these rules were firmly established and minimally altered. One of the STG leaders confirmed this point of view by saying that:

> "During the first days of the STG, we were preoccupied with setting up rules of procedure to guide us. However, when this exercise was over, the STG never had time to change these rules because they were sufficient" (STG member).

In this situation, participants preferences are less influential, rather organizational objectives are important in motivating participation. It was observed that there were instances when participant's preferences and organizational objectives were fused. For instance, on the issue of establishing a competent and independent regulator for the social security and pension sector, it was observed that, most actors, the organizations they supported and the STG as a single entity, were in agreement with the set objective number nine of the STG[14]. On the other hand, if goals were unclear, unstable, the participants' preferences would have motivated their behavior. This is not to disregard the influence of participants' preferences on motivating behavior in the STG, but to underline the fact that actors were influenced more by objectives than individual preferences.

6.2.6 To what extent were actors socialized to STG goals?

Data show that in the STG, there was agreement among the participants about the goals or preferred outcomes. In some situations, the means of achieving these goals were also agreed upon. In order for STG members to develop shared views, meanings and assumptions, they went through a socialization process. It is imperative therefore, to understand the extent to which participants were socialized to STG objectives. The critical question is; were these rules and objectives internalized? And if so, how?

I uphold the view that the STG rules were internalized through socialization. Socialization was in various forms; it was either formal or informal, and happened either before the STG commenced business or during the STG deliberations. Formally, the STG held a few meetings to orient members to its goals. Facilitators, usually from the STG secretariat, made presentations on the four general themes of the STG's work. These themes, to be used later to form task teams, were concerned with: a) public service pension, b) private sector pension, c) national pension strategy, and d) the pension sector's legal and regulatory framework. During these meetings, STG members came to understand the broad concerns of their mandate. They also learnt about the meanings, assumptions and key variables concerning social security and pensions. These

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[14] According to the STG terms of reference, objective number nine stipulates that the STG is to 'Identify the character and shape of an appropriate regulator/supervisor for social security finance and savings schemes and make appropriate recommendations'(STG Report 2003:14)

meetings were also addressed by academics, including Professor Rolf Luders of Pontifical Catholic University and Dr. Simon Rutabajuuka of Makerere University.

The second step of formal socialization was the creation of task teams. Members were divided into four groups to internalize the STG goals and generate preliminary policy proposals. As the teams internalized the four main tasks, i.e. policies on public service pension, private sector pension, national pension strategy, and the pension sectors regulatory framework, they were at the same time forming consensus on the broader issues and variables.

Another formal way in which the STG members were socialized was through 16 nationwide consultative workshops. These workshops were held after the task teams had developed basic guidelines on the policies to reform the sector. However, the task teams served two purposes; they gathered views from the public on how to reform the sector, and socialized members into the objectives of the STG.

The third formal way of socializing members was through information dissemination. A number of briefs were prepared and circulated to members, in addition to numerous newspaper articles, radio and television talk shows, sponsored and held by the STG leaders. Though these media were directed at the public, they in a way also helped in socializing the STG members to their goals. I observed that knowledgeable leaders and members socialized their colleagues on the goals and objectives of the STG.

One may ask that why were some STG members more knowledgeable than others? For one, according to the STG chairman, the STG was conceived by the Ministry of Gender, Labour and Social Development, the Exports Led Growth Strategy Unit, the World Bank, the National Organisation of Trade Unions and the Federation of Uganda Employers. Since these organizations and their leaders were members of the STG, they had a fair view of the goals they set. Second, these organizations, and the individuals that represented them knew the current status of the pensions sector, the prevailing problems and desired policy solutions.

There were also informal socialization situations. These were seen through the STG parties such as the launch of the STG, lunch break talks, coffee breaks, side talks and individual consultative meetings. During these informal meetings, various issues were discussed, clarifications made, and common meanings on STG objectives established.

Pre-STG socialization was also a contributing factor. Apart from the fact that the STG was conceived by some of its leaders, there is also the element of pre-STG meetings. A case in point is the task force on reforming the pension sector and improving social security in Uganda. The task force, which was chaired by the Private Sector Foundation, included the Federation of Uganda Employers, NSSF, the Ministry of Finance, Planning and Economic Development, Capital Markets Authority, Bank of Uganda, and Uganda Insurers Commission. These seven organizations, which later became members of the STG, produced a draft report on the social security and pension reform in September 2001, almost a year before the STG commenced. A review of this report indicates that a number of STG goals and objectives were drawn from this report.

This section has demonstrated that conscious and unconscious effort, formal and informal means, pre-STG and during STG deliberations, and other categories of socialization took place in order for members to internalize the STG goals and objectives. Given that the STG was an adhoc organization, there was insufficient time for people to be fully socialized through routine. However, routine and constant practice also played a role in socializing STG members to its goals. This was evident in the nature of STG plenary meetings which were conducted in a uniform style. Most procedures were repetitive and consistent with previous ones. Alterations on the modes of procedure were few, if any.

So, to what extent were STG members socialized to the STG goals and objectives? STG actors were significantly socialized to the objectives of the policy formulation unit. The fact that members from various backgrounds, in one year, came up with policy proposals may indicate that there was a high level of agreement on the objectives. Second, these STG members had been socialized for a long time in the organizations they represented on the STG. This socialization shaped their preferences, interests and behavior. Therefore, since they managed to interact, follow

rules, debate, compromise positions and come up with policy proposals that reflect organizational objectives, it indicates that they were well socialized into the STG objectives.

6.2.7 What was the level of compliance?

Data show that compliance was high. As complex as it appeared, good conduct was easily noted and appreciated. Another measure of compliance was the extent to which disciplinary action was meted to offenders. Documents explored and interviews held did not show signs of members being taken for disciplinary action, apart from a warning that was given to the insurance group for sharing disagreements in the press.[15]

The working logic of rule- following is process oriented. Decision makers follow a certain procedure, specific roles are fulfilled and particular standards are expected (Phillip & Zelikow, 1999:158). By the fifth plenary meeting, actors were dealing with a repetitive and uncomplicated environment. Interviews revealed that at this time STG members had adapted to the environment, internalized roles, and were motivated by rules.

6.2.8 The impact of the institutional decision making style on policy outcomes

Agreement within a rule following oriented decision making process rests on collective identity (Eriksen & Fossum: 2003). Within the STG, I noted that members identified themselves as actors seeking solutions to pension reforms and were focused on rules to establish policy options. I found that when this pattern of interaction was in force, policy options reflected policy objectives, as seen in tables 6.1 and 6.3 in this chapter (section 6.6.1).

At one point STG policy recommendations appear to be a moderation of the terms of reference given by the Ugandan government. I find the following example most ideal : The tenth term of reference states that the STG ought to, "examine the issue of the liberalization of the social security service provision, including the related legal and regulatory framework and make

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[15] Minutes for the 21st STG Plenary meeting held on October 17, 2003

appropriate recommendations," and policy recommendation number one states, "review existing legislation and create a new law consolidating existing laws on retirement schemes, social security, and amend article 254 of the 1995 constitution to provide social security to all Ugandans regardless of where they are employed." This example and many others indicate that there was a rule following mode of decision making process, and that it had a significant impact on the policy recommendations the STG came up with. This interaction pattern was also characterized by meticulous planning.

6.3 Scenario II: Policy options as a result of strategic oriented decision making.

The strategic oriented decision making style is based on power relations and negotiating abilities of participants. When decision makers met in the STG in the STG, they went through heated debates and those with an edge over the rest took the day. However, sometimes each party with interests in specific policy options would bring their ideas. These ideas would be aggregated to come up with a compromise position.

6.3.1 Negotiation between equal actors and the dominant coalition

Strategic decision making is interest oriented. By studying this mode of interaction, I was interested in which and whose preferences got a footing in the policy formulation. The strategic mode was double pronged; there were negotiations made between equal actors which led to compromises and then there were situations of domination by a few allied actors leading to the acceptance of their preference by the rest.

Negotiation

Negotiations were a prominent feature of the strategic mode of interaction. Negotiation is the process whereby interested parties resolve disputes, agree upon courses of action, bargain for individual or collective advantage, and/or attempt to craft outcomes which serve their mutual interests (Polzer: 1996; Rintala, 1969:326-332). As far as negotiation within the STG is concerned, we have the current pension providers and the potential pension providers as equal actors. Equality here is used in the broadest sense to imply that they were, 'of the same influence'

on the STG. Therefore, current pension providers are actual public institutions, namely the NSSF and the Ministry of Public Service. Potential pension providers here are mainly from the insurance industry represented by the Insurance Company of East Africa, the Uganda Insurers Association and the Uganda Insurance Commission. Interviewees said that, though in a liberalized economy pension benefits are determined by the market, the STG recommended that mandatory benefits should be prescribed by the Ugandan government.

The STG recommended a two tier system; the first tier is the basic mandatory scheme where all workers will remit contributions for their pension, which shall be administered exclusively by the NSSF and Ministry of Public Service. The second tire is an additional mandatory contribution, where pension contributors may choose where to remit their contributions. The compromise was that the public entities (the NSSF and the Ministry of Public Service) were assured of business through the basic mandatory scheme, and the insurers were also given priority because liberalization will be controlled and according to most interviewees, the proposed law favors the insurance industry.

During the STG sessions, an actor attempted to determine the minimum outcome the other party is willing to accept, and then adjust ones demands accordingly. There were several negotiations, but these negotiations were not formal and elaborate. However, those who had interests like the insurance team (the Uganda Insurance Commission and the Uganda Insurers Association) were able to play a key role in the reformed system by offering annuities and insurance protection. Another case in point was the NSSF, which negotiated with other stakeholders. In the final analysis most policy options, "made NSSF comfortable".[16] These negotiations, though informal, were well executed and effective. In a worse case scenario, it is common to have such negotiations hit a deadlock, a situation that never arose within the STG.

Presenting demands was another way in which negotiation was done. For example, members of parliament requested for a seminar so they could get the opportunity to articulate their views, and also learn more about the STG work. Second, the Foundation for Advancement of Small Enterprises and Rural Technologies (FASERT) and the Private Sector Foundation Uganda

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[16] This phrase is contained in one of the interviews with an STG secretariat staff.

requested to have their representatives on the task teams increased by five[17]. This tactic had been used by FASERT earlier, in the 12th STG plenary meeting, when it demanded to be recognized, as a stakeholder. In the cases highlighted above, both demands were met. The usual trade union tactics of deadlines, and walk-outs were never deployed. However, it was seen that there was a lot of caucusing and consensus.

Dominant coalitions

Policy making is a process of political interaction defined by negotiation and bargaining, among groups promoting and protecting differing or competing interests and values (Gregory: 1997). Within the STG, preferences were promoted through building alliances to enable policy makers select the best policy recommendations[18]. Alliance negotiations are challenging because they require each party to actively pursue its own interests while still building the foundation for a lasting, working relationship. As a result, alliance negotiations often stall or become contentious, putting the long-term viability of an alliance in jeopardy (Lindblohm: 1965). It is these alliances that led to dominant coalitions where a single or group of actors influenced decisions to be made in their favor.

Within the STG, alliances were formed on short term programs. Common interests were not difficult to identify and some alliance were formed. Participants cited the NSSF, the National Organisation of Trade Unions, the Federation of Uganda Employers, the Export Led Growth Support Unit, and the Ministry of Gender, Labour and Social Development as a dominant force within the STG. This dominant coalition had informal meetings prior to plenary sessions where they harmonized issues, defined points of agreement, set up mechanisms of managing compatibility, pledged commitment, and prioritized policy options of mutual concern. Information gathered from interviews suggests that at least seven recommendations (i.e. 6, 10, 14, 15, 17, 20 and 21)[19] originated from this coalition. It was not surprising to STG members that

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[17] This was contained in the minutes of the 17th STG plenary meeting held on August 6, 2003.

[18] For more on alliance building among policy makers in terms of policy recommendations refer to Phillip & Zelikow 1999: 158

[19] These policy recommendations were; a) recommendation 6 that mandatory contribution for social protection be fixed at 20%, b) recommendation 10 that government to provide incentives for savings , c) recommendation 14 that indexation of benefits, d) recommendation 15 that separate the roles of pension players and providers and have checks and balances, e) recommendation 17 that establish boards of directors and trustees beyond employers and

even in the final report some original wordings for these recommendations were maintained. Therefore, this group is said to have imposed its preferences on the larger system. Group members sought out other groups as allies whose interests were divergent but whose participation were necessary. In the final analysis, each actor whose interest must be taken into account helped define STG recommendations.

Similarly, it was perceived that Stanbic Investment Management Services, the Uganda Insurance Commission, the Uganda Investment Authority and Ministry of Finance, Planning and Economic Development had a coalition. The other alliance was said to be between Uganda Securities Exchange, the Capital Markets Authority, the Uganda Insurers Association, and the Private Sector Foundation Uganda. These alliances were not necessarily in conflict but more of a confluence of ideas. Other coalitions were traced to interactions prior to the formation of the STG. This was the case with National Organization of Trade Unions, the NSSF, the Export Led Growth Support Unit, and the Federation of Uganda Employers. These institutions and the individuals representing them are members of the NSSF board; therefore, it was almost natural for them to get together. They had several interactions while carrying out NSSF business.

These alliances were tools of aggregating capabilities against a threat. The need for alliance ends when the threat passes. They exist just to advance common interests. An alliance is seen as a deterrence or defeat of a mutual threat (Morrow: 1991). It was also observed that STG members took interest in knowing about their colleagues and the issues that they stood for. Preferences matter in shaping choices and action, based on power relations, information possession and resource endowment (March 1994). The factors that shaped actors perceptions include: preferred course of action, stand on particular issues, impact on the chosen course of action, threats, promises, and acceptable alternatives.

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employees, and f) recommendation 21 that public service pension schemes should be funded and become the second national operator.

6.3.2 Other strategies used by actors in the STG

In order to further understand the strategic oriented decision making strategy, I will analyze the extent to which this strategy reflected the different interests and the strategies employed by the various actors to realize their preferences. These were the main strategies the study found:

a) Threats: Data indicate that threats were not frequently used, but when they were employed, actors could evaluate their counterparts favorably. For example, a member of parliament noted that threats would be used to overcome an impasse. He said:

> "I remember when some of us used threats in order to steer a negotiation from impasse towards settlement. We reminded our colleagues from the Ministry of Finance, Planning and Economic Development that they are not the only powerful force in this country. We reminded them that we can rescind any STG decision when it comes to parliament. They then realised that it was not important to insist on issues that were not mutually agreed upon."

This situation indicates that such threats paid off and helped to harmonize situations. However, in some cases, some actors threatened to disown the STG and publicly declared that they were not bound by its recommendations. A case in point is the Stanbic Investment Management Services, the Ministry of Finance, Planning and Economic Development, and other actors who joined to form the Association for Pension Reform (APR). The insurers' distrust of the STG report was even carried in the daily newspapers[20]

b) Recognition: Recognition and rejection were used strategies in the STG. It was noted that for example FASERT was co-opted to join the STG because it represents a huge sector, hitherto ignored by the social security and pension schemes. The current pension schemes in Uganda do not cover people in the informal sector. So, FASERT was recognized by being accepted to join the STG, a move that emphasized its importance. Therefore, the fact that FASERT emphasized its importance made it an ally of the NSSF. As some members noted, FASERT and NSSF, usually had similar views on particular issues which was not coincidental. One member argued that the recommendations on the informal sector were political rather than technical. He said:

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[20] In a special report, the New Vision Newspaper of Thursday October 10, 2003, said that insurers cast doubt on the STG report that it may favor NSSF.

"How does one expect the government of Uganda to top up pension contributions from the informal sector yet it is facing a huge pension deficit in pension arrears"

From this quotation, we learn that policies meant to develop the informal sector were unrealistic and symbolic. Symbolic because the only purpose these policies served was to recognize the need to have pension for the informal sector. Otherwise they are likely to fail given that the existing pension scheme is in trouble due to arrears for the pension beneficiaries.

c) Rewards: Rewards were in various forms. The first kind of reward was monetary. This one was provided by the STG to all members in the form of sitting allowances. This financial reward acted as a source of motivation to all members and may have influenced the decision making procedures. The other form of reward was through the anticipated business benefits to the stakeholders involved in the STG. For example interviewees said that they recommended that the NSSF should be reformed and not privatized. Such a recommendation was made on the understanding that the NSSF would be strengthened, and hence out-compete other players in the business. It is not surprising that those members from the Ministry of Finance, Planning and Economic Development considered such a recommendation unfair for competition.

As negotiations, bargains and coalitions formed, decisions were made. In the following section, I develop a step by step pattern that emerged in the production of policy proposals under the strategic mode of interaction.

6.3.3 Step one: Identification of the critical decisions and intended goals

The STG determined the scope and limitations of the decision they were expected to make. Their terms of reference were well elaborated. Their job was to provide permanent solutions to pension problems. The task was therefore, very clear to them and so was the intention of their policy recommendations. They also looked at the scope of the decision in relation to other national programs; how they could be changed and any other possible parameters. When interviewed, most STG members indicated that they had an almost absolute understanding of STG goals. This meant that the STG managed to achieve its objectives. However, given the nature of membership and the dealings in the decision making process, various and divergent goals were also realised by individuals on the STG and the organizations they represented.

6.3.4 Step two: Gathering necessary information and ideas

Though the STG could not get all the facts possible to make a decision, they got as many facts as possible about pensions. Therefore, some policy options were established with inadequate knowledge. This is bounded rationality which recognizes the knowledge limitations and computational abilities of actors (Phillip & Zelikow 1999:32). The STG chairman intimated that a lack of complete information could not deter them nor paralyze the policy process. Most STG members opined that proposing policies on partial knowledge is of greater value than not coming up with anything, since Uganda needs pension reforms. A decision on pension reforms had to be made. For STG members, at some point, the actual decision was of less importance than being able to make the decision.

Information was also gathered by the STG secretariat through the research assistants and resource persons. They sourced information from consultancy reports, the internet, study tours to Ghana and Chile, the media and the public.

Another major source of collecting information was consulting those who would be affected by the pension policies as beneficiaries and implementers. This was done by holding seventeen nation wide workshops. The workshop participants proposed useful information to the STG. In addition, these workshops, in a way, enabled the STG to achieve legitimacy since pension contributors and implementers felt they were a part of the decision making process.

6.3.5 Step three: Generating possible policy alternatives

The STG chose the most appropriate alternative for reforming social security, from a variety of policy alternatives. The STG made a list of all possible choices by summarizing written submissions, workshop recommendations, individual contributions, government priorities and proposals from task teams and plenary sessions. The coordinator observed that,

> "Members even had the alternative of not choosing some proposals because they were so foreign or harmful to our economy. In some instances one of our options was to do nothing" (STG coordinator, 2004)

The argument was that though quite often a non decision is harmful, sometimes the decision to do nothing is useful or at least better than the alternative choices.

In developing alternatives, members identified available alternatives and in addition created new ones. For example in choosing the regulator they did not only look at the present institutions (the Bank of Uganda, the Uganda Insurance Commission, the Capital Markets Authority, the Uganda Securities Exchange), but they proposed a ' new independent regulator' for the entire social protection sector. The regulator would be a strong, well-funded organization, independent from government and players in the sector, "to cover pensions, insurance, capital markets and other social security and pension's entities."[21] The new regulator would be consolidated, like the South African Financial Services Board, which is independent from other regulatory institutions. However, they were cautious in the policy transfer to avoid being trapped into either one or a combination of possible policy transfer failures, such as uninformed transfer, incomplete transfer or inappropriate transfer (Dolowitz & Marsh, 2000). Weighed against the other options, the STG in this case, actors resorted to supporting policy proposals that a) mandatory contributions of persons in formal employment be set at 20%, and b) voluntary benefits over and above the mandatory ones should be provided under licensed providers and operators, within a regulated framework. These are recommendations number six and seven respectively.

6.3.6 Step four: Ranking policy alternatives

During the decision making process, the STG evaluated the importance of each alternative. Consideration was placed on the negative outcomes of each policy alternative concerning; implementation costs, consequences to the economy, impact on national budget, and time needed to execute the policies. Evaluation of the positive side for each policy option was made with regard to money saved, time used, coverage, legal protection of contributors, tax rebates, political support, social development, and a well managed sector. While evaluating alternatives it was recognized that some of the best liked and most desirable choices, however, would not be functional in the real world. For example, there was an expressed desire to promote wider social

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[21] This is in chapter six of the STG report, on page 116. It is a departure from the existing institutions such as the MOGLSD, MOFPED, BOU, CMA, USE, UIC and other regulators.

security coverage to the destitute, street children and the unemployed, but this failed because neither the government nor the working population are in position to support this enterprise.

6.3.7 Step five: Assessment of risk

As actors within the STG searched for solutions to pension problems, they were motivated by the need to get a workable policy solution. In decision making, there is always some degree of uncertainty in any choice (Philip & Zelikow 1999: 23, Biswas 1997, and Olsen: 1972). Quite often, the STG members would ask themselves; will these policies work out? If we decide to expand the coverage of contributors, will existing institutions be able to handle such a task? If we allow new players to join, will the experience be good? If we decide to have a three tier system of pension administration, will that be the best or most successful choice?

Consequently, they started the process of answering the above questions. It was through the process of answering these questions that for example STG members came up with policy recommendations 15, 16 and 17, which call for a) the separation of roles between pension institutions, b) a dispute resolution mechanism and c) establishment of stakeholder boards and trustees, respectively. They deliberated on the pros and cons of each policy option. In addition, researchers and task teams searched for more information then got back to the plenary. Experts would be called in and finally debates would take place. People exchanged ideas, sought allies, and where possible, negotiated to ensure that what they consider the best option was established as an STG policy proposal.

6.3.8 Step six: Making the decision.

The last step was making the final decision on the policy option to recommend to the government of Uganda. The STG was mindful of individual and general preferences expressed during the deliberations, as actors chose policy recommendations. These policy recommendations included one or more of the alternatives arrived at in the process described in step four (6.3.6). The STG explained the reasons behind their options to pension providers and other relevant actors outside the STG through the media and consultative workshops. This was done by listing the drawbacks involved and the potential benefits of the policy options. Usually, the STG would create an impression that the positive outcomes of their chosen policy option far outweighed the negative

implications. The assumption was that implementers are much more willing to support decisions when they understand the risks and opportunities involved (Sabatier 1997, Van & Van: 1975). Following this process of discussing with policy implementers, the STG would collectively establish the decision, and the chosen policy option would be minuted. The minuted policy options are the ones that eventually were elaborated in the STG report to the government of Uganda.

The above mentioned steps are neither sequential nor mutually exclusive. Actors do not move linearly during the policy formulation process, but they move from step to step, either backwards or forwards, for as long as the decision has not been taken.

6.3.9 Impact of the strategic decision making style on policy outcomes

It has been observed that coming to an agreement within a strategic oriented decision making process rests on aggregated convictions and compromised positions (Gehring: 2003, Eriksen and Weirgard 1993:11). A case in point is the issue of privatization, where two tendencies emerged within the STG. The insurance and banking sectors were arguing for a speedy liberalization process of the pensions sector managed by the Ministry of Finance, Planning, and Economic Development. Meanwhile, the Ministry of Gender, Labour and Social Development, the NSSF, the National Organisation of Trade Unions and Federation of Uganda Employers agreed to the principle of liberalization, but managed to have others succumb to the view that privatization should be done incrementally under the Ministry of Gender, Labour and Social Development.

This mode of interaction was the most common. An analysis of the policy options indicates that at least thirteen (13) i.e. 54%[22] of the policy recommendations are traced to the strategic pattern of interaction (*refer to tables 6.1 and 6.4 in this chapter (section 6.6.1)).* It was the most dramatic and involving to stakeholders; dramatic in the sense that it is through this pattern of interaction that I was able to analyze the political nature of the STG. Politics were seen through the ability to convince, woo, bargain, threaten and create alliances all for the purpose of having ones preferences dominate the policy options. Drama can also be seen in the behavior of actors; such as banging tables to make a point clear or breaking a rule by making press releases hence defying

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[22] Refer to table three for my categorization of policy proposals according to the three processes.

the principle of collective responsibility. Sometimes confusion reined as accusations and counter accusations were traded and threats presented in the plenary sessions. Parochial priorities and perceptions emerged during the plenary sessions. These priorities were attributed to lack of adequate knowledge and selfishness. Sometimes stakes and stands were threatened. In order to overcome such situations, negotiations, alliances, wooing and deals were struck. But in the end STG members reached a compromise on the best policy recommendations to present to government.

6.4 Scenario III: Policy options as a result of communicative action

According to respondents, in order to have an issue well articulated one had to make convincing arguments to his colleagues. A policy analyst said, "They had to explain a lot of things for me to understand." Convincing others was not always a simple task. Actors had to do a lot of preparation, provide case studies and stimulate intellectual debate. Participants would first flaunt knowledge about the subject matter under debate. They would also identify a clear message that could be easily understood by all, then created interesting content by providing practical examples from Uganda. Few of the participants used this elaborate type of presentation.

The presentations respondents found convincing developed a logical presentation structure. They used effective visual aids. Effective presenters were said to be confident, eloquent and able to capture and retain the audience's enthusiasm. Presenters, whose ideas flowed, got sufficient attention and acceptability. Common points of reference were the views submitted by the chairman of the Federation of Uganda Employers, Aloysius Ssemanda and its Executive Director, Rosemary Ssenabulya. The members interviewed said they were satisfied with the way the duo answered the questions posed to them.

6.4.1 The communicative decision making process in the STG

In the case of the STG, if policy formulation is understood as a communicative action, it presents a challenge to not only articulate a new role for information, but also to develop a matching concept of rationality which can provide an ethical and legitimate stance for policy makers (Gehring: 2003). If deliberations and learning take place in a collaborative and communicative

way, we need appropriate rules, parallel to those of the scientific method, to ensure that policy outcomes are acceptable, worthwhile, and informed (March & Olsen, 1997:143).

Several principles can be applied to evaluate communicative rationality as a process of deliberation. First, individuals representing important interests ought to be present, as explained by Eriksen, in his essay "*Integration and the Quest for Consensus: on the Micro Foundation of Supranationalism*," (2003). This was fulfilled because as noted earlier, the level of participation was very high, both in terms of presence at meetings and production of ideas. All concerned stakeholders were invited to participate in the STG. It was noted that even those who were not active had their views forwarded through various ways such as workshops, written memoranda, and attending the STG's task team meetings. An analysis of the STG plenary sessions suggests that these meetings were designed for all who were considered close to the decision making process.

The stakeholders were fully and equally informed about the subject matter. They were also in a position to represent their interests. It was revealed that most members of the STG were equally empowered in discussions. They had access to basic information. A member was, usually, not left out if he had an issue to talk about since all were given the opportunity to speak their minds on the issues important to them. In some meetings, the STG members looked at themselves as equals and distinguished citizens. This boosted the members' confidence. Power differences from other contexts were minimized in terms of influencing who spoke or who was listened to, or not.

The power of a good argument was a very important dynamic (Gehring 2003: 74). People had to give reasons to back up their views. It was not only a matter of giving reasons, but giving convincing reasons. For example, the STG established the recommendation that there should be an independent regulator. It was asserted that no liberalization should take place without a regulator to bring all the players in the pension business under the control of law or constituted authority. The regulator would handle the problems facing the sector, protect interests of contributors, ensure fairness, and reduce systematic risks.

Discussions also allowed claims and assumptions to be questioned. The hallmark of consensus oriented decision making is that what passes to be knowledge is scrutinized (Eriksen: 1999, Dryzek: 1991). Members actively identified and challenged assumptions underlying presentations

and policy choices. They sought to find values, goals, credibility and decide whether they are of national interest. A lot of questions were asked. A member noted that sometimes answers would be availed in subsequent meetings; it was unusual to proceed to another issue before previously raised questions were convincingly dealt with. In the debates, it was imperative to create contextual awareness by looking at historical perspectives and the implications of policy options to industrial, organizational, economic and political contexts. Alternatives were identified and there was a sustained level of reflective skepticism. The STG members adopted a questioning attitude to almost each and every point raised. There was low tolerance to sloppy thinking, simplistic formulae and sophistry.

> "It was necessary for us to evaluate the points that our colleagues were raising. This was a matter of national importance. We could not tolerate being drawn into making decisions based on newspaper created myths, gossip, popular and unscientific information or political considerations" said a member from the Ministry of Gender, Labour and Social Development.

Findings suggest that speakers were critically assessed by their peers. It was the concern of the plenary that those who contributed to discourse were sincere and honest. There are three tests that can be used to measure sincerity in a discourse; consistency in speech, consistency in action and coherence (Guttmann and Thompson 1990: 74–76). So, was there consistency in speech within the STG? Were the actors consistent in action? Were they coherent? My findings indicate that, to a large extent, there was consistency in speech by the actors. A reflection on written submissions, a study of the minutes and interviews showed that most members were consistent with what they said, both within and outside the STG.

> "I tend to think that most of us were consistent with what we were saying. That is why it was easy to identify a particular stakeholder with a particular policy option" (An STG member from the banking industry)

Speakers in the STG plenary meetings were in a legitimate position to represent and speak on behalf of their mother organizations. A background check on the STG members indicated that they belonged to the organizations they claimed to be from. Credentials played a big role in backing up members of the STG. A review of the individual STG members[23] shows that all of them were leaders in the organizations they represented. They also spoke comprehensibly by

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[23] Refer to Appendices 1 and 2.

avoiding jargon and technical language, because they were leaders in their organizations and also members of other social organizations such as Rotary International and university alumni. Their propensity to communicate was high because at least 60% of those interviewed had postgraduate training.

Above all, whatever they said, members were eager to listen and often compelled speakers to be factually accurate (Eriksen & Weirgard, 1993: 10-11). Most participants said that because the STG members were highly trained, it was natural for them to be good listeners and also critical for demanding facts. During the plenary, it was noted that some participants were open minded and willing to change opinion, especially after passionate submissions from colleagues.

The STG pressed for consensus and a working agreement. Policy options from such a communicative process, one can argue, were rational to the degree that the above scenario prevailed. Conditions of an ideal, communicative oriented decision making process may not have been fully met as desired in a deliberative process (Gehring: 2003). However, the attempt to approximate them ensured that preferred pension policy options took into account important knowledge and perspectives. The STG members were, in a sense, socially just and fair.

This scenario accurately maps the communicative action processes. While deliberating, different actors and leaders in a consensus building process, made sure that members were heard and informed. Actors endeavored to get all the stakeholders involved, including those they disagreed with. This was to ensure the incorporation of knowledge and perspectives of most interests. Data connotes that the STG members often challenged views and assumptions. Sometimes original intentions of policy options were changed. The plenary, especially with the support of task teams, produced innovative strategies that would not have emerged from bureaucratic or expert analysis. Actors from a diverse spectrum with a knack for leadership and for equalizing information, helped prevent unnecessary policies, which can arise out of compromises.

6.4.2 Impact of the communicative decision making style on policy outcomes

Agreement within a communicative oriented decision making process rests on mutual convictions (Gehring 2003:71, Eriksen and Weirgard 1993:11). When the communicative decision making

style dominated, members offered identical reasons for why they supported particular policies. However, sometimes they would differ on the common good, but were convinced on matters of 'how' and 'why' by subjecting presentations to critical examination. Eventually, they would build trust and confidence in speakers and agree that such proposals are beneficial to Uganda.

When the STG agreed to a policy introducing lump sum and annuity arrangements, it illustrated the presence of this pattern of interaction. Firstly, they all agreed that it was a good thing to do. Secondly, they had similar reasons about why this should be done. They said that when a member qualifies for age benefit, a fund value worth 30% should be paid as a lump sum to enable him settle into the new situation of unemployment. This proposal is not specifically called for in terms of reference therefore it does not qualify to be a result of rule following and neither was it subjected to negotiations. It was raised by the insurance sector; they argued that this percentage is appropriate so the remaining percentage is used to purchase annuities, guaranteeing the pensioner income for at least ten years. Several questions were raised and the speakers defended their views by invoking case studies, actuarial surveys and common sense. In the end, all were satisfied by their explanations and identified with the reasons backing the decision why a particular policy option should be adopted.

6.5 General issues on the STG process

6.5.1 Member's satisfaction with the decision making process

The institutional, strategic and communicative processes were not mutually exclusive but reinforced each other. I asked the STG members to evaluate their decision making process and they referred to it as successful. One of the closing questions asked in the study was; could the STG's decision making process have been done differently[24], 75%, said no. They were satisfied with the process and the outcomes it generated. However, 25% of the respondents felt the process was unsatisfactory. This feeling could have led to the formation of the Association for Pension Reform and the Pensions Reform Task Force under the Ministry of Finance, Planning and

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[24] An analysis of 32 interviews revealed this finding.

Economic Development. The main source of disgruntlement was that some views were marginalized and overshadowed by dominant coalitions.

6.5.2 Constraints

The members seemed to be in agreement that there was a time limitation to the policy formulation process because of the fact that the participants involved in the STG had full time jobs. This caused tight schedules and deadlines.

Interviewees noted that their peers came to the STG with preconceived ideas which they never wanted to let go of. This had its own effects on the STG, for example, the Ministry of Finance, Planning and Economic Development did not concede to any ideas until the grand workshop. In a meeting held on August 8th, 2003 it was noted that, "all stakeholders are now on board. Even the relationship with Ministry of Finance, Planning and Economic Development is warming up." The stakeholders referred to are all members of the STG.

They also said limited resources were a constraint. The money was mainly for facilitating members to carry out consultations, hire actuaries and other consultants, pay allowances, increase media debate, buy relevant literature, make decisions on time, and minimize foreign influence and interests. However, they did not have enough money. As a consequence, actuaries were never hired, media debate was minimal, and most of the funding was from donors.

Another problem was the fact that from the outset, some members were not well informed about what constitutes social security and pensions. Some members were looking at it as a panacea to all economic problems. Others were defining it in the broader sense, to incorporate all forms of social protection like looking after the elderly, the unemployed and destitute. Yet another category looked at it more narrowly as defined contributions for retired workers. Uninformed participants cost time in terms of education and reaching an agreeable definition of what constitutes social security and pensions.

There were many ideas and issues. So many preferences and interests avidly searched for space. It took so much effort to make these ideas get together and analyze them in terms of priorities. Subsequently, this scenario led to haggling and hauling in the STG decision making process.

6.5.3 Main lessons learned by actors

Many members noted that arriving at a consensus or workable agreement is not an easy task. They reminisced over days when they would take hours or even days to agree over a minute detail, because of its policy implications.

Members realized importance of the sector to them, the organizations they represented and Uganda. It was a learning process to notice that social security funds can lead to increased GDP and better lives.

Consultations during task teams, workshops and plenary sessions enabled the STG members to burst myths on social security, to unmask imagined enemies and to consolidate efforts.

Interviewees said they learned that in order to be heard, they had to understand and tolerate others' points of view. This led to more acceptable arrangements, teamwork among actors, and listening. It was the fertile ground on which the consensus oriented decision making process germinated.

The STG participants expressed the fact that they realised the potential within themselves to develop policy proposals of international stature. Members insisted that among other techniques, one has to be firm, confident, and if need be, stubborn to have their ideas established. This was part of the cornerstone for the strategic oriented decision making process.

> "The approval of the IMF, World Bank and DFID of our input to the policy drafts is a sign of measuring up to international expectations and standards," said the coordinator in an interview.

The study participants noted that donors had specific interests and would not rest until they had made their point known and probably adopted. In a letter to the International Monetary Fund on

July 13, 2005, the Minister of Finance, Planning and Economic Development, Gerald Ssendaula, said the Ugandan government had fulfilled the IMF's condition to transfer the NSSF from the labor to the finance ministry[25]. A lot of work needed economists, actuaries, financial managers and lawyers. This was seen at the plenary and task team meetings of the STG, where professionals were appreciated.

6.6 The STG process and policy outcomes

6.6.1 Summary of findings

This study suggests that the policy options generated by the strategic mode of interaction were the most in number; 13 out of 24 policy options (54%) were attributed to it. The second largest number of policy options were established through the institutional mode of interaction standing at seven (29%) of all the policy options made. Finally, the communicative mode of interaction produced four, the least number of policy options, which constitute 17% of all the policy options. This denotes that politics and negotiation games were most prevalent when decisions were being made. However, the most interesting finding is that there were some policies attributed to the communicative process, hitherto not commonly used in policy formulation in Uganda. Table 6.1 gives a summary of these findings.

Table 6. 1:   The number of policy options generated by different modes of interaction.

Responsible mode of interaction	Number of Policy options	Percentage by interaction pattern
Institutional	7	29 %
Consensual	4	17 %
Strategic	13	54 %
Total	**24**	**100**

This table was arrived at following a critical analysis of the 24 policies formulated by the STG. I developed the following criteria to categorize the policy options.

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[25] This was reported in The New Vision of December 9, 2004.

Criteria for evaluation

I selected five variables to measure each individual policy that the STG proposed in order to determine whether the decision is a result of the institutional, strategic, or communicative mode of interaction. The criteria for evaluation considered a) the decision making procedure, b) the decision outcome, c) the main indicator, d) the domain of relevance, and e) the mode of legitimacy. Using the above broad criteria, I studied each individual policy recommendation against the above grounds, and came up with the categorization displayed in table 6.3. Table 6.3 here below, summarizes the indicators and a discussion on these measurements as follows.

Table 6. 2   The indicators for categorizing policy options under the institutional, strategic and communicative mode of interaction.

Criteria for evaluation	institutional mode of interaction	strategic mode of interaction	communicative mode of interaction
1. Decision making procedure	following standard operating procedures	bargaining, power politics and interest articulation	the force of the better argument prevails
2. Decision outcome	conditioned by tasks capacities and routines	based on compromises	working agreements
3. Main indicator	actors support decisions for primarily one reason, i.e. collective identity	actors support decisions for different reasons	actors support decisions for the same reasons
4. Domain of relevance	relates to Procedural and identity questions	relates to pragmatic questions	relates to moral and ethical questions
5. Mode of legitimacy	collective self understanding	efficiency	justice and fairness

a) Criteria for identifying policies from the institutional mode of interaction

The criteria for identifying policy options that resulted from the institutional pattern of interaction were as follows;

1) The decision making procedure had to be a directed search that follows standard operating procedures. The procedure was dominated by compliance to the STG objectives. Here, I would examine a policy recommendation from the STG and measure it against the aims and objectives of the STG. In order for it to satisfy this criterion, the policy recommendation had to be arrived at

through a process of following the STG rules. For example, a policy proposal would be raised by one of the task teams, then discussed by the plenary and designed to solve a specific problem.

2) The outcome of decisions was conditioned by the STG's view of tasks, capacities and routines. Within this measurement, a policy recommendation had to be consistent with what the STG members had told me about their perception on their views and capacity. Second, the policy recommendation also had to follow the agreed upon routine. This second criterion is in a way similar to number one above. The difference lies in the fact that number one is based on the stated and official information while number two is based on the information as obtained through interviews. The two points complement and check each other.

3) The main indicator is that agreement rests on a collective identity among STG members and that the policy recommendations are close to the existing pension policies. In order for a policy recommendation to satisfy this criterion, members had to show that they support the policy due to collective responsibility. In most cases, such a policy should also be an adjustment of one that already exists.

4) The domain of relevance relates to procedural and identity questions. Here, the main questions would be; a) has the policy recommendation fulfilled the procedural requirements?, and b) has the policy recommendation satisfied the question of who STG members consider themselves to be?

5) The mode of legitimacy should be collective self understanding. In order for a policy recommendation to be accepted by members of the STG, it had to be based on the perceived identify and self understanding of STG members.

Upon satisfying the above criteria, it became apparent that some policy recommendations could be regarded as those generated from the institutional mode of interaction. Each of the policies above had in a way to satisfy most of the set criterion to qualify for inclusion in this category.

Table 6.3 therefore displays the policy recommendations that I managed to raise following the above criterion. After an evaluation of the institutional and other modes of interaction, I

concluded that seven policy recommendations could be attributed to the institutional mode of interaction which is 29% of all the STG policies recommended to the government of Uganda to reform the social security and pensions sector.

Table 6. 3   Policy recommendations as a result of the institutional pattern of interaction.

Policy option recommended by the STG (*numbers according to STG report*)	No. of policies out of 24	Percentage
1. Review existing legislation and create a new law consolidating existing laws on retirement schemes, social security, and amend article 254 of the 1995 constitution to provide social security to all Ugandans regardless of where they are employed.	07	29%
2. The government should establish a competent and independent regulator for the entire social protection sector.		
3. Expand social protection coverage for formal employees to include all persons in formal employment and the self-employed.		
8. Introduce a universal identification system in form of a national social security number for every adult Ugandan or resident.		
9. A new framework for the reformed social security sector and pension should be set up to include government, a regulator, pension providers, health management organizations and pension professionals.		
11. The criteria to qualify for benefits in all mandatory pension arrangements should be made uniform.		
24. Extend social protection to the informal sector through voluntary schemes where the minimum contribution is determined by members and pension providers and not determined by government.		

b) Criteria for identifying policies from the strategic pattern of interaction

The criteria for identifying policy options that resulted from the strategic pattern of interaction were as follows;

1) The decision making procedure has to be characterized by bargaining, power politics and interest articulation. By examining STG minutes, plenary records, and interview reports, I found that some of the policies reflected that people had to bargain for their positions; there was a lot of negotiations and alliance forming in order to promote particular policies. Such policies were therefore considered to be under the strategic pattern of interaction.

2) The outcome of decisions must be based on compromises. These compromises are a result of the political games mentioned in number one above. For instance, it was a compromised position to propose that mid-term benefits are provided by the pension providers, because the current pension providers did not want to provide mid-term benefits, and the employers wanted to have these benefits in order to stem off pressure for benefits from the workers. The trade union organization also wanted to have the contribution of the employer increased. In order to harmonize these positions, the recommendation on mid-term benefits was arrived at as a compromise.

3) The main indicator is that STG members supported policy recommendations for different reasons. The different reasons are influenced by their particular and sometimes parochial interests. If we refer to the example cited in number two above about mid-term benefits, we find that pension providers supported the provision of mid term benefits so that they can have other options in their favor, employers supported this policy in order to avoid increased contributions and the trade unionists supported the option because it means that employees would benefit from their pension contributions before retirement and use them to prepare for that time.

4) The domain of relevance relates to pragmatic questions. By pragmatic questions I refer to questions such as the payment procedure of benefits, the different contribution percentages to the pension funds by employers and employees, which focus more on the matters of practical affairs.

5) The mode of legitimacy should be efficiency. In order for a policy recommendation to be accepted by members of the STG it had to be based on the perceived efficiency and effectiveness this policy will achieve during the implementation stage.

Upon satisfying the above criteria, it became apparent that some policy recommendations could be regarded as those generated from the strategic mode of interaction. Each of the policies above had in a way to satisfy most of the set criterion to qualify for inclusion in this category.

Table 6.4 therefore displays the policy recommendations that I managed to raise following the above criterion. After an evaluation of the institutional and other modes of interaction, I

concluded that thirteen policy recommendations could be attributed to the strategic mode of interaction which is 54% of all the STG policies recommended to the government of Uganda to reform the social security and pensions sector.

Table 6. 4:   Policy recommendations as a result of the strategic pattern of interaction.

Policy option recommended by the STG (*number according to STG report*)	No. of policies out of 24	Percentage
4. All pensions are to be funded jointly by the government, employers and employees to provide meaningful protection.	*13*	*54%*
5. Liberalize the social security and pension sector in such a way to avoid cut-throat competition through a three tier system[26].		
6. Mandatory contribution for persons in formal employment to be set at 20%.		
7. Within a regulated framework, voluntary benefits over and above the mandatory ones should be provided and allowed by licensed providers and operators.		
10. Government should provide incentives to encourage domestic savings.		
12. Provision of mid - term benefits.[27]		
14. Undertake regular indexation of benefits to maintain the value of pension benefits.		
15. There should be separation of roles between various institutions to ensure professionalism and clear accountability as well as checks and balances		
16. An efficient dispute resolution mechanism should be put in place within the regulatory mechanism such as administrative tribunals and arbitrators.		
17. Establish stakeholder boards of directors and trustees beyond employers and employees		
18. The regulatory body should provide for comprehensive and clear investment guidelines for pension fund administrators.		
20. The National Social Security Fund should not be privatized but be reformed to become market responsive.		
21. Public service pension schemes for the civil servants, the armed forces and police should be funded by both the public servants and the government and become 2nd national provider.		

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[26] The first tier involves social assistance, disaster preparedness, and guaranteed minimum pension to be provided by the government. The second tier is the one to cater for basic mandatory benefits (e.g. age, survivors, invalidity, medical and modernity, self education, home ownership and burial). The third tier is to cater for additional mandatory (child education and injury at work), and voluntary benefits (additional age benefits, basic health care, homeownership, and self education).

[27] It was recommended that a mid-term benefit be allowed up to 30% of accumulated contributions and interest. In order for one to qualify for mid term benefits contributions should be at least 10 years or 120 months if not continuous. Such funds should only be used for furtherance of the contributors or child's education, short-term unemployment or acquisition or erection of an own residence or such other purposes as approved by the social security and pension commission.

c) Criteria for identifying policies from the communicative pattern of interaction

The criteria for identifying policy options that resulted from the communicative pattern of interaction were as follows;

1) The decision making procedure has to be characterized by the power of the better argument. In order for a policy option to satisfy this criterion, their ought to be evidence to show that STG members arrived at the decision following clear and well thought out arguments. Members would therefore decide because the best argument has won the day and not negotiations or threats.

2) The outcome of decisions must be based on a working agreement, possibly novel in nature. It was important also that after deliberations, the decision outcome would be a rational consensus. The measure of a good disagreement is that actors learn something new when they disagree, and at least some of them will change their minds during the process. This criterion demands that decisions can be defended against criticism in public and that STG actors can defend them.

3) The main indicator is that STG members supported a policy recommendation on the same grounds. These grounds should either be identical or reasonable reasons. Therefore, the measure is that a consensus is only obtained when the actors have the same grounds for their support for a policy option. A decision is not qualified unless all affected actors have consented, because only then would we know if all the arguments have been given due attention. For example on the issue of in –house schemes was supported by all actors in the STG on the grounds that this policy will protect the workers.

4) The domain of relevance relates to moral and ethical questions. Here consensus can only be reached by each actor understanding the context and respecting the values of the other. An agreement is reached on the basis of a common understanding of the situation, of what is the truth, and on the basis of recognizing each other as sincere and truthful persons. Actors should appear to agree on some evaluations which make intentions and decisions meaningful reasonable.

5) The mode of legitimacy should be justice and norms of fairness. The bottom line here is that it is conflict free. Agreements are accepted and respected because the actors agree to have their grievances and divergences regulated by impartial norms or considerations of the common good.

Using the above broad criteria, I studied each individual policy recommendation against the above grounds, and came up with the categorization displayed in table 6.5.

Table 6. 5   Policy recommendations as a result of the communicative pattern of interaction.

Policy option recommended by the STG (*number according to STG report*)	No. of policies out of 24	Percentage
13. Introduce lump sum of 30% of fund value to members who qualify for age benefits. The other percentage should be used to purchase an income annuity from pension operators or insurance companies.	*04*	*17%*
19. Innovative arrangements should be put in place to address HIV/AIDS and other calamities.		
22. Set minimum standards for in-house schemes.[28]		
23. All in-house schemes should have relevant documents and license.[29]		

Table 6.5 above therefore displays the policy recommendations that I managed to raise following the above criterion. After an evaluation of the communicative and other modes of interaction, I concluded that four policy recommendations could be attributed to the communicative mode of interaction which is 17% of all the STG policies recommended to the government of Uganda to reform the social security and pensions sector.

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[28] The minimum standards for in-house schemes should provide for; a) separation of assets, b) commutation of benefits, c) vesting rights, d) protection of benefits, e) pension scheme benefits, f), pension members' participation in management.

[29] According to the STG recommendations, the in-house schemes should have the following documents; a) trust deeds filed with the regulator, b) rules publicly available to all members, c) membership information booklets, d) policies for insured schemes, and e) regular reports of scheme performance. The trust deed and rules should meet the minimum standards prescribed by the regulator.

6.6.2 A classification of STG policy outcomes by sector

During the analysis of field data a pattern emerged which reflected that decisions arrived at through the institutional pattern of interaction were highly regulatory in nature. Those policy options arrived at through the strategic mode of interaction appeared to be of an economic and political nature, while the policy options arrived at through the communicative mode of interaction addressed social concerns.

Table 6. 6   Classification of STG policy outcomes by sector

Pattern of interaction	No. of recommendations	Percentage	Sector
Institutional	7	29	legal and regulatory[30]
Communicative	4	17	social[31]
Strategic	13	54	political and economic[32]
Total	**24**	**100**	

From the table, it can be observed that the political and economic considerations dominated the STG in determining the policy outcomes. This is explained by the interests of the actors. Most actors I interviewed were of the view that the STG exercise was an opportunity for them to have their business interests catered for in the laws. Second, they also argued that not only were the STG deliberations political, but the STG also acted as yet another platform on which to settle political and economic questions. On the other hand, it is clear that policies in regard to the legal and regulatory sector were generated through the institutional mode of interaction, because rules were followed when the policies were being formed; the overall objective of the STG was create an appropriate regulatory framework to govern pension reforms. In that case, given that institutional decision making is goal oriented, it is not surprising that it came up as so. Lastly, the

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[30] By legal and regulatory it means that most of these policy options were aimed at ensuring that the regulatory framework of the STG is appropriate. Also, in the practical world, their interpretation is to satisfy legal requirements pertaining to the pension reforms.

[31] By social, I refer to policy options relating to the interaction between individuals in the country and the welfare of Ugandans as members of society.

[32] By political, I construe a state of affairs where there is competition between interest groups or individuals for power and influence, and also the relations between Ugandans and the government as far as social security reform is concerned. By economic, I mean that which relates to the production, distribution, and consumption of pension and social security services.

communicative mode of interaction produced the least number of policies. These policies were concerned with the common good and were arrived at through a method that is uncommon in Uganda's policy formulation.

6.6.3 A classification of STG policy outcomes by decision type

It was evident from the study that most of the decisions were incremental. This is because the STG members mainly made adjustments to the existing pension policy. I analyzed at least 20 STG policy recommendations and found that they were marginally different from those that already exist. Interviewees observed that most STG recommendations were within the limits of past commitments because of the tendency to promote the continuation of existing practices. The second revelation was that incremental STG recommendations were dominated by strategic and institutionally generated options.

On the other hand, novel decisions were also established by the STG. Data show that actors had a lot of information concerning specific areas of pensions and therefore the level of change the policy selected from earlier policies was high. It is worth noting that STG members, as policy actors, sought to understand one another's point of view. By appreciating each others points of view and focusing on the common good, new perspectives emerged.

Actors did their personal best to reach decisions which were in the best interest of society. Conflicts would be seen as an opportunity for growth, expanding people's thinking, sharing new information, and developing new solutions which include everyone's perspectives. The STG enabled actors to participate, conflict was freely expressed, and decisions were established in the best interest of everyone involved. In the end, radical and novel policy options were established.

Table 6.7 below illustrates the point that most decisions were of an incremental nature. The institutional and strategic modes of interaction were responsible for the establishment of twenty policies. This suggests that while the STG was in process, following rules and politicking were greater determinants of policy formulation than the consensual means akin to communicative processes.

Table 6. 7   Classification of STG policy outcomes by decision type

Decision type	Pattern of interaction	Number of policies recommended	Percentage
Incremental decisions	Institutional, Strategic	20 (7 + 13)	83%
Radical/Novel decisions	Communicative	04	17%
Total		**24**	**100%**

Another observation is that the communicative process, as a means of informing policy formulation, is not well used in Uganda. However, it is instructive that at least four policies could be traced to this mode of interaction by this study. These include a) the legalization of in house schemes, b) introducing lump sum payments and annuities, c) including HIV/AIDS and other calamities as benefits, and c) setting minimum standards for in –house schemes.

6.7 Conclusion

These findings show major patterns of interaction within the STG. I recognized that these patterns of interaction were not independent of each other. In fact, there is not a distinct time that one can refer to as a purely institutional, strategic or communicative oriented decision making moment. None were absolute in their manifestation. Though these patterns were not mutually exclusive, the strategic one was most prevalent, with 13 policy recommendations out of 24 (54%). Communicative deliberations were featured least with 4 policy recommendations attributed to them (16%) and rule following was in the middle with 7 policy recommendations attributing 29% to them. These processes opened the door to understanding the power and mysteries of decision making in a policy formulation context. On the whole, policy options from these three processes converged to form the final set of policy recommendations contained in the STG report; most of them were incremental.

CHAPTER SEVEN

SUMMARY AND DISCUSSION

7.0 Introduction

This final chapter will recap the research problem and restate the main methods used in data collection. A major section of this chapter summarizes research findings and their implications to policy makers and scholars.

My study was concerned with how decisions were made within policy subsystems at the policy formulation stage in Uganda. A myriad of methods are used to understand how decisions are made in the public arena at this stage in the policy cycle. I narrowed the area of focus to how the STG, a select group of actors with different interests and backgrounds, formulated social security and pension reforms between January, 2003 and February, 2004. I sought to address the following questions; how do we analyze the process of decision making within policy formulation? How did the actors, members of the STG, arrive at recommendations for a policy option? What was the nature of participation of the key actors in the STG? Why and how did the actors arrive at specific decisions? What were the actors' preferences? Did preferences change during the decision process? What were the constraints and opportunities encountered in the policy formulation?

By looking at the STG as a case study, I sought to, a) unravel the key actors involved in the STG, b) map out the decision making process, c) reveal the dominant patterns of communication and d) figure out the means used and resources mobilized during the process of making a decision. This was achieved chiefly through qualitative methodologies of data collection and analysis.

Theories of rationality on human action have been applied in the study (refer to Chapter 3). The study viewed decision making from the institutional, strategic and consensual dimensions. These theories offer an explanation on patterns of interaction and how they led to specific policy

options. Allison and Zelikows' conceptual models were employed to understand decision making from various angles.

7.1 Discussion and interpretation of major findings

7.1.1 The policy subsystem

Findings show that in order for a decision making process to take place, certain elements ought to exist. These elements not only facilitate decision making, but by their nature and composition have a significant effect on policy options. First of all, I discovered that the STG's goals were well established and most members' understanding of these goals was consistent with the written ones; however, a small fraction thought differently of their role expectations. The STG had eleven clearly stated terms of reference to guide them in drafting proposals for a national social security and pension strategy. Each plenary and task team meeting drew some rules of procedure to guide deliberations. The rules were largely followed and they led to rule making based policy options, which according to my analysis amount to 29% of the overall policy options. Goals are pertinent for any decision making entity. They defined where the STG was going and it can measure its success, because if some members are not in tandem with the rest, then the organization is weak (Mohr: 1973).

The STG was composed of 36 members and the average attendance of 23 (64%) members per sitting which is high. Key policy decisions are often made in small groups of six to twelve people, in which there is a high degree of cohesion (Janis: 1982, Etheredge: 1985). However, my results show that the STG had a high number of participants and a high level of cohesion, simultaneously. This appears to contradict the extensively applied theories for understanding policy formulation, especially in foreign policy. This study suggests that domestic policies have different actors and may obtain cohesiveness even when there are many actors involved. For instance, within the STG, as much as the number of participants appeared to be high, the level of cohesion was also high which defies the logic offered by Janis and Etheredge, that cohesiveness is only achieved when actors are between 6 and 12.

Within the STG, cohesion was maintained through role differentiation, leadership shaping and the meeting structure. The STG leadership ensured that a participant agreed on most issues either through institutional, strategic or consensual means, thus leaving no room for unresolved issues. The STG also strived to get things done on time; members were given the opportunity to participate optimally during meetings. The leaders also made the necessary arrangements to have the STG accomplish its tasks, which are a prerequisite for cohesion. After realizing that its leadership is incapable of attending to policy content, the decision making process and still become successful, the STG identified key roles and assigned them to members and task teams.

By role differentiation, the STG task teams did specialized work on behalf of the plenary and proposed well reasoned policy options; there were also clear responsibilities for STG leaders. Recordings of minutes for the meetings, task team's proposals and workshop reports were done by the research assistants. The structure of the meeting also enhanced cohesion in the group. STG members were meeting in a board room and seated around the table. This form of sitting as opposed to the classroom type of sitting also facilitated cohesion: by reducing power distance, creating a camaraderie atmosphere, allowing eye contact, and observation of non verbal behavior amongst the meeting attendees.

Although there was a plethora of actors, not all of them were active. Results show that some actors such as the NSSF, the Ministry of Gender, Labour and Social Development, and the donors became dominant players. This dominance was a result of having unequalled resources, strategic negotiations, provision of leadership and information asymmetry. As a result, views of these players dominate the policy options the STG came up with. Though there was restraint on manipulating each other and minimal pressure for conformity to pre-determined answers, ideas of the key actors dominated the policy outcomes of the STG. The finding that 54% of all the policy recommendations are attributed to the strategic pattern of interaction shows that power play is a critical factor for ensuring that policy preferences are endorsed by their promoters. This is also an indication that in this society of survival of the fittest, the most threatened, if well endowed, may influence group thinking to their favor by creating pseudo collective responsibility. The study thus concludes that resources, power and information play a great role in ensuring that one who possesses a good deal of them can influence policy formulation.

Policies are not formed in isolation. They are highly influenced by the environment within which policy makers operate. The environment greatly influences the pace, content and trend of policy reforms. Policy options actually mirror what is happening in the surrounding: they are shaped by political systems, legal frameworks, rules governing market behavior, general belief systems, and models on the international scene. It was discovered that policy options were within comprehensible and recognizable cultural ranges, bounded to international expectations, directed by reforms in Kenya, Chile, South Africa, USA and other areas. It was also restricted to national economic recovery programs, like the poverty eradication action plan. Therefore, it is probable that the STG's recommendations will be adopted or create ground for future policy reforms, but will not be discarded, because they are generic in nature.

Time spent is also important to arrive at decisions which are reasonable and well accepted. My findings show that members of the STG worked on a tight program. In fact, most of them expressed time limitations as a major constraint; however, in order to have the best of time available, the right people attended meetings and followed an agreed upon agenda. On the other hand, it was also found that in some cases there was insufficient preparation for the meetings from the participants. When strict time rules were enforced, the vitality of debates was undermined. This led to rushed decisions; so, no wonder the DFID and World Bank insisted that the STG's recommendations must be subjected to actuarial and analytic studies. Seen differently, STG policy options may appear as wishes of members and mere political expressions of desired public policy reforms. It is, therefore, very important to know how to balance time while conducting meetings. There is no need to rush attendees to make decisions, because in the long run, much will be done to have the spirit of the decisions made understood. Also, in a country like Uganda which has a mentality of looking at time as limitless, it is more important to consider people's perceptions of time in decision making than following universal rules that are not cognizant of local situations.

Participation was also very important. There was a high level of participation in the activities of the STG. This was attributed to commitment from the Ugandan government, allowances, the nature of issues under review, effective communication within the STG, the nature of discourse, the composition of membership and the operating environment. At the core of the policy formulation process is the reliability of the Ugandan government. It is important that the Ugandan

government, as chief coordinator and appointing authority, makes its intentions clear and provides clear frameworks and rules for action. The STG terms of reference were very clear. This led to the formulation of specialized task teams which eased the work of the STG. It is also noted that because of the clarity of the terms of reference, the STG easily set up its goals, time frame and operational rules of procedure. Within this framework, the STG had the freedom to achieve specific goals and enhance participation.

7.1.2 The modes of interaction and the relationship to policy formulation

This study has uncovered a clear relationship between modes of interaction among policy formulators and policy recommendations. Three patterns of interaction, institutional, strategic and communicative were found. These were prevalent in the STG's work, but in varying degrees and dimensions.

Evidence has shown that the strategic pattern of interaction was dominant. It was mostly characterized by negotiations and coalition building. It was full of political undertones and confusion. At the height of it was the disagreement amongst different government ministries. Officials from the Ministry of Gender, Labour and Social Development favored the traditional social insurance approach on the standard International Labour Organisation model while on the other hand; economists working with the Ministry of Finance, Planning and Economic Development preferred the World Bank's model based on market forces. Nevertheless, it was through this form of interaction that most social security policy reforms were formed. My analysis, tables three and four, show that 54% of all the policies that the STG established were a result of the strategic mode of interactions. This shows that politics matter and are crucial even in policy formulation. In order for good policies to be established, these aspects should be given attention as well.

Another element shown was the rule-following pattern of interaction. Here, the STG terms of reference and rules that members had imbibed through socialization were the determining factors. This mode of interaction generated the second most number of policies during the life time of the STG. It was also another way of interpreting rules. My analysis (Table three) shows that 29% of

all the policies that the STG established were a result of the rule-following mode of decision making. It was also discovered that during this mode of interaction, some policies were transferred from other economies to the Ugandan one. A case in point is the issue of having an independent regulator, which was copied from South Africa. The STG desired to have an independent regulator similar to the South African Financial Services Board.

It was also uncovered that when communicative action was engaged, it led to working agreements. In some instances the policies that arose out of this pattern of communication were new. The least number of policy reforms suggested by the STG came from this mode of interaction. Table three shows that 17 % of all the policies that the STG established were a result of the strategic mode of decision making. This pattern revealed that people can respect each other and engage in constructive dialogue in order to establish policy options. For example, the issue of having HIV/AIDS and other current calamities as qualifying conditions for social security benefits was a result of the communicative process. It was suggested as a new benefit when the STG members were discussing other benefits. The issue of HIV/AIDS did not only arise as a new issue, but was also well embraced by all the stakeholders. There was common agreement among the STG members that it was a necessary, although they had divergent views on how to have it operationalized. Divergent views on the 'how' were resolved through dialogue, questioning and reasoning.

While deliberating, the STG members established a number of policy recommendations through the consensus building processes. For example when the issue of minimum standards for in house schemes was raised, members with different views were given opportunity to explain their positions. There were those who were practicing in-house schemes[33] and wanted them to remain with the autonomy they had, while, on the other hand, there were those who wanted in-house schemes either scrapped or regulated. Actors endeavored to get all the stakeholders involved, including those they disagreed with. By doing so, actors helped prevent the adoption of unnecessary policies, which can arise out of compromises.

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[33] In-house schemes refer to pension facilities operated and administered by individual organizations. They are based on agreed procedure and mutual consent, and are not established by law. They are created to boost the national pensions and social security schemes which are considered inadequate. Usually, the employer and employees make contributions to the pool, and benefits are accessed by the employee at the time of retirement. In house schemes are neither recorgnised nor regulated by government.

The main conclusion here is that in order for a decision to be established, there must be a number of various factors and patterns of interaction. There is no decision that can be attributed to a single pattern of interaction, or decision style. Decisions reflect all decision making styles, although contributions from the decision styles are of varying proportions.

7.2 Implications for policy makers

The Ugandan government is expected to play a facilitating role, for example, by making funding available to guard against foreign interference on policy formulation. The challenge is to do this in a way that respects donor objectives as well as the wishes and the interests of national objectives and aspirations.

The need to examine the context within which policies are formulated is also of great concern. It is important to know actor's backgrounds, actor's interests, and the dominant players at the time, in order to have good policy options. The STG demonstrated this by giving opportunities to the various actors to contribute to the policy options and defend their choices with good and convincing reasons. Even where strategic moves were taken, actors could not easily change opinion, or support a policy without acknowledging the strength of such a policy and its impact to the Ugandan economy.

It has also been noted that whenever policies are being formulated, various tactics and methods are used to establish policy recommendations. We have seen the use of bargaining, negotiations, invoking rules, and dialogue as some of the tactics used. A well calculated blend of the following methods may yield better results than just concentrating on one style because human action is motivated differently and shaped by a variety of factors. To understand policy outcomes, it is pertinent to find the underpinning human action. We can also understand policy formulation from the way polices are made. In this study, I have used three processes namely a) rule-following, b) strategic methods, and c) communicative action. Each mode of interaction has its particular influence on decision making, and in turn, the nature of decision that is established.

 Lastly, for policy recommendations to achieve legitimacy, concerned parties have to be involved. Within the STG, I found that the Ugandan government selected members who were

representative of various stakeholders. This helped generate debate and widen the scope of alternatives from which to choose policy options. The STG leadership incorporated as many views as possible through written memoranda, workshop presentations and the invitation of some stakeholders to participate in the task team meetings.

7.3 Implications for future research

This study explored decision making patterns under the STG and revealed three patterns where the strategic pattern was most displayed. Having already applied the rationality concepts and Allison's models of policy formulation, it would be beneficial if future research is done to investigate the applicability to other policy formulation scenarios, especially on a comparative basis. This would lead to the development of a comprehensive model for understanding policy formulation, using this perspective. The current research leaves many open questions for future study which may include the following:

1) Why is the strategic mode of interaction most dominant?

2) Can this understanding of policy formulation be universally applied?

3) Which are the other bases of agreement? How do they impact on policy formulation?

4) Was the STG a successful and worthwhile enterprise?

5) How is a policy subsystem maintained and broken?

6) How does a policy subsystem provide actors with opportunities to discuss individual and group issues while focusing on its set agenda?

7) How do events surrounding a policy subsystem, like pre-meetings and planning meetings, interrelate and impact policy formulation?

This study was located mainly within the policy formulation stage. Given that the policy cycle has five stages, further research on the STG policy recommendations, as they progress to the other phases of the policy cycle would increase our understanding of the policy process.

7.4 Conclusion

In this study, I have explored the question of how to understand policy formulation from interaction patterns. This research has been drawn from three branches of literature to guide and analyze the STG in establishing policy recommendations to reform Uganda's pensions sector; rule-following analysis, strategic rationality and the Habermasian theory of communicative action. From the institutional, or rule-following decision making style, we learn that identity, collective responsibility and rule following are important in policy formulation. Key questions are: Who are the decision makers and who do they consider themselves to be? When decision makers have a common destiny, they take collective obligations and produce the best policy according to them.

From the strategic oriented pattern of interaction, we learn that there is a crucial inter-play between parochial priorities and perceptions, goals and interests, stakes and stands, deadlines and issues which lead to a political game. These games of problems and solutions, haggling and bargaining, play, reticence and negotiations lead to the generation of policies. From the communicative oriented decision making style, we learn that deliberations from a multitude of spheres are channeled into, shaped, transformed and tested by a set of reciprocal arrangements and procedures.

Therefore, each mode of interaction offers different explanations about how the STG established the policies it recommended to the Ugandan government. Each pattern of interaction consists of a cluster of assumptions and categories that influence our inquiry into what we find puzzling. They also guide the questions we ask, where we look for answers, and evidence. The study concludes that most decisions were incremental rather than novel.

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The Pensions Act Cap 281, Volume VII, 1964, Laws of Uganda

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National Social Security Fund Website: www.nssfug.org

The Monitor (Uganda Newspaper website-privately owned) www.monitor.co.ug

The New Vision (Uganda Newspaper website-government owned) www.newvision.co.ug

APPENDICES

Appendix 1   List of interviewees in alphabetical order (surname first), their occupations, and status with the STG in brackets.

1. Badagawa Gideon Nathan, Senior Policy Analyst – Private Sector Foundation Uganda. (Member STG)

2. Bakkabulindi Charles, Member of Parliament – Workers Representative and Chairman Movement Caucus.(Member STG)

3. Bandeebire Martin, Corporation Secretary, National Social Security Fund.(Member STG)

4. Bitaguma Deo, Managing Partner – West End and Company Advocates. (Research Assistant STG Secretariat)

5. Galabuzi Friedrick Ssekandi, Economic Assistant – Office of the Vice President, State House. (Member STG)

6. Imagara Lasto Elizabeth, Principal Policy Analyst – Ministry of Local Government. (Member STG)

7. Kayondo Raymond, Technical Adviser – National Social Security Fund. (Resource Person STG Secretariat)

8. Kazibwe Edward, Managing Partner – First Management Research and Development Consultants. (Research Assistant – STG Secretariat)

9. Kiwanuka Kunsa Steven, Commissioner – Department of Compensation, Ministry of Public Service (Member STG)

10. Menya Alex, Executive Director – Foundation for Advancement of Small Enterprises and Rural Technology. (Member STG)

11. Mpanga David, Secretary- Association of Pension Reform.(Not STG member)

12. Mpagi Jane, Director Gender and Community Development- Ministry of Gender, Labor and Social Development. (Member STG)

13. Mugerwa Keene Lillian, Executive Director – Platform for Labor Action. (Member STG)

14. Mugimba Peter, Legal Counsel – National Social Security Fund. (Resource Person STG Secretariat)

15. Muhoozi Charles, Marketing and Communications Manager – National Social Security Fund. (In charge Public Relations STG secretariat)

16. Muhumuza Viola, Mobile Products Co-ordinator - Mobile Telecommunications Network. (Research Assistant STG Secretariat)

17. Nkalubo-Muwemba Evelyn, Secretary to the Commission and Deputy Commissioner (Finance and Administration) – Uganda Insurance Commission. (STG Member)

18. Nsubuga Martin, Economist – Ministry of Finance, Planning and Economic Development.(Delegated by MOFPED to speak on pension reforms)

19. Ocici Charles, Executive Director – Enterprise Uganda.(Member STG)

20. Ogaram David (Dr.), Commissioner for Labor – Ministry of Gender, Labor and Social Development.(Member STG)

21. Olum Zachary, Member of Parliament – Chairperson, Session Committee on Commissions and State Enterprises.(Member STG)

22. Onegi Obel Geoffrey, Senior Presidential Advisor (Export Led Growth Strategy Unit, American Growth Opportunities Act and Trade), Chairman – National Social Security Fund. (Chairman STG).

23. Ongaba Otong Lyelmoi, Secretary General – National Organisation of Trade Unions and Director, National Social Security Fund. (Member STG)

24. Otieno Jerim, Group Senior Assistant Manager and Head, Long Term Business in Uganda, Insurance Company of East Africa ; Member, Technical Committee – Uganda Insurers Association. (Member STG)

25. Owiny Martin, General Manager – Stanbic Investment Management Services .(Member STG)

26. Rutega Simon, Chief Executive Officer – Uganda Securities Exchange. (Member STG)

27. Ssemanda Aloysius, Chairman- Federation of Uganda Employers, Board Director Celtel Uganda, Board Director National Social Security Fund.(Co-ordinator STG secretariat)

28. Ssenabulya Rosemary, Executive Director – Federation of Uganda Employers, Director – National Social Security Fund.(Member STG)

29. Suruma Ezera (Dr.), Director Economic Affairs – National Resistance Movement Secretariat.(Member STG)

30. Stone Adrian, Enterprise Development Advisor – Department of International Development, British High Commission Uganda.(Member STG)
31. Tarinyeba Winnie, Legal and Compliance Manager – Capital Markets Authority.

Appendix 2: Members of the Social Security and Pensions Sector Stakeholder Transition Group (STG)

** The STG was made up of 24 organizations/institutions represented by 36 individuals

	STG Representative	Member Organisation/Institution
1.	Dr. Polycarp Musinguzi	Bank of Uganda,
2.	Dr. Marios Obwona	Bank of Uganda
3.	Mrs. Candy Wekesa Okuboi	Capital Markets Authority
4.	Mr. Charles Mwebeiha	Capital Markets Authority
5.	Ms Winfred Tarinyeba	Capital Markets Authority
7..	Mr. Charles Ocici	Enterprise Uganda
8.	Mr. Geoffrey Onegi Obel	Export Led Growth Strategy Unit
9.	Mr. Alex Menyha	Foundation for Advancement of Small Enterprises and Rural Technology. (FASERT)
10.	Mr. Aloysius Ssemanda	Federation of Uganda Employers
11.	Mrs. Rosemary Ssenabulya	Federation of Uganda Employers
12.	Mrs. Jane Sanyu Mpagi	Ministry of Gender, Labour and Social Development
13.	Dr. David Ogaram	Ministry of Gender, Labour and Social Development
14.	Mr. Ojja-Andira	Ministry of Gender, Labour and Social Development
15.	Mr. Michael Opagi	Ministry of Finance
16.	Mr. Steven Kiwanuka Kunsa	Ministry of Public Service
17.	Ms. Imagara Elizabeth	Ministry of Local Government
18.	Mr. David Nkojjo	National Organisation of Trade Unions
19.	Mr. Lyelmoi Otong Ongaba	National Organisation of Trade Unions
20.	Mr. Leonard Mpuuma	National Social Security Fund
21.	Mr. Martin Bandeebire	National Social Security Fund
22.	Dr. Ezera Suruma	NRM Secretariat
23.	Mr. Frederick G. Ssekandi	Office of the Vice President/State House
24.	Hon. Charles Bakkabulindi	Parliament of Uganda
25.	Hon. Hyuha Dorothy	Parliament of Uganda
26.	Hon. Nathan. Mafabi	Parliament of Uganda
27.	Hon. Zachary Olum	Parliament of Uganda
28.	Mrs. Lillian Keene Mugerwa	Platform for Labour Action
29.	Mr. Gideon Badagawa	Private Sector Foundation Uganda
30.	Mr. Jack Thompson	SPEED
31.	Mr. Martin Owiny	Stanbic Investment Management Services
32.	Mrs. Evelyn Nkalubo-Muwemba	Uganda Insurance Commission
33.	Mr. Jerim Otieno	Uganda Insurers Association
34.	Mr. Amos Lugoloobi	Uganda Investment Authority
35.	Mr. Simon Ruteega	Uganda Securities Exchange
36.	Mr. Adrian Stone	Department for International Development (DFID)

Appendix 3:   The Staff of the STG Secretariat

No.	Name	Designation
1.	Mr. Aloysius Ssemanda	Coordinator
2.	Mr. Charles Muhoozi	Public Relations Manager
3.	Dr. Simon Rutabajuuka	Research Assistant
4.	Mr. Deo Bitaguma	Research Assistant
5.	Mr. Edward Kazibwe	Research Assistant
6.	Miss Viola Muhumuza	Research Assistant
7.	Mr. Raymond Kayondo	Resource Person
8.	Mr. Peter Mugimba	Resource Person
9.	Miss Irene Nanduga	Administrative Assistant
10.	Mrs. Betty Omamut	Administrative Assistant
11.	Mr. Joseph Otukei	Office Assistant

Appendix 4   Interview Questionnaire

UNIVERSITY OF BERGEN
Department of Administration and Organization Theory

Questionnaire
An analysis of decision making in Uganda's social security and pension policy formulation.

Dear Sir/madam,

We are conducting a research to understand how social security policies are formulated. The aim of the research is to unravel the actors involved in the process of policy formulation, map out the decision making process in the formulation of the Uganda social security reform process, reveal the patterns of communication during policy formulation and determine methods used and resources mobilized during this process.

This study is for academic purposes, as a partial requirement for a Master of Philosophy in Public Administration at the University of Bergen.

I am therefore kindly requesting you to answer this questionnaire. We shall treat the information with utmost confidentiality. The success of this research is fully dependant on your responses.

Thanking you for your co-operation,

……………………………..
Gerald Kagambirwe Karyeija
Investigator

Section A: Background Questions *(Tick and or fill in as appropriate)*

Name………………………………………………………………..

Qn.1 What is your level of education?
- a) Ordinary level certificate
- d) Advanced level certificate
- b) Diploma
- e) Degree
- c) Others

Qn.2 Type of education
- a) Business Administration
- d) Social Sciences
- b) Arts
- e) Science
- c) Law
- f) Others

Qn.3 Gender……………………

Qn.4 Place of Employment ……………………..

Qn.5 Position in the organization……………………………….

Section B: Research Questions

Qn.6 Were you involved in the pensions/social security reform process? If so, how?
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…………………………………………………………………………………………………
…………………………………………………………………………………………………
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Qn.7 What are the main goals of the Social Security Transition Group?
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Qn.8 Do you think that these goals have been achieved? If not, why?
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Qn.9 Who do you think were the main actors in the process of the social security transition group?
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Why do you think so?
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Qn.10 What in your view were the criteria of selecting the STG members?

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Qn.11 People come to the decision making arena with particular views they stand for. However, sometimes these views change. What was the case in the STG?

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Qn.12 How do you the rate the participation of the members of the STG?

        a) High   b) Medium   c) Low

Give reasons for your choice.

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Qn.13 In your view, what resources did the key actors bring to the decision making arena?
a) Financial   b) Managerial c) Technical d) Political e) Others

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Qn.14 Did these resources help them in influencing the decision making process?

        a) Yes b) No.   Please explain?

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Qn.15 What other forces do you consider significant in this social security reform process?

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Qn16. Did the actors in the STG have information on pensions/social security?
a) Yes   b) No   c) I do not know
16b)   If yes, was the information sufficient; a) Yes   b) No
16c)   If yes, was it available to all?   a) Yes   b) No
16d)   If yes, was it utilized: a) Yes   b) No.

16e)   If yes, how was it utilized?

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Qn17. Where did this information come from?

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Qn.18 Describe the process by which members came to an agreement.

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Qn.19 When the members on the STG were deliberating. What mechanism were they using to resolve contentious issues?
a) Voting   b) delegation to sub committees   c) general agreement   c) secret ballot
e) Underhand methods   f) others (please explain)

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Qn.20 Please tell us how the actors (stakeholders) engaged each other to enable them have their views known and possibly adopted.

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Qn.21 Decision making is a process. Would you kindly describe what exactly happened while the STG was doing its work?

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Qn.22 In your view what was the major way in which the actors (stakeholders) communicated with each other? How did they promote their preferences?
a) They made convincing presentations
b) They made alliances with other willing actors

c) The negotiated.
d) They used authority and force.
e) Others: please specify
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Qn23 How did the STG members finally arrive at the policy alternatives they presented to government?
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Qn.24 What were the constraints encountered in this process?
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Qn.25 What lessons did you draw from the way the policy options were arrived at?
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Qn.26 Do you think the decision making process could have been done differently, and if so how?
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Appendix 5: Interview Schedule

Qn.1 Were you involved in the pensions/social security reform process?

Qn.2 What are the main goals of the Social Security Transition Group?

Qn.3 Do you think that these goals have been achieved? If not, why?

Qn.4 Who do you think were the main actors in the process of the social security transition group? What reasons do you have for your choice?

Qn.5 What in your view were the criteria of selecting the STG?

Qn.6 People come to the decision making arena with particular issues they stand for. However, sometimes these views change. What was the case in the STG?

Qn.7 How do you the rate the participation of the members of the STG?

Qn.8 In your view, what resources did the key actors bring to the decision making arena?

Qn.9 Did these resources help them in influencing the decision making process?

Qn.10 What forces do you consider significant in this social security reform process?

Qn.11 Did the actors in the STG have information on pensions/social security?

Qn.12 Describe the process by which members came to an agreement.

Qn.13 In your view what was the major way in which the actors (stakeholders) communicated with each other? How did they promote their preferences?

Qn.14 What were the constraints encountered in this process?

Qn.15 What lessons did you draw from the way the policy options were arrived at?

Qn.16 Do you think the decision making process could have been done differently, and if so how?

Appendix 6: Minutes of the plenary examined during the study

	Date of the meeting	Number of participants
1.	February 14, 2003	23
2.	February 25, 2003	24
3.	March 07, 2003	24
4.	March 14, 2003	24
5.	March 21, 2003	29
6.	March 28, 2003	29
7.	April 04, 2003	32
8.	April 11, 2003	32
9.	April 18, 2003	23
10.	April 29, 2003	23
11.	May 02, 2003	23
12.	May 16, 2003	20
13.	June 10, 2003	25
14.	June 19, 2003	23
15.	August 06, 2003	28
16.	August 20, 2003	22
17.	September 26, 2003	11
18.	October 17, 2003	26
19.	October 22, 2003	24
20.	October 23, 2003	15
21.	January 12, 2004	11
22.	January 14, 2004	11

Appendix 7:   STG Consultative Workshop reports examined during the study

	Type of consultative workshop, date held and venue	Number of participants
1.	Eastern Uganda Stakeholders, April 25th -26th 2003, Mbale	95
2.	Federation of Uganda Employers/Private sector Foundation, April 30th 2003, Kampala	32
3.	Informal sector, May 6th 2003, Kampala	58
4.	Civil Society Organisations, May 9th 2003, Kampala	32
5.	Legal Practitioners and academia, May 10th 2003, Kampala	34
6.	Western Uganda Stakeholders, May 28th-29th 2003, Fort portal	36
7.	Western Uganda Stakeholders, May 30th-31st 2003, Mbarara	57
8.	Northern Uganda Stakeholders, June 6th – 7th 2003, Gulu	49
9.	Mid-Eastern Uganda Stakeholders, June 12th -13th 2003, Jinja	75
10.	Members of Parliament, June 25th 2003, Kampala	126
11.	Mid-Western Uganda Stakeholders, June 20th – 21st 2003, Masaka	42
12.	Central Uganda Stakeholders, June 26th 2003, Kampala	71
13.	West Nile region Stakeholders, July 4th – 5th 2003, Arua	94
14.	National Organisation of Trade Unions, July 14th – 15th , 2003, Jinja	64
15.	National Social Security Fund Staff, July 21st 2003, Kampala	57
16.	Civil Society Organisations, September 4th 2003, Kampala	57
17.	Grand National Workshop, October 31st 2003, Kampala	178

Appendix 8 The STG Policy proposals

1) The government of Uganda should review the existing legislation and create a new law consolidating existing laws on retirement schemes, social security, and amend article 254 of the 1995 constitution to provide social security to all Ugandans regardless of where they are employed.

2) The government of Uganda should establish a competent and independent regulator for the entire social protection sector. The regulator should be well funded and independent from government. Duties include registration and licensing of national providers, prudential regulation of investments, setting standards, enforcing the law, accounting and financial reporting, inspections and investigations, issuing penalties and fines, public awareness, administration of the social assistance fund, and the issuance of the national social security number.

3) Expand social protection coverage for formal employees to include all persons in formal employment and the self-employed.

4) All pensions are to be funded jointly by the government, employers and employees to provide meaningful protection. In the case of social assistance government should appropriate funds and entrust them to the national providers to administer them in accordance with the rules and regulations issued by the regulatory commission.

5) Liberalize the social security and pension sector in such a way to avoid cut-throat competition through a three tier system. The first tier involves social assistance, disaster preparedness, and guaranteed minimum pension to be provided by the government. The second tier is the one to cater for basic mandatory benefits (e.g. age, survivors, invalidity, medical and modernity, self education, home ownership and burial). The third tier is to cater for additional mandatory (child education and injury at work), and voluntary benefits (additional age benefits, basic health care, homeownership, and self education).

6) Mandatory contribution for persons in formal employment to be set at 20%. Per month where the employer will deposit 10% of the employee's salary to his pension account and the employee will also deposit 10% of his income to the pension account.

7) Within a regulated framework, voluntary benefits over and above the mandatory ones should be provided and allowed by licensed providers and operators.

8) The government should introduce a universal identification system in form of a national social security number for every adult Ugandan or resident.

9) A new framework for the reformed social security sector and pension should be set up to include government, a regulator, pension providers, health management organizations and pension professionals.

10) Government should provide incentives to encourage domestic savings. These incentives my include a) tax relief on contributions made towards social security or pensions including life insurance up to 30% of an employee's income, b) there should be a pension stabilization fund which is tax exempt, and c) government should contribute to national pension providers a matching amount equal to 30% of the amount contributed for age benefit by the informal sector and self-employed, etc.

11) The criteria to qualify for benefits in all mandatory pension arrangements should be made uniform.

12) Provision of mid - term benefits. It was recommended that a mid-term benefit be allowed up to 30% of accumulated contributions and interest. In order for one to qualify for mid term benefits contributions should be at least 10 years or 120 months if not continuous. Such funds should only be used for furtherance of the contributors or child's education, short-term unemployment or acquisition or erection of an own residence or such other purposes as approved by the social security and pension commission.

13) Introduce lump sum of 30% of fund value to members who qualify for age benefits. The other percentage should be used to purchase an income annuity from pension operators or insurance companies.

14) Undertake regular indexation of benefits to maintain the value of pension benefits. The adjustment of pension benefits should be based on the prevailing economic circumstances, so that the beneficiaries do not get diminished value resulting from inflation.

15) There should be separation of roles between various institutions to ensure professionalism and clear accountability as well as checks and balances

16) An efficient dispute resolution mechanism should be put in place within the regulatory mechanism such as administrative tribunals and arbitrators.

17) There should be boards of directors and trustees for the national pension providers who should be representatives of stakeholder interests including but not limited to contributing employers and employees as well as government. All licensed private schemes must fulfill the standards set by the regulator.

18) The regulatory body should provide for comprehensive and clear investment guidelines for pension fund administrators. The guidelines may include a) qualification for membership

on pension investment panels, b) allowable investments, c) approved benefits that may be provided, d) minimum rate of return, and e)professional management of pension schemes.

19)Innovative arrangements should be put in place to address HIV/AIDS and other calamities.

20). The National Social Security Fund should not be privatized but be reformed to become market responsive. Reforms may cover a) provision of mid term benefits, b) create a shareholders board, c) improve on contributions return, d) reduce operational government controls, e) widen scope of benefits and f) comply with the new law.

21). Public service pension schemes for the civil servants, the armed forces and police should be funded by both the public servants and the government and become 2nd national provider. The present public service should form the core of the second national pension provider. The new body will not be exclusive for public servants rather it must operate competitively.

22) Set minimum standards for in-house schemes to cover a) separation of pension assets from the employer, b) allow commutation of benefits, c) an irrevocable trust to protect benefits, d) there should be no form of discrimination or discretion on scheme membership, and e) all scheme members should participate in its management.

23) All in-house schemes should have relevant documents and license

24). Extend social protection to the informal sector through voluntary schemes where the minimum contribution is determined by members and pension providers and not determined by government.