‘Q2’ (Qualitative and Quantitative) Analysis to Understand Poverty Dynamics in Uganda

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Structure of Presentation

- Previous Q2 work
- Uganda - Insights from Uganda Participatory Poverty Assessment Process (UPPAP) - Qualitative
- Econometric Analysis (Quantitative Insights)
- ‘Genuine’ Q2 Findings
- Summary
Previous Q2 Work

- Adato, M, F. Lund and P Mhlongo, (2004),
- Lawson. McKay Okidi Uganda (2004/5) - the following
Economic growth average close to 7% in 1990’s
GDP per capita approx. 300 US $, Inflation below 5%
Income Poverty - 54% (1992) to 38.9% (2002/03) BUT Regional Differences and Chronically Poor
Poverty Reduction is NOT apparent in all areas of Uganda - Northern Uganda (72.2% to 65.8%)
Factors identified as causes of poverty and factors affecting movements in/out of poverty

- For vulnerable groups lack of land or productive assets, and access to social services identified as major problems
- Factors driving movements (further) into poverty include alcoholism, insecurity, large families, and landlessness, ill health
- Hard work and investing in farming through land, livestock and remittances important for escapes
Data

- 2 wave panel 1992-1999
- Careful matching process to identify panel households: 1105 households AND testing for Attrition (Testing for Biased Sample)
- Standard of living measure (consumption expenditure pae & pov line fixed with reference to calorie requirements)
- Seek to explain poverty status and movements in terms of household characteristics available in survey data set: not all UPPAP factors can be captured
Figure 1 - Poverty Dynamics in Uganda (from Lawson, McKay and Okidi Poverty Status Report 2003)

- 18.9% Poor in all Periods
- 29.7% Moving out of Poverty
- 10.4% Moving Into Poverty
- 40.9% Never Poor

Persistent and Transient Poverty
Descriptive trends

- Substantial movements into and out of poverty - with a large core of persistent poor
- Strong regional dimensions: CP higher in rural areas and especially in northern region (almost 40% CP there)
  - also many descents into poverty in north
- CP and descents higher among larger households; those with lack of assets; and those working in agriculture. Ill health appears to be associated with movements into poverty - can’t establish causality.
## Descriptive Trends - Assets

<table>
<thead>
<tr>
<th>Asset Levels and Change</th>
<th>Chronic Poor</th>
<th>Never In Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sick (1)</td>
<td>Not Sick (2)</td>
</tr>
<tr>
<td>Cows at 1992</td>
<td>0.41</td>
<td>0.91</td>
</tr>
<tr>
<td>Cows at 1999</td>
<td>0.15</td>
<td>0.78</td>
</tr>
<tr>
<td>% Increase</td>
<td>-63.6%</td>
<td>-14.3%</td>
</tr>
<tr>
<td></td>
<td>Sick (7)</td>
<td>Not Sick (8)</td>
</tr>
<tr>
<td></td>
<td>1.27</td>
<td>0.98</td>
</tr>
<tr>
<td></td>
<td>1.21</td>
<td>1.62</td>
</tr>
<tr>
<td></td>
<td>-4.7%</td>
<td>65.6%</td>
</tr>
</tbody>
</table>

+ Various approaches to econometric modelling (con’t dep’n variable), mlogit etc.).
## Econometric Results

(NOTE: Various approaches modelling )

<table>
<thead>
<tr>
<th>Number of Assets per household</th>
<th>Not Poor</th>
<th>Chronic Poverty</th>
<th>Moving Out of Poverty</th>
<th>Moving Into Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land (rural) hectares</td>
<td>0.0181 (0.667)</td>
<td>-0.0262 (-1.165)</td>
<td>0.0426 (1.585)</td>
<td>-0.0345 (-2.131)**</td>
</tr>
<tr>
<td>Cows</td>
<td>0.0130 (1.517)</td>
<td>-0.0127 (-2.067)**</td>
<td>-0.0003 (-0.038)</td>
<td>0.0000 (-0.005)</td>
</tr>
<tr>
<td>Region</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural North</td>
<td>-0.5213 (-3.867)***</td>
<td>0.4001 (3.315)***</td>
<td>-0.1537 (-1.234)</td>
<td>0.2749 (2.886)***</td>
</tr>
<tr>
<td>Ill health</td>
<td>-0.0659 (-1.975)**</td>
<td>0.1223 (1.472)</td>
<td>-0.0921 (-1.371)</td>
<td>0.0357 (2.186)**</td>
</tr>
<tr>
<td>Change Variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in household size</td>
<td>-0.0043 (-0.42)</td>
<td>0.0155 (2.296)**</td>
<td>-0.0297 (-3.125)***</td>
<td>0.0185 (3.568)***</td>
</tr>
</tbody>
</table>
Econometric results (1)

Important factors:
- livestock: similar patterns of association
- Land ownership important for rural h’holds in escaping poverty/not falling back

Demographic effects
- households that increased in size are getting worse off in consumption terms
- Households where the head changed from male to female more likely to fall into poverty
- Strong locality effect, especially rural northern (more likely to be Persistently Poor, moving into poverty, not escaping etc.)
Econometric results (2)

- education (secondary of head and primary of spouse) strongly associated with not being in chronic poverty, with escaping poverty, with change in consumption

- Ill Health

- Being engaged in non-agricultural own account activity strongly associated with not being poor; ag activity negatively associated with consumption level
Summary ….. so far

- Well conducted qualitative survey provide a rich understanding of the processes underlying poverty and pov transitions
- BUT - does not allow understanding of the relative importance
- BOTH qualitative and quantitative sources can be used in combination to add value to understanding the drivers maintainers and interrupters of poverty BUT NOT CAUALISTY AND ARE IS NOT GENUINE ‘Q2’
Genuine Q2 - (very limited prior work)

- CPRC/GRPG/DFID Uganda - on going
  Lawson, Hulme, UBOS -
- Revisited 1992-99 Panel Households and Obtained Life History and Quant Data.
- Method Not ideal but very revealing re:
  Propagators/Maintainers/Interrupters of Poverty + The Processes + 42 hholds (so far)
Ill health and Assets Example

Chronically Poor Household (abbreviated life history & typical story)

1 - Death of the father (HIV) in 1996 caused a negative psychological and economic impact. However, this period also coincided with the loss of 4 cows.

2 - Although the occupation remains the same in the late 1990’s there is further economic and social downturn as deteriorating rainfall and crop sales reduce crop productivity and sales, combined with the death of one son + sale of other assets (radio) after ‘Asset smoothing’.

3 - These events are shortly followed by a third series of shocks in 2003 when assets are further reduced (death of goats through disease) and one son dies and land eviction (2004) (economic and psychological).
Figure 2: Consolidated Time Line Analysis for 1992-2005
(Chronically Poor Household)
Suggestions of direct causality between ill health and AIDS, and movements into poverty, with explanations regarding the processes that underpin this.

Households preference the types of assets sold ‘in times of crisis’

‘Asset Smoothing’ is appears to be very common

PLUS other findings so far:

- Gender inequality through social networks
- Household size increases with, but only 5-6 years later do the ‘delayed child costs’ of school fees etc. start causing the major monetary impact/problems.
- ‘Q2’ vert useful in identifying a households ‘potential vulnerability’ e.g. assess the extent to which a household may be about to adopt siblings of sick brothers and sisters.
Genuine Q2 - Summary

- Corroborate/negate the aggregated and household level quantitative data
- Provide more insightful findings regarding the reasons for poverty movements – including social, psychological, occupational reasons etc.
- Quantify the impact (as perceived by the household) of each event on the subjective welfare status of the household
- Use methods that further interactions and assist interviewee recall – therefore hopefully heightening the quality of the recall information.
END OF PRESENTATION

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