



Chronic Poverty
Research Centre

Chronic Poverty in Uganda:

Is anyone Listening?

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Strategies for eradicating poverty in LDCs:

Findings from research by the Chronic Poverty Research Centre

The Fourth United Nations Conference on the Least Developed Countries

10 May 2011, Civil Society Forum session

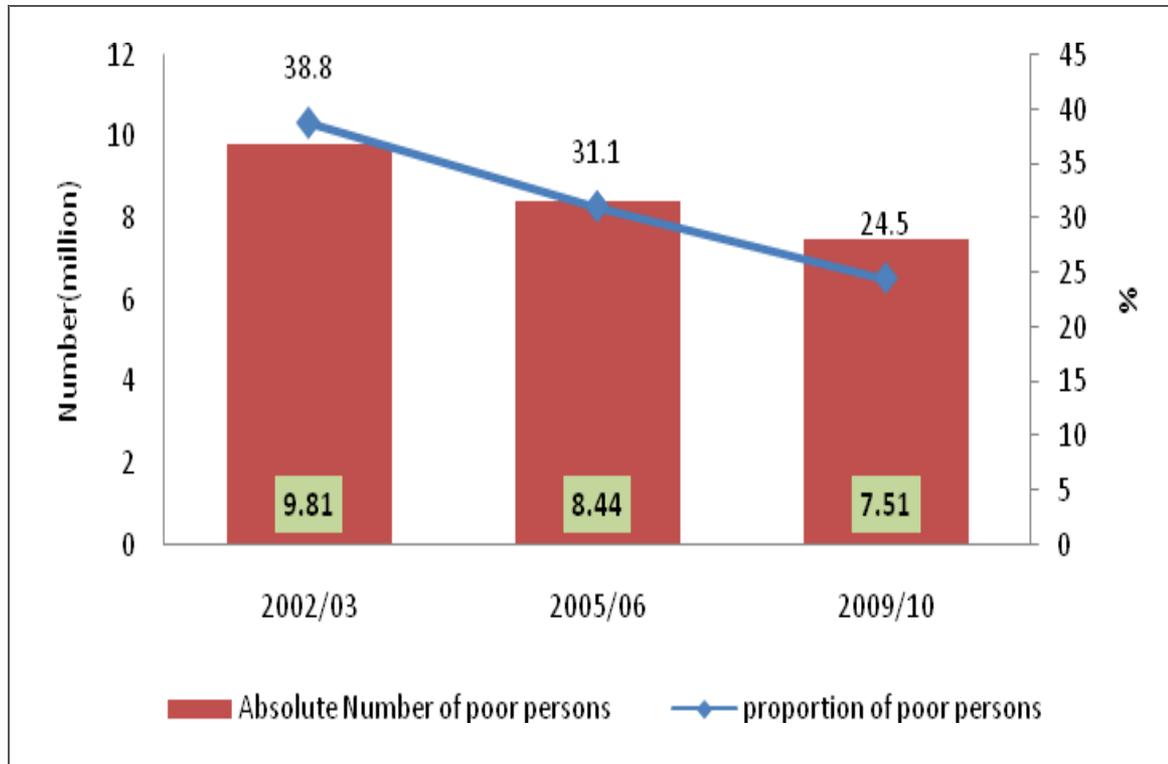


Introduction

- The second chronic poverty report for Uganda emphasises the multidimensional nature that the chronic poverty problem is, and why there is dire need for multifaceted approaches to deal poverty. Most importantly, the report shows how inadequate government policies still are in addressing chronic poverty



Uganda's poverty trends



•Source: Based on statistics from UNHS 2009/2010

Poverty and Uganda's Macroeconomic growth

- According to the UNHS data, the economy grew at 7.9% per annum between 2001/02 - 2008/09 (UBOS) and poverty declined from 38.8% in 2002/03 to 31% in 2005 /06 and to 24% in 2009/10.
- The growth, while necessary for poverty reduction has created a disturbing parallel picture in the country, with massive wealth thriving alongside chronic poverty, huge unemployment rates.

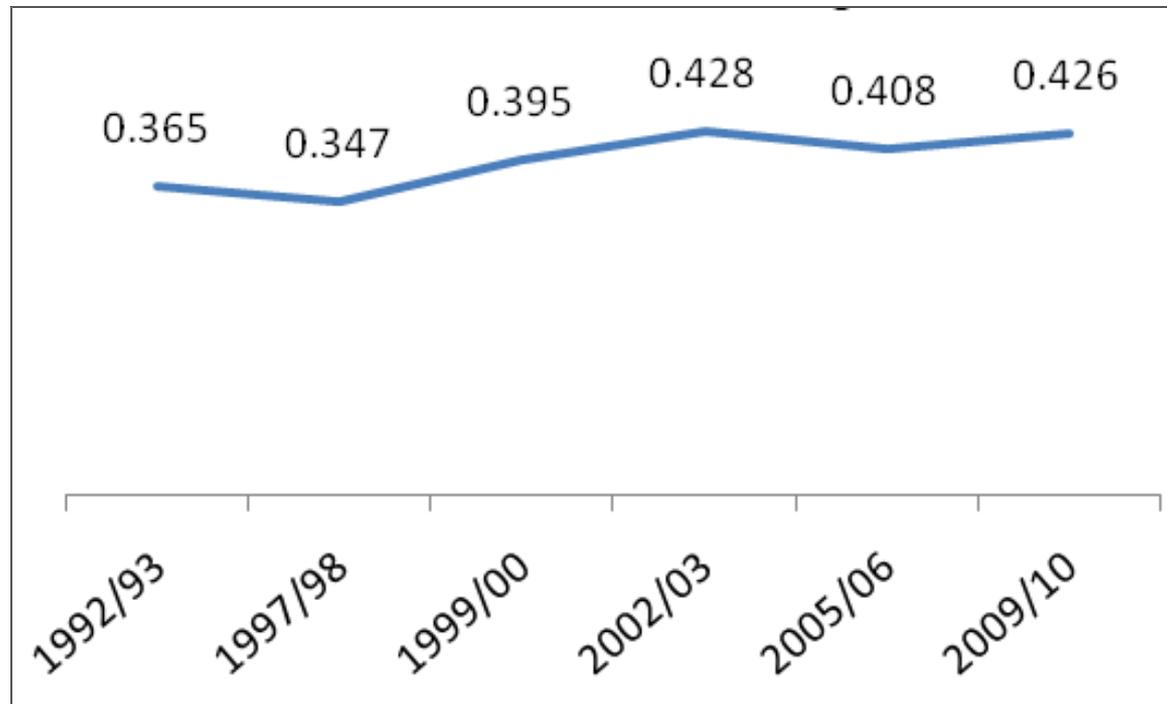


Income inequality grows

- Despite the impressive growth, Uganda's Gini coefficient has been rising over the years, and stands at 0.426, (UNHS, 2009/2010) indicating a worrying trend towards increased income inequality. The poor are feeling the pinch following high inflation, high cost of fuel and rising food prices.



Uganda's Gini Coefficient over the years



• *Source based on information from UNHS 2002/03 and 2009/10*



Drivers of Chronic poverty in Uganda

• These are the factors that lead to Chronic Poverty. While some of them are unforeseen and therefore not much can be done about them, a host of others can be prevented

• The policy interventions that are always inadequate, especially to the chronically poor that are not given attention as a special category

- Household-level shocks with long-term impact including; fragmentation of families, the death of a parent, long-term insecurity or long-term effects of insecurity.
- Drought
- Loss of a spouse – particularly true for female-headed households, widowed over a long period.
- Casual labour and tilling land in remote and infertile areas – rarely contributes to accumulation of assets.
- Landlessness
- Restricted access to education for the children;



Maintainers of Chronic poverty

These are the factors perpetually keep the chronically poor in their state

•Some policies exist to curb some of the maintainers but implementation is very poor.

•Alcohol in Uganda for example is largely unregulated and in 2004, Uganda won one of the world's most uncoveted title; "The most drunken nation on earth". The title is currently held by the Eastern European Republic of Moldova

- Persistent drought and seasonal flooding.
- Social and cultural norms/practices for women and girls – domestic conflict, separation and divorce; dowry and funeral payments.
- Long-term illness
- Additional dependants in the household such as orphans, more wives and children as in polygamous households.
- Limited human capital – poor education and skills level
- Ill health and living with physical or mental disabilities.
- Persistent alcohol abuse.
- Large and increasing household size
- Poor governance
- Ethnic and political conflict.



Compounding Factors

These work hand in hand with the maintainers and drivers to make the plight of the chronically poor more complex. Some of these are a net result and cause of the drivers and maintainers

Efforts to tackle them suffer similar policy fate as the other challenges facing the government's poverty eradication initiatives

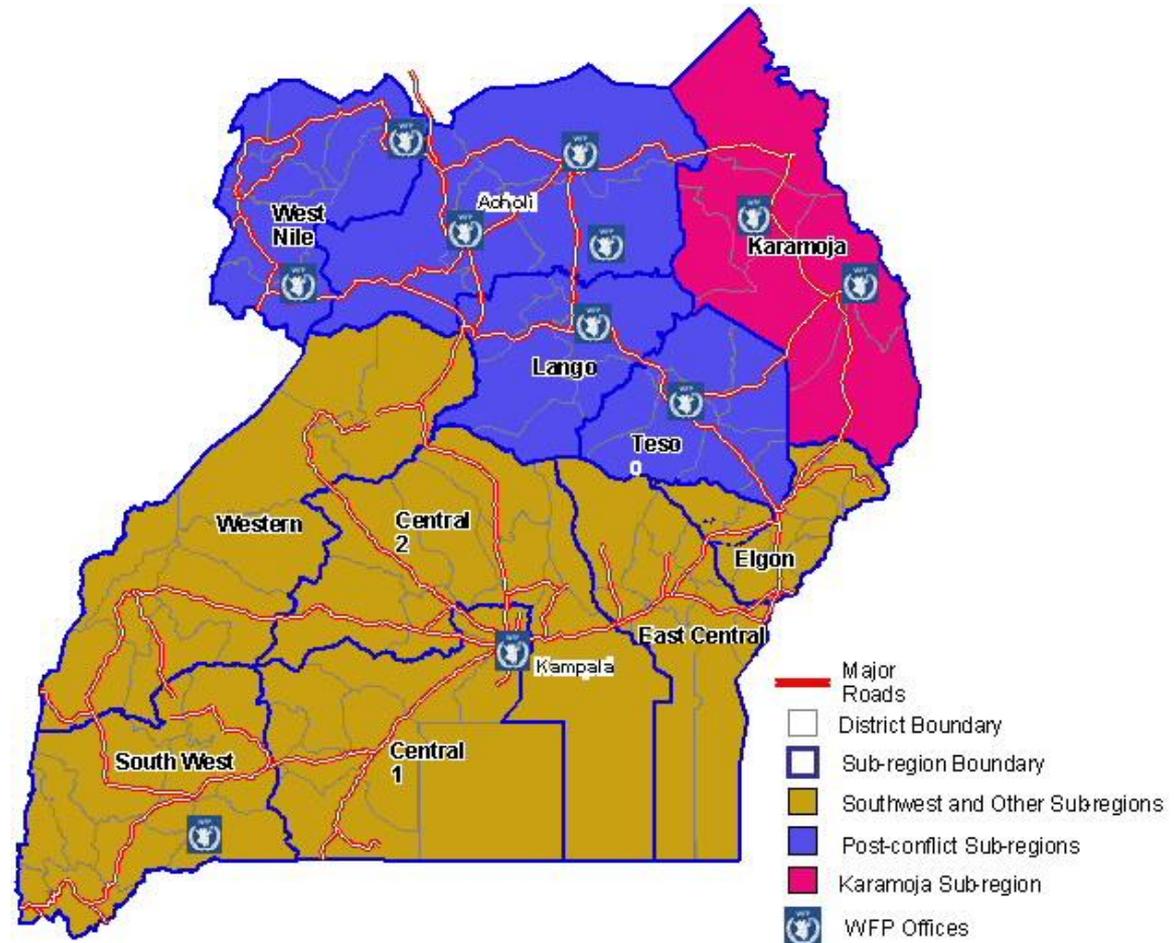
- Lack of productive assets
- Lack of capabilities and opportunities
- Lack of social support
- HIV/AIDS
- Marriage breakdown

Chronic poverty in Northern Uganda: A unique Perspective

- The northern Uganda region presented the biggest percentage leap out of poverty due to the end of the LRA war but majority of the country's chronically poor still live in this region
- Failure in the implementation of special recovery programs like NUSAF.
- There is need for different approaches that appropriately serve the unique needs of the chronically poor in the North.

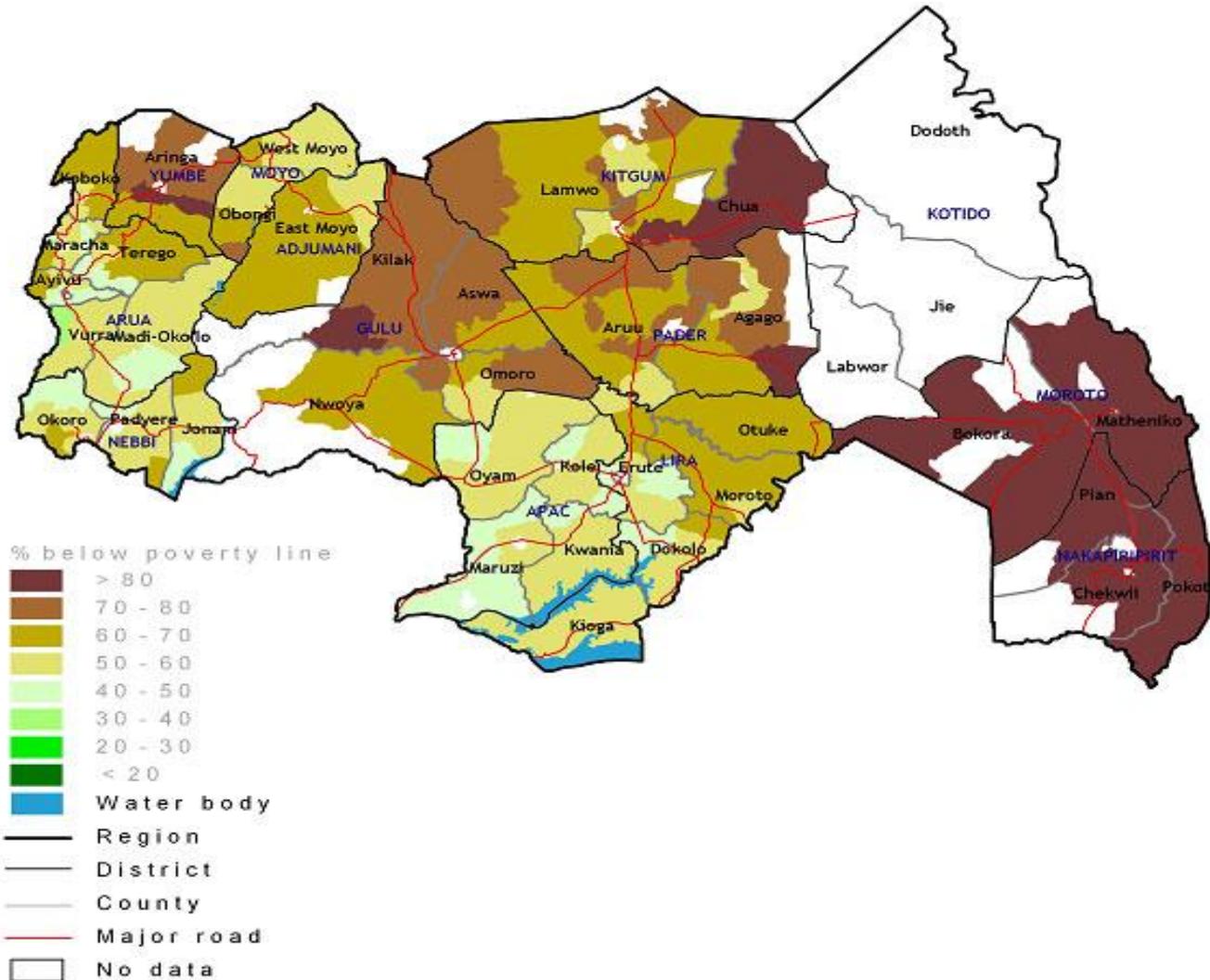


Regions of Uganda



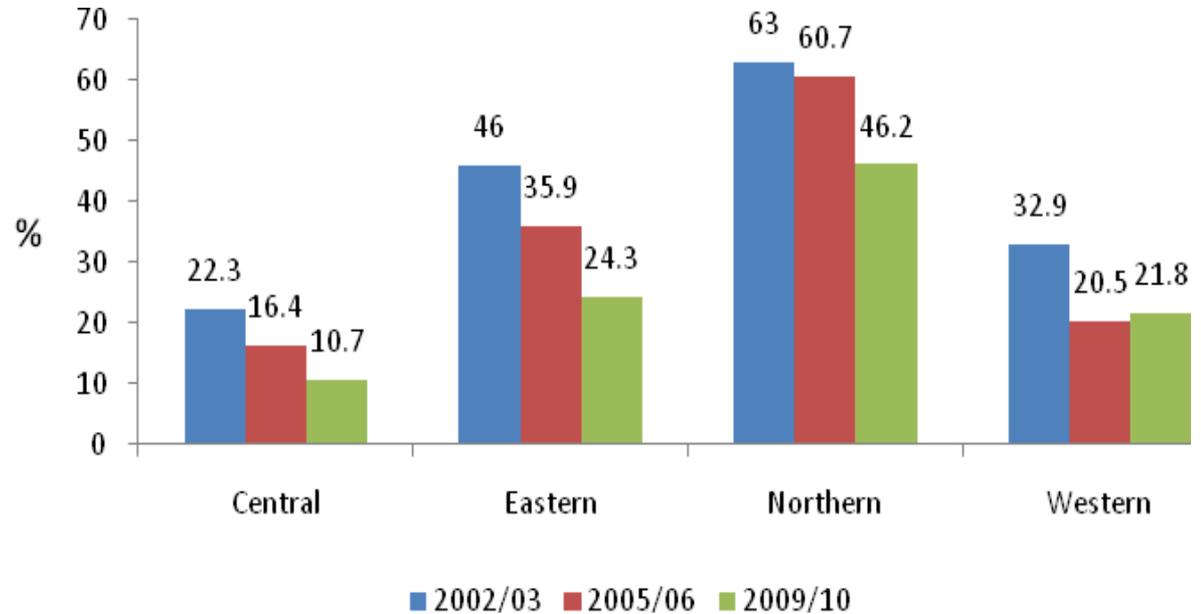


Map of the Northern Uganda Region





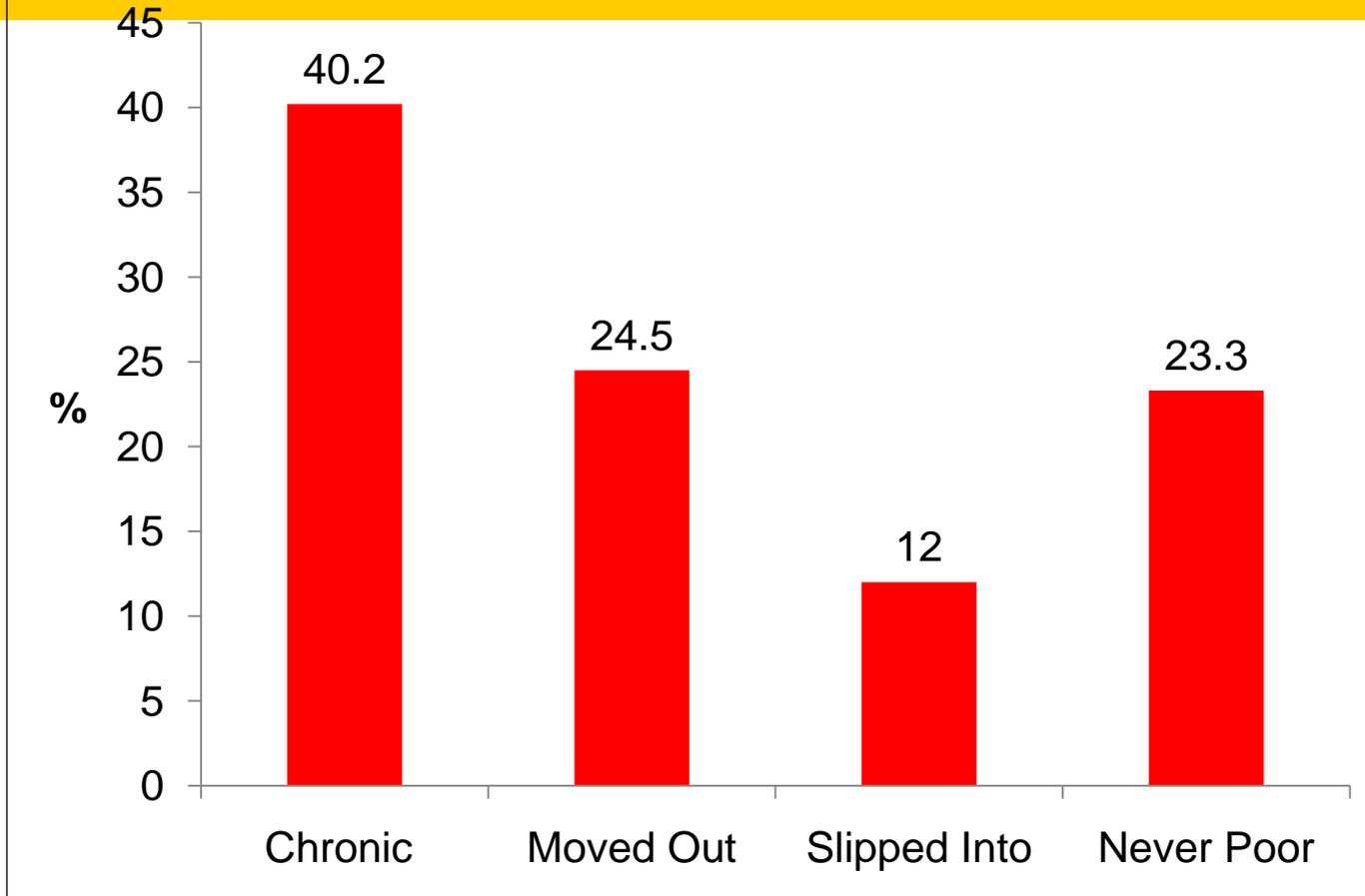
Poverty trends by region



•Source Based on statistics from UNHS 2009/10



Poverty Dynamics in NUSAF region(% of households),2004-2008



Analyzing Uganda's Poverty Reduction initiatives

- The Poverty Eradication Action Plan (PEAP) 1997, marked a period in which Uganda had a specific policy focus on poverty reduction strategies.
- Impact of most of these has been lacklustre, due to the failure to consider the chronically poor in the conceptualisation formulation and implementation . Examples of some of these initiatives follow:



Universal Primary Education (UPE)

How the chronically poor do not fully benefit from UPE

- **Are unable to make the most of “Free” education because some cant afford the direct and indirect costs attached to it like uniforms, books, and school lunch**
- **UPE’s conception therefore did not consider the chronically poor**
- **Completion rates are at 55% for boys and 42% for girls (2002-2006)**
- **National completion rate stands at 48%**

- **Achieved considerable successes; Uganda is headed to achieve the MDG 2**
- **Gross enrollment shot by 132% from 3.1million in 1996 to 7.2million children in 2006**
- **Gender enrollment gap has narrowed, with proportion of girls in total enrollment rising to 49% in 2004 up from 44.2% in 1990**
- **Teacher-Pupil ratio has improved, more classrooms constructed**
- **The net result is that 83.2% of Ugandan children are enrolled in school (2010)**



The National Agricultural Advisory Services (NAADS)

- Is Criticized as an elite franchise, without much lying beyond its fancy signposts and demonstration gardens
- The program is riddled with corruption, with its elite patrons who colluding with service providers to steal money from the program's huge budget (UGX 640bn) PA
- Being 'private sector serviced' clearly leaves out the poor who can neither provide nor demand the services due to their self-exclusion and insurmountable poverty.
- Is supposed to be a 'farmer-owned, private sector serviced entity"
- The program reaches some farmers' s but is not entirely pro-poor.
- Improved incomes of a few farmers who have access to land and meet the stringent requirements to access the support



Social Protection as a missing link

- Uganda is a signatory to the Livingstone, Zambia accord on social protection but has not been steadfast in establishing a comprehensive Social Protection mechanism
- Several social interventions have been in place, including that address the needs of elderly, Orphans and other Vulnerable Children (OVS), etc
- Recently established “Expanding Social Protection” program under the Ministry of Gender, Labour and Social Development: Under this, a pilot program for the elderly is soon starting, with the hope of mainstreaming full social protection in future
- Social protection is also expressed as a development strategy in the National Development Plan (NDP) 2010/2011- 2014-2015
- The CPR second report for Uganda emphasizes the need for comprehensive social protection. ESP is more of a donor and CSO driven idea rather than a nationally conceived strategy

The Future: How new forces are changing Chronic Poverty Dynamics

- **Population growth:** stands at 3.3%, one of the world's highest. TFR is at 6.7
- 75% of the country's population is under 25
- Youth unemployment is soaring; 400,000 graduates every year, only 30,000 absorbable by the economy
- Rural-Urban migration increasing

This has led to more pressure on land, water and other natural resources

- **Climate Change:** currently an undeniable reality in Uganda. More erratic rainfall patterns since the 1990s, with droughts and floods more common especially in the Eastern parts of the country.
- Poor yields have contributed to rising food prices, beginning to cause civil unrest

The Chronically Poor are the most affected by these, due to their vulnerability



Key messages

- Growth, though necessary is not adequate in addressing chronic poverty
- Income inequality is a major driver of chronic poverty in Uganda and should be addressed
- Youth unemployment is should be a cause for concern and should hence be addressed
- There are new forms of risk and vulnerability that are threatening the chronically poor and they need to be addressed
- Agriculture, as a sector that employs the vast majority of Uganda's should be prioritized, with emphasis put on small holder farmers through the revitalization of agricultural extension, among other measures
- Unregulated population growth is a time bomb
- Government interventions should consider chronic poverty as a unique aspect of Poverty Eradication efforts



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Thank You!



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