



THE 2ND CHRONIC POVERTY REPORT - UGANDA IS ANYBODY LISTENING?



October 2013



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Who we are

The Chronic Poverty Research Centre (CPRC – www.chronicpoverty.org) has been an international partnership of universities, research institutes and non-governmental organisations (NGOs) in the South and North established in 2000. It existed to focus attention on chronic poverty and aimed to stimulate national and international debate; deepen understanding of the causes of chronic poverty; and provide research, analysis and policy guidance that will contribute to chronic poverty reduction. The CPRC had partners in Bangladesh, Benin, Burkina Faso, Ghana, India, Kenya, Niger, Senegal, South Africa, Tanzania, and Uganda. CPRC partner countries have generated unique findings about the major causes of chronic poverty and have identified practical ways to address it. The Research Centre has come to an end, but its work is continued by the Chronic Poverty Advisory Network (CPAN - www.chronicpovertynetwork.org)

Development, Research and Training (DRT) is CPRC's and CPAN's main research partner in Uganda. DRT is a Ugandan development organisation that produces evidence to inform and influence policies and programmes that respond to the needs and aspirations of poor people. DRT's work is guided by a committee, with members from the Economic Policy Research Centre (EPRC), Makerere University and the Ministry of Finance Planning and Economic Development (MFPED).

This report has been produced by DRT and the Chronic Poverty Research Centre, Uganda.

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Much of the data analysed for this report is drawn from various national surveys, mainly conducted by Uganda Bureau of Statistics (UBOS), including the Northern Uganda Survey (NUS), the Uganda Demographic and Health Survey (UDHS), the National Household Survey (NHS), National Service Delivery Survey (NSDS) and Northern Uganda Social Action Fund (NUSAF) evaluation and the Uganda National development Plan.

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List of acronyms

AIDS	Acquired Immune Deficiency Syndrome
CBO	Community-Based Organisation
CPRC	Chronic Poverty Research Centre
CSO	Civil Society Organisation
DFID	UK Department for International Development
DRT	Development Research and Training
EAC	East African Community
EPRC	Economic Policy Research Centre
GDP	Gross Domestic Product
GoU	Government of Uganda
HDI	Human Development Index
HIPC	Heavily Indebted Poor Country
HIV	Human Immunodeficiency Virus
ICT	Information and Community Technology
IDA	International Development Association
IDP	Internally Displaced Person
IFC	International Finance Corporation
IFI	International Financial Institution
IMF	International Monetary Fund
LRA	Lord's Resistance Army
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MDG	Millennium Development Goal
MFPED	Ministry of Finance, Planning and Economic Development
MGLSD	Ministry of Gender, Labour and Social Development
MoH	Ministry of Health
MTTI	Ministry of Tourism, Trade and Industry
NAADS	National Agricultural Advisory Services
NDP	National Development Plan
NEMA	National Environment Management Authority
NGO	Non-Governmental Organisation
NRM	National Resistance Movement
NSDS	National Service Delivery Survey
NUDIPU	National Union of Disabled Persons of Uganda
NUS	Northern Uganda Survey
NUSAF	Northern Uganda Social Action Fund
PAPSCA	Programme for the Alleviation of Poverty and the Social Costs of Adjustment
PEAP	Poverty Eradication Action Plan
PLE	Primary Leaving Examination
PLWD	Persons Living With Disabilities
PMA	Plan for Modernisation of Agriculture
PRDP	Peace Recovery and Development Plan
PRSP	Poverty Reduction Strategy Paper

SACCO	Savings and Credit Cooperative
SDIP	Social Development Investment Plan
TB	Tuberculosis
UBoS	Uganda Bureau of Statistics
UDHS	Uganda Demographic and Health Survey
UGX	Ugandan Shilling
UK	United Kingdom
UN	United Nations
UNDP	UN Development Programme
UNESCO	UN Educational, Scientific and Cultural Organization
UNHS	Uganda National Household Survey
UNPS	Uganda National Panel Survey
UPE	Universal Primary Education
UPPAP	Uganda Participatory Poverty Assessment Process
USE	Universal Secondary Education
WHO	World Health Organization

Foreword

Reducing poverty is a major commitment of the Government of the Republic of Uganda as demonstrated in the Vision 2040 which aims at reducing the proportion of persons living below the poverty line to 5% by 2030. Evidence presented in this report on changes in poverty and particularly chronic poverty indicates that eradication of chronic poverty is possible and will require expansion of social protection to the chronically poor.

The fiscal space in Uganda has been expanding over the past decade - thanks to high levels of economic growth achieved by the government's strong macro-economic management policies and increased donor resources. As a result, there have been significant investments in education and health. This notwithstanding, challenges remain in ensuring that growth benefits all including the poorest. Unemployment is still high while the poorest and vulnerable continue to find it hard to access these basic social services. For example, more than 30% of the children from the poorest households are not enrolled in school.

On 16th June 2010, the Government approved the Expanding Social Protection Program including one of its core components – the Social Assistance Grants for Empowerment (SAGE). This program aligns with the global consensus of promoting and protecting the poor through cash transfers to the elderly and vulnerable families to enable them meet their basic needs. The results of the mid-term evaluation indicate that enrolled households have gained more consumption power and can access social services than before and if scaled up, this program has the potential to significantly contribute to the reduction of chronic poverty among the beneficiaries. Social protection alone will however not solve the problem of chronic poverty. It needs to be complimented by deliberate redistributive measures to improve the quality, access and participation of the poor in health and education as well as increased state support for agriculture, where majority of Ugandans (not only the poor) derive their livelihoods.

The 2nd Chronic Poverty report is thus not only important but a timely effort to contribute to the design and implementation of interventions to eradicate poverty in Uganda. In addition to providing the figures on the state of chronic poverty, the report points us to the necessary interventions and investments that ought to be made. At this point, where only two of the 17, targets to achieve the eight Millennium Development Goals have been achieved, studies of this nature are useful in providing new policy directions and I commend the findings to policy makers and the wider global audience.

The Ministry of Gender, Labour and Social Development has a mandate to protect and promote rights of vulnerable groups such as the chronically poor and disadvantaged. The Ministry is spearheading the implementation of social protection interventions which will reduce chronic poverty and improving life chances for poor men, women and children of Uganda. I call upon the sector leadership and other stakeholders to support these interventions through equitable distribution of resources.

I hereby extend my sincere gratitude to Development Research and Training and the Chronic Poverty Advisory Network for this report. I also thank development partners such as DFID, Irish Aid and UNICEF for the support in building a social protection system for Uganda.



Hon. Madada Kyeibakoze Sulaiman (MP Bbaale)
Minister of State for Gender Labour and Social Development
(In charge of Elderly and Disability)

Executive summary

The overall message of this second Uganda Chronic Poverty Report is that the chronically poor are barely on the policy radar. The problem lies in having the imagination, foresight and political commitment to include the many chronically poor people in development, hence the title of this report: **Is anybody listening?**

The policy context has evolved significantly since the first Uganda Chronic Poverty Report was published in 2005. The government has moved away from its previous focus on poverty eradication through Poverty Eradication Action Plans (PEAPs), to a wider one on 'prosperity for all,' expressed in the 2010/11-2014/15 National Development Plan (NDP). Multiparty elections and the discovery of oil have been among the drivers of this. Given the relatively weak outcomes achieved in the poverty eradication era, it may be that a more transformative approach to development will bring a higher dividend for the chronically poor. Lessons from the poverty eradication era can inform policymakers on how this might best be achieved.

Poverty in Uganda remains multidimensional, and therefore liable to be chronic. While the poverty gap and the severity of poverty have reduced substantially (in other words, the poor are on average much closer to the poverty line than they were), its multidimensionality suggests that escaping it remains difficult. The widespread vulnerability of the non-poor – to economic, environmental and health shocks – and the absence of social protection also mean there is still likely to be a high rate of impoverishment. Uganda National Household Survey (UNHS) panel data will help verify these propositions when they become available.

Growth is essential for poverty reduction, but the growth which has occurred has not systematically generated enough employment to cope with a rapidly rising youth population, and has not been in agriculture and manufacturing, the two sectors that can have greatest direct impact on poverty. Informal, insecure employment has increased as a source of livelihood, especially for poor women, and multiple economic activities remain the norm for a third of the working population. Education is not yet geared strongly to the economy, which constrains both the economy's growth and opportunities for poor people to participate in decent employment.

Human development progress stagnated in the second half of the 2000s. Quality health services still do not reach many, who instead rely on private services or go without healthcare. While primary and secondary

school enrolment has increased significantly, and the primary gender gap has closed, to the great credit of government and development partners, the primary dropout rate remains very high, and therefore illiteracy and innumeracy remain rife. This is partly a function of the low quality of services.

Peace in the north since 2005 has brought progress as economy and society have begun to recover. A 2004-2008 panel survey of northern Uganda (NUSAF districts) shows that people living in poverty have escaped poverty faster than others have become poor, with a corresponding significant drop in overall poverty incidence. There is variation across the region, however, indicating that different approaches may be needed in different areas – a recurring theme of the report.

The life cycle remains the most important determinant of wellbeing, with increases in household size and dependency ratios related closely to impoverishment as well as chronic poverty; moving out of poverty is associated with reducing dependency ratios. Having to care for more children, older people, widows and orphans is likely to impoverish or keep a household poor. On the other hand, growing the household asset base, especially by accumulating livestock, and its capability base, through education – a 'portable asset' – is what makes households resilient and able to escape poverty. This is easier where the number of dependants is reducing.

Women's education is the long-term means of including most people in the demographic transition; in the short term, enhanced family health services can also play a role. The analysis also indicates that chronically poor people typically work but receive lower returns to their effort. Households with greater numbers of adult women in particular are less likely to be chronically poor, suggesting the important position women have come to occupy in the labour force.

This report reviews progress in responding to the needs of poor people, including the one in five people who were chronically poor in the 1990s. While peace in the north has brought a significant poverty reduction dividend, the report concludes, pessimistically, that other major policy initiatives undertaken during the 2000s have fallen short of the mark. Policies like Universal Primary Education (UPE), the expansion of health services, the demand-led agricultural extension (National Agricultural Advisory Services (NAADS) and the major state micro-finance programme (Bonna Baggaggawale) have not

made a huge difference to poor people as a whole, and have certainly not included the chronically poor to any significant degree. Social services have failed on two counts: they are generally of poor quality; and they do not specifically take into account the inability of the poorest people to make use of them – there are few specific provisions to include them in the way the services are provided. The economic services (NAADS, *Bonna Baggaggawale*, the Northern Uganda Social Action Fund (NUSAF)) all require collective action in order to participate, which is most difficult for the poorest people. There are also substantial operational quality issues.

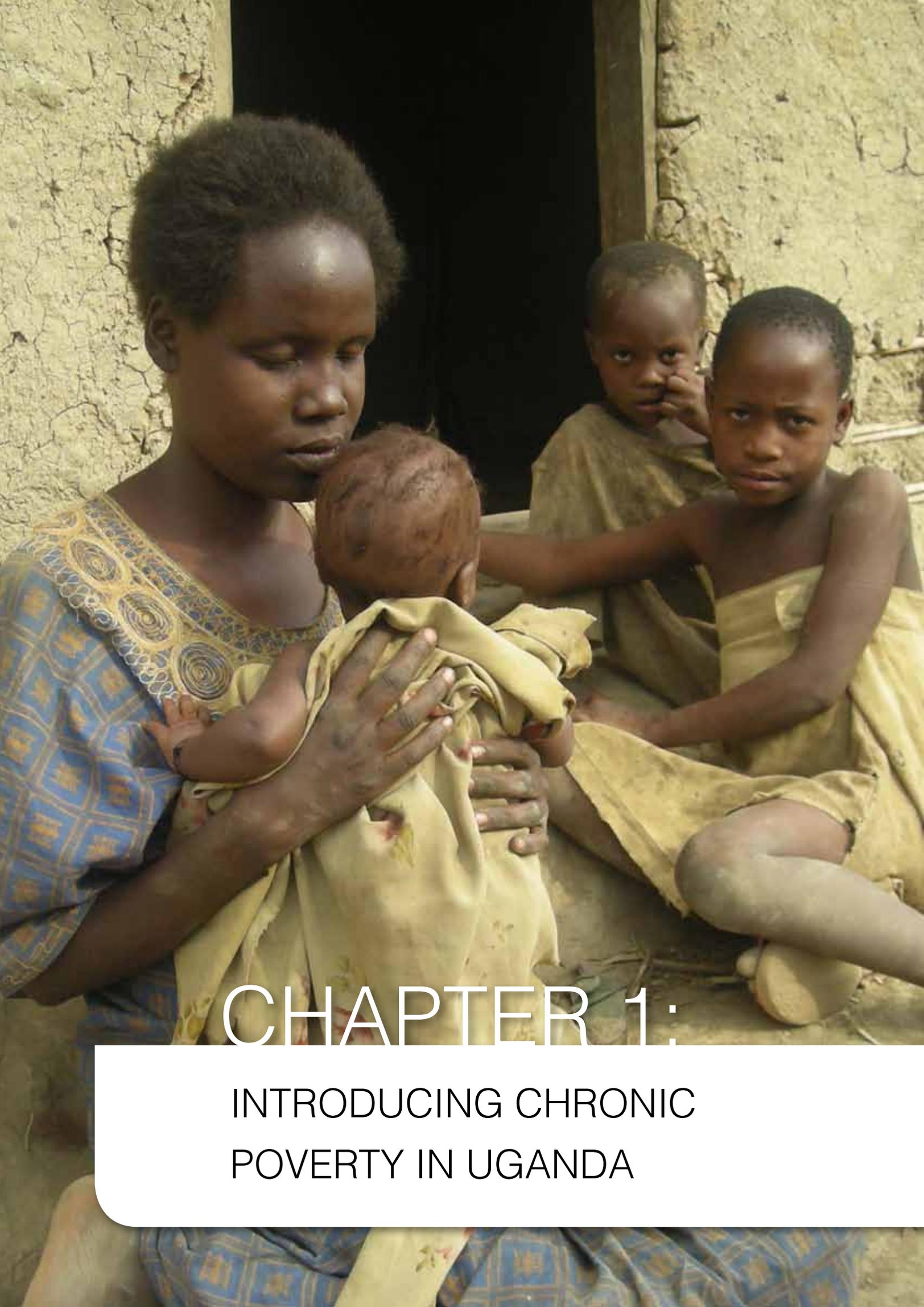
Social protection represents an investment that would address poverty, the risk and vulnerability context and inequality, and contribute significantly to increasing the participation of poor people in growth. It is thus highly complementary to the overall thrust of the NDP. While social transfers have been on the policy agenda since 2006, however, slow implementation is due to: 1) the dominant economic paradigm, which sees it as a cost rather than an investment; 2) elite attitudes that blame the poor for their poverty and expect them to address it through behaviour change, that do not have confidence in government's ability to run poverty-reducing programmes and that assert that social protection is unaffordable in Uganda; and 3) the weak administrative and institutional framework. This creates a 'political lethargy' around social protection, despite significant civil society action, which needs to be challenged by pressure and demand from below. Getting consensus and accumulating the political capital is where the debate is stuck. The recent implementation of a pilot programme could resolve the logjam by providing more information to feed into the public arena.

Other clearly needed policy responses, on remoteness and isolation, alcohol dependence and disability, remain weak or have not been seriously attempted. That policy continues to prioritise accessible and high population density geographical areas risks condemning a substantial population to chronic poverty. The key issues lie in allowing local government to adapt infrastructure investment to local needs and to implement provisions to ensure that the benefits of private investment in remote areas actually trickle down to the population, including the poor. Meanwhile, alcohol dependence has clearly demonstrated drastic effects on productivity, asset accumulation possibilities, gender relationships and family unity, and on children's education and girls' physical safety. This is a complicated policy issue, since poor women also rely on brewing alcohol. Disability unnecessarily leads to marginalisation. All these areas require serious investigation by government, imaginative thinking and appropriate policy responses, and indicate that Uganda needs a mix of universal and tailored policies.

As if this is not enough, there are emerging challenges that will erode Uganda's ability to reduce poverty in future. Population growth is requiring massive employment generation, is leading to fragmentation of family landholdings and is generating a pattern of unequal urbanisation that is likely to see the creation of 'no go' urban areas. Climate variability is already increasing, with growing incidence of environmental disasters, with the risks biggest for poor people, especially women, who rely on natural resources for their livelihoods. The probability of long-term impoverishment from hunger and asset loss resulting from such shocks will grow. This is another indicator of the need for a strong social protection initiative. Linked to both these challenges is the largely unaddressed one of land degradation.

What lessons from this review can be carried forward for the NDP's drive for prosperity for all? **First**, that growth is a precondition of, but not sufficient for, poverty reduction, especially of chronic poverty. The quality and location of growth are also important. **Second**, greater fiscal space is required (and should become available as the economy grows, if politics permits) to ensure improvements in the quality of and participation in health and education services, especially in remote regions, and to provide for a substantial social protection commitment. A comprehensive review of poverty-reducing policies and a consolidation of efforts and initiatives would be relevant here – get rid of those that are not working and focus effort on those that are or can. Meanwhile, bear in mind that the context for reducing poverty does not stand still. New challenges need to be addressed alongside old ones.

Third, while the national imagination is captured by the idea of transformative economic growth, it will be necessary, for reasons of political stability if no other, to ensure a minimum level of inclusion and economic participation. More solid state support for growth in agriculture, where most poor people gain their livelihoods, is one aspect. Planning cities so they deal positively with in-migration of labour from the countryside is another. Maintaining the pace of investment and improvement in social services is another. Finally, introducing a substantial social protection programme will help with some of the as yet unaddressed problems and challenges of high levels of vulnerability, chronic poverty, increasing climate variability, remoteness and isolation and alcohol dependence, as well as the low level of effective demand from poor households for education and health services. Evidence from elsewhere shows that social protection will also help poor people participate better in the economy in the long term. Creating the political energy and fiscal space around this central idea will open the door to the discussion of more difficult and controversial issues.



CHAPTER 1:

INTRODUCING CHRONIC
POVERTY IN UGANDA

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POVERTY IN UGANDA**

Uganda has a successful record of poverty reduction, with significant declines over the past two decades and it is one of the few countries that have already achieved the first MDG target by reducing poverty incidence from 50% to 24.5% since the 1990s. Challenges remain, with many still living in poverty and an increase in vulnerability, with close to 43% of Ugandans at risk of falling back into poverty if faced with a shock.

Around one in ten people in Uganda are chronically poor. Chronic poverty is long term, sometimes lasting a lifetime. It is multi-dimensional and severe (Hulme et al., 2001). This means that chronically poor people often not only lack income, they also have low levels of education and skills. They may also suffer from ill-health, lack assets and have poor social networks. This complex set of challenges makes an escape from poverty even more difficult, and their children experience the kind of deprivation that makes it likely that they will be poor when they grow up too. This matters not only for them and their families, but for Uganda as a whole. Without tackling chronic poverty head-on, Uganda will be unable to eradicate poverty nationally and will miss out on the contribution that those individuals could make to Uganda's economy and society if they were better educated, better fed, more healthy and with more productive assets. There is a danger that a 'business as usual' approach to the design and implementation of anti-poverty interventions risks reversing all the good work that has already been done and seeing poverty begin to creep up again.

This report builds on an earlier report on chronic poverty and sets a challenge to the policy community: build on the successes of the past; learn from good practice going on in Uganda already; identify and correct failing policies and programmes and build a comprehensive policy package, which will address the inequality and vulnerability and see poverty and chronic poverty comprehensively vanquished.

The first Uganda Chronic Poverty Report

In 2005, the report *Chronic Poverty in Uganda: The Policy Challenges* identified the different faces of poverty in Uganda, with many people moving in and out of poverty during their lifetimes. A relatively minor negative event, such as sickness in the family, was shown to be enough to push some families into poverty and make the already poor even poorer. Many people were found to be able to struggle slowly out of poverty again, at least until next time. Others – almost one in five of the population at that time – were found to be trapped in long term poverty. The report asked the question: what are the factors that mean that some people are trapped in long term (or chronic) poverty while others are able to escape, if only temporarily? What pushes some people into chronic poverty (drivers) and what are the forces that stop them from escaping it (maintainers)?

Poor people can become chronically poor as a result of shocks, including insecurity and HIV, and more long-term processes such as land fragmentation, which pull people into downward mobility and then trap them in poverty. The lack of ownership or access to assets (such as land and cattle) at individual, household and community levels was also found to be important as this translated into a lack of opportunities for employment, production or income generation. Demographic factors such as high dependency rates or increasing household size were also identified as pushing households into poverty and trapping them there.

The spatial dimension of chronic poverty was highlighted by the insecurity in the Northern region (and historically elsewhere), which had long-run consequences, including inter-generational impacts. These regional difficulties were compounded by poor service delivery and remoteness. Exclusion and self-exclusion from policy decision making and development initiatives also featured prominently. Although chronically poor people can participate in policy decision making in theory, many remain excluded in reality because of local

power relationships and processes of subordination and they may exclude themselves due to a lack of self-confidence, time, information, skills or education. Even when they are included, the report found that inclusion does not guarantee an ability to influence decisions. The report also found that a range of socio-cultural issues contributed to chronic poverty including problem drinking, which was conspicuous in many areas; gender inequalities, and stigmatisation.

Where individuals or households face overlapping drivers of poverty, they faced deeper problems. People with disabilities, for instance, were found to face various forms of exclusion, isolation and disregard. Poor women were found to be especially vulnerable to chronic poverty and had to confront unfair treatment that may leave them landless or facing other difficulties. Other 'vulnerable groups' were identified as including poor orphans, children of second or third wives in poor households, those acutely affected by HIV, and the long-term sick. The multiple challenges facing chronically poor families were found to limit their survival strategies (casual labour most frequently, but also scavenging and begging, selling/borrowing assets and migration).

Education was identified as an important escape mechanism, especially where it is associated with diversifying away from self-employment in agriculture. Poor people often mentioned 'hard work' as an important route out of poverty, but chronically poor people were found rarely to be able to accumulate sufficient assets through the sale of their labour to improve their situation. The report concluded that with no surplus to save, low levels of human, social or political capital and few productive assets, escape routes for people in chronic poverty were profoundly limited.

The 2005 report showed that chronic poverty is different to transitory poverty. Chronically poor households feel that they can barely survive. They have no hope of escaping poverty and they are unable to resist shocks, which then lead to further impoverishment. In contrast, people in transitory poverty were found to be much more resilient to such events and more able to build themselves back up, improving their situation and exiting poverty.

In terms of its policy recommendations, the report's central message was to question whether Uganda's generic poverty reduction policies and interventions were being effective in reaching chronically poor people.

The report, along with other research publications on chronic poverty and policy engagement, contributed to important policy change in Uganda. This included sustained engagement on social protection, which identified the role of direct cash payments to chronically poor people as having the potential to move them out of chronic poverty. This was accompanied by analysis of

the affordability and feasibility of such direct interventions and supported the introduction of a pilot social protection system in Uganda. Together, this had a concrete impact on policy. For instance, DRT, the Uganda NGO Forum and other civil society organisations participated actively in the formulation of the NDP 2010/11-2014/15 and ensured that social protection instruments were included in the document. This is being built on by the civil society Platform on Social Protection which is advocating for the formulation of a social protection policy.

The second Uganda Chronic Poverty Report

This second report seeks to deepen our knowledge of chronic poverty in Uganda and to build on the policy agenda outlined in the first report. It draws on three main sources. Firstly, analysis of the national 2005/6-2009/10 panel data and re-analysis of national surveys by the Uganda Bureau of Statistics (UBOS), including the Northern Uganda Survey (NUS); the Uganda Demographic and Health Survey (UDHS); the Uganda National Household Survey (NHS); the National Service Delivery Survey (NSDS); and the Northern Uganda Social Action Fund (NUSAF) evaluation. Secondly, new independent research by the CPRC on the links between remoteness and chronic poverty in Kalangala; problem drinking and chronic poverty; the agricultural and education service needs of chronically poor people; the responsiveness of the national budget to chronic poverty and a review of social protection through cash transfers¹. Thirdly, it draws on the international literature on poverty, chronic poverty and Uganda.

This report seeks to answer three main questions:

1. What is the state of poverty and chronic poverty in Uganda?
2. Do national poverty eradication policies meet the needs of chronically poor people?
3. How are emerging socio-economic trends likely to impact on chronic poverty in Uganda?

Structure of the Report

The next chapter of this report presents analysis of household data from the 2005/6-2009/10 national panel survey and identifies what proportion of poor people are chronically or transitorily poor. It seeks to explain why some households stay poor while others escape poverty. The most important finding is that chronic poverty is not concentrated amongst the economically inactive, the old or the sick; instead chronically poor people are found to be just as economically active as others and working just

as hard – they are just poorer and face more challenges. This finding throws into question much current thinking in Uganda, with interventions commonly targeted at the so called ‘active poor’ and excluding the ‘inactive poor’ (including the elderly and disabled), in the expectation that this group will not benefit from the intervention and are incapable of being independent.

Chapter 3 uses four case studies to unpack specific factors relating to chronic poverty: problem drinking, remoteness and disability. These are important areas in which government policy needs to be tailored to better meet the needs of specific target groups and geographic areas. A key lesson from this chapter, which can be applied to other groups and areas, is that while Uganda needs universal policies, it also needs complementary targeted policies if the needs of the whole population are to be met, even at a basic level. This combined approach will help ensure that progress on poverty eradication continues.

Chapter 4 takes this focus on policy one step further and examines current national poverty eradication policies through the lens of chronically poor people’s needs. It finds that pro-poor interventions are often developed without a full understanding of these needs, making it unlikely that chronically poor people will benefit. Policy implementation also sees the needs of chronically poor people sidelined, with predictable consequences. The chapter speculates on whether the changing policy context will bring improvements for chronically poor people.

Chapter 5 presents an analysis of Uganda’s social protection agenda and reviews progress to date.

Chapter 6 takes a look at the future – at emerging drivers of chronic poverty, and discusses how development is likely to have affected the face of chronic poverty in a decade’s time. The conclusions are challenging: many of the forces at play, from population growth to climate change, are likely to exacerbate chronic poverty, unless appropriate measures are taken now.

Chapter 7 concludes by exploring the ways in which the current policy agenda will need to adjust in order to respond to the needs of chronically poor people.

Addressing chronic poverty globally

Are there lessons that Uganda could learn from other countries on how to bring the chronically poor into the development mainstream? The international research carried out by the Chronic Poverty Research Centre and now the Chronic Poverty Advisory Network suggests that there are such lessons. These are best captured in the second international *Chronic Poverty Report*, a short report entitled *Tackling Chronic Poverty*, and the Policy Guides on Agriculture, Education, Employment, Energy and Middle Income Countries (see www.chronicpoverty.org).

These lessons include:

- The need to invest strongly, early in the transition to Middle Income Country status, in the assets of smallholder farm households, and in an education system which is capable of seeing poor children through 10 years of schooling.
- The importance of not leaving social protection and universal access to quality health services until later in this transition.
- The need to ensure that labour markets produce decent jobs – the quality of even informal employment can be improved through policy measures.





CHAPTER 2:

CHRONIC POVERTY IN
UGANDA: What the data tells us

CHAPTER 2:

CHRONIC POVERTY IN UGANDA: What the data tells us²

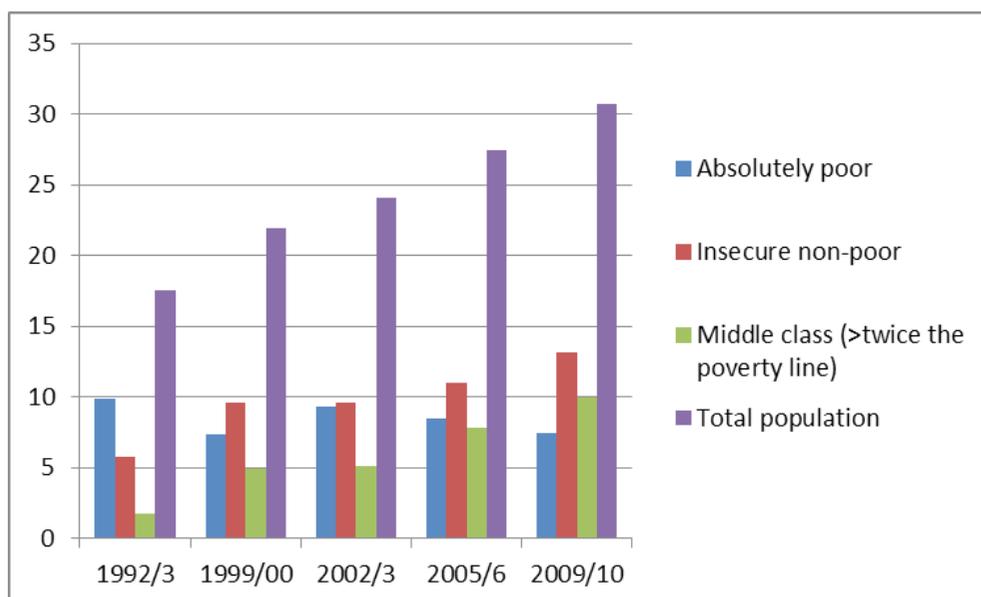
Household survey data was collected nationally in 2005/6. A proportion of the households interviewed for that survey were followed up in 2009/10. This panel data has allowed us to identify the households who were never poor, those who moved out of poverty, those who were downwardly mobile and those who were chronically poor (poor in both periods). It has also enabled us to explore the differences between these groups, so that we can identify what kinds of policies might best help to enable poverty escapes and prevent downward mobility and chronic poverty.

Chronic poverty has halved since the 1990s and although this is a great achievement, around one in ten households are still trapped in poverty (11.6%) and unable to meet their most basic needs. For many poor people, poverty is hard to escape and nearly half of all poor households are chronically poor (48.8% in 2009/10)³. However, between 2005/06 and 2009/10 a quarter of poor households were able to move out of poverty, many of them in Northern Uganda, where communities benefitted from the end of conflict and insecurity. But although household incomes

have grown (by an average of 1.8% per year)⁴, this growth was too limited to be felt by many households, particularly as any gains were often eroded by an increase in household size. In addition, although the proportion of people living in poverty has declined substantially, population increase means that absolute numbers have declined but not so dramatically (Figure 1).

Figure 1, drawn from the 2012 Poverty Status Report (Government of Uganda, 2012), illustrates that the number of absolutely poor people has declined consistently since 2002/3 while the so-called 'middle class' has grown significantly. However, the number of 'insecure non-poor' individuals, those with consumption levels between the poverty line and twice the poverty line, has also increased. So in addition to a strong persistence of absolute poverty in Uganda, there is the creation of a substantial new group of vulnerable people. This report is focused on the first group of people living in absolute poverty; but a similar effort is arguably needed on the insecure non-poor, if the gains of escaping poverty are not to be reversed.

Figure 1. Poverty trends (millions of people) in Uganda 1992/3 - 2009/10



Source: Government of Uganda, 2012: Table 2.1, page 17

People trapped in chronic poverty have not seen their lives improve⁵ (see Tables 1 and 2, Annex 1.). They spend over two thirds (68%) of their household budget on food (more than any other group) and have very little left over for other necessities. This helps explain why chronically poor people spend less than others on either health or education⁶, and low education and health outcomes makes it more difficult for their children to escape poverty now or later in life.

Substantial numbers of people are living just above or just below the poverty line. This means that even those who are not poor now, could easily fall into poverty following a shock or family disaster (e.g. harvest failure, death of a breadwinner). This is illustrated by the very large proportion of Ugandans (one in four households or 25.6%) who moved into or out of poverty between 2005/6 and 2009/10. Greater numbers are vulnerable in this way too, suggesting that even though poverty has declined the job is far from over. This is illustrated by the fact that even the relatively rich can become poor. Analysis of the panel data shows that over one in ten of the newly poor households in 2009/10 (12.7%) had previously been in the top quintile (richest group in society). We do not know what propelled them into their steep decline into poverty but this does suggest that vulnerability is widespread.

Society faces a further challenge, too: incomes are

becoming more unequal. This has been associated with increased social tensions in other countries, and it is clear that Uganda has to tackle rising inequality now before it becomes entrenched.

Drivers of chronic poverty

The latest panel data available at the time of writing the report indicates a continued persistence of poverty in 2009/10 for 4 out of 10 households who were poor in 2005/6 (Table 1). Not surprisingly most of those who crossed the poverty line have joined what the Uganda Bureau of Statistics calls the 'insecure non-poor' – those with consumption between the poverty line and twice the poverty line. The fact that 15% have joined what it calls the 'middle class' gives grounds for hope – significant mobility is possible. Of the insecure non-poor in 2005/6, a quarter of households fell back into poverty, but a third became middle class, while the rest remained insecure non-poor. This also indicates the high degree of mobility of Ugandan households. On the other hand, nearly 7 out of 10 middle class households remained middle class, indicating that once you have reached this level you are comparatively secure, which is encouraging as this is not a very high level of consumption.

Table 1. What happened to the 2005/6 poor, insecure non-poor and middle class by 2009/10?

Year	2009/10			
		Poor	Insecure Non-poor	Middle Class
2005/06	Poor	40	45	15
	Insecure Non-poor	24	44	33
	Middle Class	8	25	67

Analysis of the panel data shows that some factors are clearly associated with chronic poverty. These include living in a rural area; living in Northern or Western Uganda; having a large family; having little education or low skills levels; being a member of a female headed household; being a widow, an orphan, a disabled person or a member of a 'gap generation family' (with children and grandparents but no economically active adults).

Focusing on two of these factors, household size and education, we see that having large families has negative consequences for poor families as income growth cannot keep pace with the expansion of their households⁷. Chronically poor households were larger than the national average (6.2 people compared to 5.4), and the number of children (aged 10-14) and adult women they contained increased during the period of study (2005/6-



2009/10). They also had fewer economically active adults (excluding older people) than other households, meaning that those adults struggled to earn enough to support their families (See Table 4, Annex 1).

Analysis shows that 1.1% fewer families would have fallen into poverty between 2005/6 and 2009/10 had their family not grown. Having a large family may also trap people in poverty because high dependency ratios make upward mobility more difficult. Downwardly mobile households also grew during the study period, with not only more children (aged 10-14) but also more adult women, adult men and older people. This contrasts with 'never poor' households (households that had not been poor during the period of study), who had more economically active adults than other categories of household.

Education also remains a key determinant of income inequality in Uganda and children aged 6-12 in chronically poor households have fewer years of schooling than other Ugandan children, despite the introduction of the Universal Primary Education in 1997 (see Figure 1, Annex 1) and chronically poor households are less educated⁸. So, labour shortages are not necessarily their key constraint, but poor education means that incomes are low.

Conflict and insecurity has been a powerful and long-term driver of poverty and chronic poverty in Northern Uganda, with many of the barriers to poverty exit remaining even now after years of peace. Households there are more likely to be widow led, contain a disabled person or orphan, be 'gap generation households', have lower levels of education and be more likely to rely on subsistence agriculture. As we have seen, these all make exiting poverty more difficult. Elsewhere in the country many of these factors also hold true, but there do not tend to be quite so many households facing multiple challenges. What we see elsewhere is that poverty exit is tough if there are not enough adults able to bring in an income. So, high dependency ratios, where there are few economically active adults in comparison with the numbers of children and older people, can push people into poverty and once there, they can become trapped. This is illustrated by analysis of the 2005/6-2009/10 panel, which shows that households which moved out of poverty did not grow, while all other groups (chronically poor, downwardly mobile, never poor) did (see Table 4, Annex 1).

Regional inequality

Poverty reduction has not been even across Uganda. Ugandans are more likely to be poor if they live in rural areas or the Northern region, which is still home to the majority of Uganda's chronically poor. Strong income

growth in Northern and Eastern regions helped narrow income differentials between regions. The proportion of people living in poverty in rural areas and both the Northern and Eastern regions has fallen. Nationally, while some people moved out of poverty, those left behind did not see their living standards improve (except in the Eastern region) and they became worse in the Western region, where households were more likely to have slipped into poverty than to have moved out of poverty – partly explained by erratic weather conditions. The lack of improvement in the standard of living experienced by households who remain in poverty helps to explain why poor people in Uganda feel so bleak about the lack of progress. Some people may well have moved out of poverty, but not them. Their lives have stayed the same and are just as difficult as they always were. This also helps to explain why the findings from qualitative research on poverty in Uganda is so pessimistic – it focuses on those living in poverty, and reflects their experiences and so has little positive to report.

Differences in the severity of poverty around the country also meant that poor people in the Northern region were almost twice as poor as people elsewhere in the country and more people were trapped in long term poverty too, with nearly three in ten people being chronically poor (26.4%)⁹. Chronic poverty is strongly concentrated in rural areas and Northern Uganda and nearly five out of ten of Uganda's chronically poor live in the Northern region (48.5%). People in Northern Uganda were also more vulnerable to falling into poverty than people elsewhere in the country, too, with more than twice the average proportion of households moving into and out of poverty. (See Table 1 (Panel B), Annex 1).

Urban-rural differentials remain, but have declined and high income inequality in Uganda is now largely driven by increasing inequalities within rural and urban areas. Turning to rural areas, we see that around one in ten people (nearly 12%)¹⁰ in rural areas are chronically poor and nine out of ten (94.3%) of the chronically poor people in Uganda live in rural areas.

Which groups of people are chronically poor and why?

Certain social groups are overrepresented amongst the chronically poor. Female headed and widow headed households¹¹ are more likely to be chronically poor (See Table 5, Annex 1), and nearly two out of three people living in chronic poverty are children (63.3%, while 32.4% of people living in chronic poverty are adults aged 18-59 and 4.3% are adults aged 60 or more). This high concentration is above the proportion of children in the wider population (57.5% in 2009/10). Being an orphan further increases the likelihood of being chronically poor

and although the proportion of children who are orphans has declined¹², nationally two in ten households contain an orphan (21%), with higher proportions in the Northern region.

Female headed households (particularly widow headed) have increased, particularly in the North, with many trapped in chronic poverty (see Table 5, Annex 1), and it seems likely that there is a gender bias in the persistence of poverty, perhaps explained by the difficulties that female headed households have in securing assets, accessing investment funds and their (probable) higher dependency ratios. Not only are chronically poor households more likely to be led by a woman, it is likely that over half of the adults in chronically poor households will be women (even when led by a man). This may be because households with insufficient economically active adult men struggle to access land and other productive assets and may lack the earning capacity of households with a gender balance.

Disabled people and their households are also more likely to be chronically poor than others. Nearly 4% of Ugandans reported some degree of disability¹³ (See Table 5, Annex 1). They and their households are more likely to be chronically poor than never poor, probably because of the many challenges they face in gaining a livelihood. Disabled people are not evenly distributed throughout the country, with a noticeable concentration in the Northern region, explained by protracted conflict and insecurity, or by years of poor health service provision.



A blind mother with her children

Chronically poor people rely more strongly on agriculture than on other livelihood options (see Table 8, Annex 1). This may well be because they had access to land through inheritance but did not have the education, skills or investment to launch an enterprise or obtain waged work. Agriculture can also act as a 'livelihood of last resort' when an individual loses employment in another sector, and so provides a safety net for them and their household. However, constraints in the agricultural sector mean that people relying on agriculture (along with drudgery-intense livelihood activities like brick and charcoal making and brewing) will struggle to accumulate enough to exit poverty permanently. The majority of households with heads who were a widow/widower, female or disabled were engaged in agriculture with subsistence farming as their most important source of income, suggesting that they do not have the option of engaging in higher return activities.

Drivers of poverty exit

When thinking about what helps people to escape from poverty, we see once again the importance of peace. The cessation of conflict in Northern Uganda, has been associated with a dramatic reduction in chronic poverty (from 44.9% in 2005/06 to 26.4% in 2009/10), possibly explained by 'post-conflict bounce back', which has included formerly internally displaced people being able to return home, restart their livelihoods and accumulate livestock and (possibly linked) high growth in consumption.

Other themes that come out clearly from the data are the importance of owning assets, of human capital and of community infrastructure. Firstly, we will explore asset ownership. We know that owning assets¹⁴ is key to a household being able to manage difficult periods and maintain stable consumption levels. Assets also enable families to invest in human capital or in an enterprise. This helps to explain why the ability to accumulate assets is so closely linked to an ability to escape poverty. Analysis of the 2005/6-2009/10 panel shows that many more households in Uganda own small stock (e.g. poultry, goats) than higher value livestock. Interestingly, there is no distinction in terms of livestock ownership between chronically poor households and other households, (see Table 9, Annex 1). However, this picture is skewed by data from Northern Uganda, where livestock ownership is a fundamental element of livelihood strategies and where chronically poor people are highly concentrated.

We know that health and education are crucial building blocks for development and poverty reduction. Access to education and health facilities is vital if families are to invest in the next generation and maintain their well-being. Good access to financial services institutions is

also important as they help poor people to save, which is a crucial step to asset accumulation. It also enables access to credit, which can help the less poor invest in enterprise – key for local economic growth and employment generation.

If we look at the evidence from the panel data we see that most households now live within 3km of a government primary school (Table 11, Annex 1). Despite this, only seven in ten (70.8%) of primary age children (6-12 years) were enrolled in school in 2009/10 (up from 68.6% in 2005/6). This suggests that distance is not the only constraint. We know that parents face costs to keep their children in school and where the quality of the education they receive is inadequate¹⁵, the incentive to make sacrifices to educate all their children may simply not be there. Health care provision is poorer than education provision, with fewer poor households within 3km of public health facilities, and an apparent bias in government investments in health infrastructure towards the never poor.

Turning to other forms of community infrastructure, we see that chronically poor households have poorer access to financial institutions and input and output markets than any other wealth group (living within 10km). They also tend to be more remote, with a higher proportion living in communities without the easy access of a tarmac trunk road (see Table 10, Annex 1).

Key policy messages

Analysis of the 2005/6-2009/10 panel provides us with crucial evidence of poverty dynamics in Uganda. It highlights that with one in ten Ugandans trapped in chronic poverty, the government must identify policy tools to assist this hard to reach group if further progress in eradicating poverty is to be made. With over nine out of ten chronically poor people living in rural areas and high concentrations in the Northern region, the government clearly needs to review its agricultural and rural development policies and re-think its approach to post-conflict reconstruction to ensure that chronically poor people in both rural areas and the North are effectively reached.

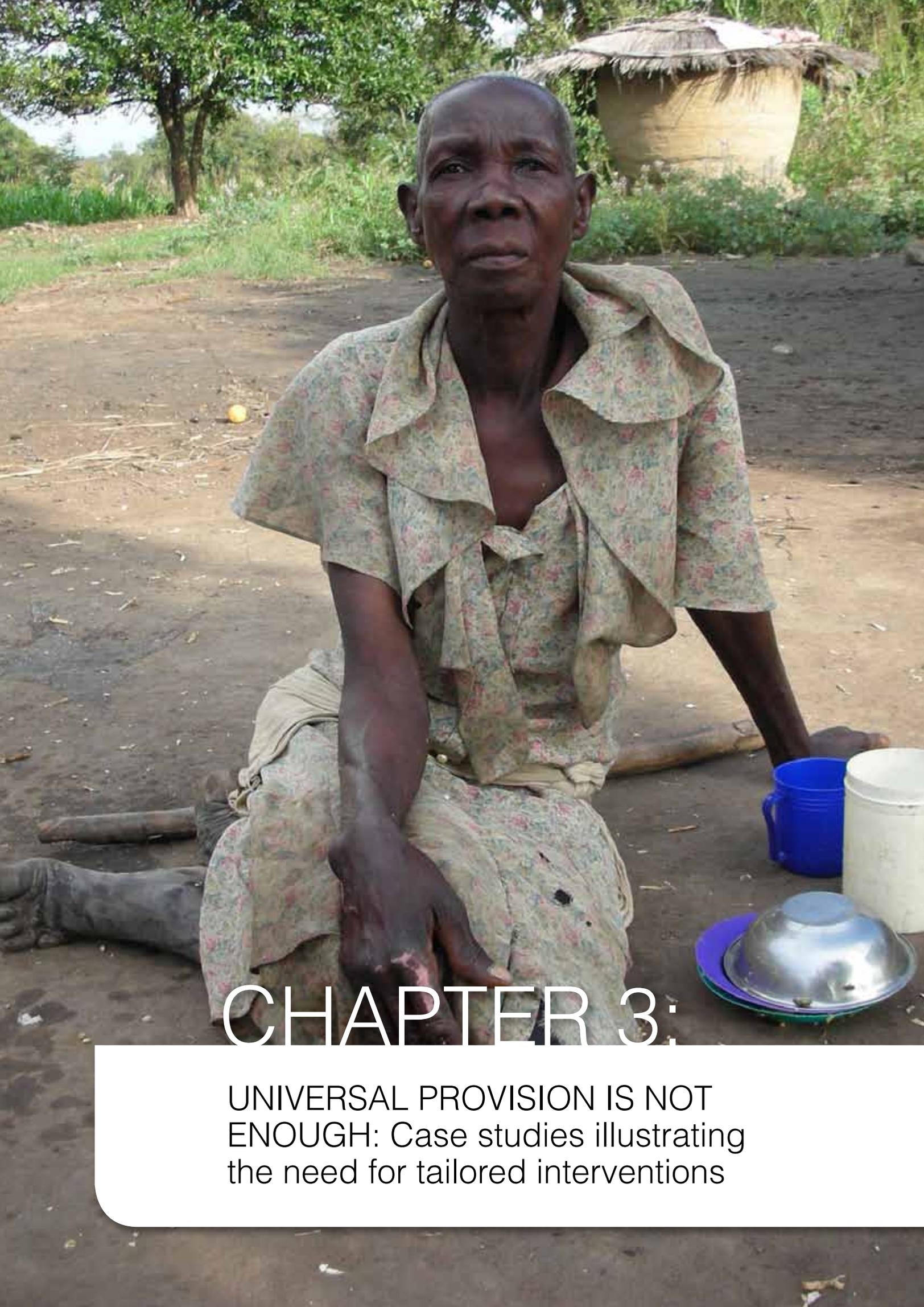
A further challenge is highlighted by the high proportion of households who are vulnerable to slipping into poverty. Even formerly well to do households can become poor, indicating that policy makers need to think very carefully about the kinds of measures that can protect households from downward mobility. This is particularly important as we know that it is harder (and more expensive) to help people escape from poverty once they are poor than it is to prevent their decline in the first place.

A third significant challenge is the relationship between population growth, poverty and chronic poverty. Not only does population growth erode the benefit of economic and income growth, it has also been shown to trap households in chronic poverty. This suggests that policy makers need to rethink current approaches to child spacing and help parents to plan for smaller families. This is linked to the plight of the high numbers of children living in poverty, as we know that many of the children who grow up poor go on to live their whole lives in poverty because of the health, education and other disadvantages they have experienced (Bird and Higgins, 2011).

The finding that chronically poor households spend over two thirds of their income on food in order to avoid hunger (much more than other groups) is a powerful one. The indication is that this pressure on their household budget prevents them from being able to afford to invest in their children's health and education. In order to become a Middle Income Country, Uganda will need to see its younger generation able to compete on an international stage. They will need to have the health and education status of competitors in Asia and elsewhere – and the skills and motivation. This will depend on strong building blocks in place. This suggests that policies to tackle food poverty and to enable chronically poor families to afford to invest in the next generation are central to Uganda's success. It also provides clear evidence that the national rolling out of a cash transfer scheme modelled on the successful features of the Social Assistance Grants for Empowerment (SAGE) will be a timely investment.

The vulnerability of women and widow headed households to becoming trapped in chronic poverty suggests that more needs to be done to identify and alleviate the barriers that women face to own and utilise land and other assets, invest in enterprise and gain livelihoods on an equal footing with men. This would benefit not only them but their children and other members of their households.

Our analysis shows that despite efforts to enable universal enrolment in education, many children are still not benefitting. Redoubled efforts in providing accessible education of adequate quality and identifying and reducing the barriers faced by poor families is vital if Uganda is to see poverty continue to decline and the economy continue to grow.



CHAPTER 3:

UNIVERSAL PROVISION IS NOT ENOUGH: Case studies illustrating the need for tailored interventions

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This chapter presents four case studies¹⁶. The first explores the needs of remote populations in Kalangala District. The second examines how poor corporate regulation and social irresponsibility has been allowed to continue in Kalangala, partly due to remoteness and inadequate media or government scrutiny. The third case study presents an analysis of problem drinking in Uganda and its profound social and economic impact on not only the drinkers themselves but on their families, communities and on Uganda as a whole. The final case study discusses the relationship between disability, exclusion and HIV/AIDS.

Case Study 1: Remoteness and isolation: the case of the Kalangala Islands

Remoteness, isolation and poverty

A high proportion of Uganda's poor people live in remote

and less favoured areas. Many of them are chronically poor. This suggests that the eradication of poverty in Uganda will only happen by tackling poverty in these challenging areas. This chapter seeks to assist policy makers in this process by identifying some outstanding challenges. It does this by exploring the specific challenges faced by people living in remote rural areas and showing that universal policies, which are helpful elsewhere in Uganda, are inappropriate in Kalangala.

Do remote areas have specific characteristics that make it more likely that people will be poor or chronically poor? The answer to this will tell us whether universal policies are capable of reducing or eradicating chronic poverty in such areas or whether tailored and targeted policies and programmes are also needed. Box 1 gives an overview of the Chronic Poverty Research Centre's work on remoteness and spatial poverty traps and Box 2 presents some of the drivers of chronic poverty identified during field work in Kisoro, Western Uganda.

Box 1: Remoteness and spatial poverty traps

Remote rural areas can have higher concentrations of poverty than non-remote areas. They can form spatial poverty traps, with low 'geographic capital' (the physical, natural, social, political and human capital of an area) and high rates of poverty. Spatial poverty traps may be remote (areas that are far from the centres of political and economic activity), 'low potential' or marginal (ecologically disadvantaged areas that have low agricultural or natural resources), 'less favoured' (politically disadvantaged areas) or 'weakly integrated' (areas that are poorly linked both physically and in terms of communication and markets) (CPRC, 2004). Location explains a lot of the poverty of the people living in a remote rural area, even taking into consideration their age, household composition or ethno-linguistic group (Bird et al., 2010).

The geographic characteristics of an area, such as topography or proximity to the coast, can help drive spatial poverty. But, policy responses to such areas, including investments in infrastructure and public services (or their absence) are also critical in explaining spatial disparities and the following factors are proposed as contributing to the emergence of spatial poverty traps (Bird et al., 2010):

- **Agro-ecology:** An area's agro-ecological characteristics can influence the ability of residents to meet their basic needs.
- **Institutional, political and governance failures:** Institutional, political and governance failures, at both national and sub-national levels, can contribute to the emergence of spatial poverty traps. The 'contract' between central government and citizens in remote, marginal and less favoured areas might be weak and, even when political will exists, the additional costs and constraints of working in a particular area may compromise the quality of service delivery (Farrington and Gerard, 2002, in Bird et al., 2010).
- **Stigma and exclusion:** Stereotypes based on ethnicity, race, language, religion or culture can lead to the social exclusion of, and discrimination against, people living in certain geographic locations. This can lead to political instability and insecurity and increased economic and social inequality. Socially excluded groups may suffer from discrimination in labour, credit and housing, and also in other markets if they attempt to migrate to less disadvantaged areas. They may also be blamed for political unrest and crime, and they tend to be poorly connected to political elites and thus weakly protected.
- **Physical isolation and inadequate infrastructure:** In less favoured rural areas, low population densities can drive up costs of providing basic services and extending physical infrastructure in comparison with more densely populated urban areas, where a more effective political lobby for infrastructure investment may also exist.
- **Crime and violent conflict** can also lead to the emergence of spatial poverty traps.

Evidence from around the world shows that spatial poverty traps drive and maintain poverty. In semi-arid Zimbabwe there is a clear link between high levels of remoteness, low levels of public and private investment and high incidence of chronic poverty (Bird and Shepherd, 2003). In Peru, there is a strong association between spatial inequality and differences in levels of private and public asset holdings (Escobal and Torero, 2005). In rural Vietnam, three-quarters of poverty is driven by agro-climatic and market access challenges, and practical interventions have been unable to reduce these (Minot et al., 2003). In Indonesia, remoteness and living in a rural area and the quality of public goods in that area are statistically significant in determining levels of per capita expenditure and poverty rates (Daimon, 2001). In a cross-Africa study, Christiaensen et al. (2005) find that the impact of economic growth on poverty reduction depends on how remote households are from economic centres and how well they are served by public infrastructure. Finally, drawing on research from Madagascar, Fafchamps and Moser (2004) argue that, in the developing world, isolated regions tend to have more banditry and are more likely to harbour armed terrorist or insurgent groups than better connected areas, and that this can deepen spatial poverty traps.

Box 2: Drivers of chronic poverty in Kisoro, Western Uganda.

Poor accessibility: Limited access to markets (with prices set by scarce agro-traders), poor education (including late enrolment for girls and poor-quality teachers and high absenteeism), inadequate health facilities (remoteness delaying health seeking behaviour with poor outcomes); poor delivery of extension services (with agents reluctant to live locally or travel to remote areas); out-migration blighting social networks and shifting dependency ratios, increasing the burden those left behind, particularly women.

Vulnerability to shocks and their persistence: Harvest failure due to pests, overgrazing, climate change and rebel incursions, aggravated by policy and governance failures.

Empowerment failure: Local chiefs unable to mobilise local communities, resulting, for instance, in the emergence of one credit scheme for the rich and another for the poor, with punitive interest rates and inadequate access to external financial services.

Governance failure: Weak regulation of economic and social development; inability to identify regional endowment; lack of effective representation; absence of a permanent local administration.

Physical and ecological factors: Poor soils, poor accessibility, capricious climatic conditions, causing inter-generationally transmitted poverty. Chronically poor people tend to have limited landholdings and many are landless. They are often located in peripheral areas prone to pests.

Source: Ssewaya (2003).

Development Research and Training (DRT) has been researching poverty in one of the most remote districts in Uganda, Kalangala, since 1998. As part of this work it has followed 50 households over the past five years to understand better how and why families fall into or escape from poverty and how they cope with remoteness. This case study looks at what this has taught us about chronic poverty, isolation and remoteness.¹⁷

Poor development of physical infrastructure

Kalangala District on the Ssesse Islands in Lake Victoria is entirely made up of islands. It has an estimated population of 46,500 (2004 census), growing at 3% per year, and depends on fishing, agriculture (and timber) and tourism. Kalangala is poor, with a Human Development Index of 0.521 in 2007 and a Human Poverty Index of 41.6. This compares with figures for Kampala of 0.644 and 9.6 respectively (UNDP, 2007).

Because of Kalangala's location, it depends on water transport for connection with the mainland, with a modern ferry sailing from Entebbe and a traditional ferry from Masaka district. Both only dock at the main island and travel between the islands is costly and unpredictable, depending as it does on infrequent motorboat services or canoe, with some crossings only occurring weekly. In other parts of the country, local government can access central government funds to subsidise road transport. In the Kalangala context, it would be helpful if these funds were used to improve inter-island transport, but this has not been done.

Road transport exists on the main island, and five feeder roads have been built since 2004 linking the district town to other sub-counties on the main island. Other islands have small feeder roads but road conditions are poor, hampering transport, market access and service delivery.

Poor access makes Kalangala feel very remote. This remoteness limits access to key markets and services and means that markets are thin and fragmented. Poor market integration mutes market signals and limits returns to farmers. Farmers are unable to access markets directly themselves, so rely on agro-traders who find business on the remote islands so constrained by transport difficulties that they tend to concentrate in the better connected areas.

'I used to own a shop on Jana Island but, owing to problems in transporting goods, I would make losses because it was so hard for me to go for goods even when I had money. [...] When I realised my business was collapsing, I chose to move to the main island, where I currently run my business' (trader, Kalangala).

Coverage by agricultural extension services is limited, as the local workers are not given motorbikes and many farms are not accessible by car or public transport. Rural communities also have poor access to financial services. Combined, these constraints mean that agricultural productivity and enterprise profitability is lower than it might otherwise have been and opportunities for off-farm and non-farm diversification and value addition are severely limited, hampering economic growth and poverty reduction.

Social service delivery

Ill-health has a proven two-way link with poverty. Poor people are more likely to suffer from morbidity and premature death, and illness in the family is a key driver of downward mobility. The government has responded to this by including health services in its poverty alleviation planning and budget allocations (CPRC/DRT, 2005). Despite substantial investment in health infrastructure in Uganda, health service provision in remote areas like Kalangala remains constrained. WHO guidelines recommend that people should have a health facility within 5km of their home, or within an hour of travel. The population of Kalangala have to travel a great deal further than this, as health facilities are largely concentrated on the main island (4 health facilities), with the remaining 85 islands having only 7 facilities between them (Strides for Family Health, 2009). These limited health facilities are often understaffed and poorly equipped. Poor people also struggle to pay for transport to access the services that do exist. So, although Kalangala district has two health centre IVs¹⁸, it does not have an operating theatre, meaning that people needing surgery are referred to the mainland, to either Entebbe or to Kitovu Catholic Hospital in Masaka district.

'A referral automatically means transport costs and health care costs – especially if you are referred to Kitovu, which is a private hospital. If you are poor, you just give up' (referral patient waiting in Kalangala).

This suggests that the universal health policies in place elsewhere in Uganda need to be supplemented with special interventions for remote areas like Kalangala, which recognise their special characteristics.

Another factor contributing to poor health service delivery in Kalangala is that the remoteness of the islands dissuades staff posted to the clinics there from taking up their posts, contributing to high levels of absenteeism.

Many health workers continue to draw their salaries but instead of reporting for duty, stay on the main island and operate private pharmacies and clinics. Others take up their remote posting but only attend work once a week or so, exacerbating understaffing.

Poor staff supervision and management is widespread in the Ugandan health service (and is discussed in greater detail in Chapter 4, below), but is more acute in remote areas as they are harder for district governments to monitor. This poor supervision contributes to inadequate drug availability. Our work in Kalangala shows that key drugs are often not available at public clinics because of poor supply management, delivery difficulties and diversion.

Combined, these problems mean that people in Kalangala who face ill-health are discouraged from travelling the often long distances to seek diagnosis and treatment. This is particularly true of poor people, who are less able to afford the high transport costs.

Poor health service provision and transport difficulties also mean that a high proportion of women in Kalangala use traditional birth attendants when in labour, and do not attend antenatal clinics. Nationally, it appears that the (de facto) policy is no longer to provide support to traditional birth attendants in order to encourage women to seek antenatal care and deliver their babies in state operated clinics. Whatever the merits of such a policy in other parts of the country, it is clearly inappropriate in remote areas where access to (functioning) public health services is so poor.

Moving on to a discussion of education services, we see that access to education in Kalangala remains poor. Free education through UPE since 1998 should have helped poor families to access education, increasing the likelihood that their children would be able to exit poverty¹⁹. Unfortunately, there are few schools on the remote islands and some children stay with relatives in order to access education. Access to secondary school is limited, particularly for children from poor families, who cannot afford the fees for boarding schools or hostels in Kalangala. As the government does not encourage or support boarding sections for government aided primary schools, other children travel daily to schools on the main island, but this is too costly for poor families.

Resource allocation under the UPE contributes to the problems in education in Kalangala. The capitation grant is based on the number of children in the school. Because of small and scattered populations, the island schools receive limited operational funds. Budgets are too tight to fund staff housing and without this, remote isolated schools simply cannot attract or retain teachers. This suggests that the resource allocation mechanisms need to be adjusted for remote areas like Kalangala.



A homestead in one of the Islands in Kalangala

The impact of challenges facing education in Kalangala are only too clear, with very low numbers of children doing well in their exams at the end of primary education (PLE) (DIV 1 or 2) and rather more getting low scores (DIV 3 or 4) or failing altogether (DIV X) (see Table 12, Annex 1). Anecdotal evidence suggests that while some urban schools, particularly in Kampala, will see more than a hundred of their students get first grades (DIV 1) each year, the whole of Kalangala District does not usually see even ten students pass at this level in a year. Children who do poorly in their PLE struggle if they continue with their education, whether they go on to Universal Secondary Education or Business, Technical and Vocational Education programmes, as they have to compete with children who excelled in their exams.

What can we learn from Kalangala about public service provision in remote areas?

Lessons from Kalangala are relevant to other remote areas in Uganda. Universal policies will not meet the needs of remote areas. Service providers need to understand the problems of remoteness and work to ensure effective service delivery in remote areas. This means that policies and programmes will need to be tailored so that they

respond to the needs of remote areas. In particular they will need to address the constraints people face in accessing services, particularly where they are chronically poor.

Corporate social irresponsibility on Kalangala Islands

BIDCO²⁰, a private oil palm processor, based in Jinja, is developing the 6,100 hectare Vegetable Oil Development Project, an oil palm estate on Bugala Island (the main island in Kalangala), which it plans to expand to 40,000 hectares, the largest in Africa (BIDCO, 2013). The project began to support economic development and help make Uganda self-sufficient in vegetable oil²¹ and was originally co-funded by The World Bank²², The International Fund for Agricultural Development (IFAD) and the Government of Uganda²³, as a public-private partnership linking with Oil Palm Uganda Limited (OPUL), a BIDCO subsidiary, and smallholder farmers (Basaalidde, 2012; Friends of the Earth, 2013). Its smallholder farmers are linked with OPUL by the Kalangala Oil Palm Growers Trust, which provides technical support and financing. Farmers are provided with start-up loans which they repay over 8-10 years once harvesting has started (33% of harvest value is deducted as loan repayments until the loan is repaid).

The first phase of the project was completed in 2011. This aimed to convert 10,000 hectares of land on Bugala Island to oil palm (around a quarter of all agricultural land on the island). The second phase has now begun with plans to acquire another 10,000 hectares, despite a number of social and environmental concerns (Friends of the Earth, 2013). Friends of the Earth (2013) states that land has been taken improperly from families and communities in Kalangala and that the land should be returned and people compensated. The location of the Ssesse islands in Lake Victoria makes the monocrop agriculture using agro-chemicals a potential worry and the project is reported to be failing to maintain the legally required 200m margin between the estate and the lakeside (Friends of the Earth, 2013).

The initial project design committed to several socio-economic investments such as building roads, and providing healthcare (Friends of the Earth, 2013). The project is now credited with improving infrastructure, particularly roads, and for having established a health unit. It has reportedly maintained the road linking Mulabana landing site to Kalangala town centre (where Bidco head offices are located) and roads to numerous oil palm estates.

Impact of irresponsible corporate behaviour

While assets such as roads have been constructed, our research shows that only Bidco employees are allowed to use the roads constructed and maintained by the company.

'Passing through some of the roads constructed by Bidco is not allowed and you are punished if you are found. They are only used by Bidco staff and are not for public use' (community member, Kalangala).

Similar exclusion is experienced at the clinic established by Bidco (at Bwendero nucleus estate), where services are reportedly only provided to Bidco workers – not even their immediate family (World Rainforest Movement, 2009).

This is all in sharp contrast with assurances by both the government and Bidco, which indicated that the palm oil project would improve livelihoods and increase access to markets and to health facilities. Instead there has been increased conflict as use of previously existing roads by non-project staff has been restricted (Kalangala NGO Forum, 2009), treating the supposedly public road as a private asset.

Other challenges, identified by Friends of the Earth (2013), include:

- People have lost their land and been displaced as a result of the project. Many people do not have formal tenure and have been evicted without compensation²⁴ and without being provided with alternative livelihood options, although many were promised that they would be able to legalise their claim to the land if they joined the project.
- Employment has not been created for local people, instead IFAD analysis shows that 95% of the jobs on the plantations go to migrant workers from other parts of Uganda, who are paid wages far below the local average (Uganda, 2010 cited in Friends of the Earth, 2013).²⁵
- Natural forest is being damaged as a substantial proportion of plantations (estimated of 3,600 hectares) are in areas that were previously forested, causing environmental damage and removing a traditional source of food, medicine, and livelihood.
- Water sources of two villages have been polluted by agro-chemicals or access to them has been blocked, leaving hundreds of people without access to clean water.
- Food insecurity has risen as food crops have been replaced by monocropping of oil palm across a wide area.
- Land speculation has been fuelled by the project. Along with encroachment of plantations and community conflicts, wealthy landlords from the mainland have reportedly tried to acquire more land on the island without regard for prior land tenure arrangements.
- Women struggle to benefit from the palm oil plantations and women can be further marginalised through loss of access to communally owned land, forests and other resources (Piacenza, 2012, cited in Friends of the Earth, 2013).

In a less remote region it is likely that media attention and public outrage would hold Bidco to account, and they would be forced to change their approach.

What can we learn from Kalangala about holding investors to account?

We see from this case study that investors with large-scale projects need to be held to account. It is unrealistic to expect such investors to supply social infrastructure if it does not deliver a profit to the company unless they are bound by very carefully defined agreements and are

closely supervised and scrutinised to ensure that these agreements are kept.

Case Study 2: Not a happy drunk: Chronic poverty and problem drinking

Ugandan society faces high social and economic costs as a result of widespread “problem drinking”, with Ugandan adults drinking more alcohol than in many other nations²⁶. This has implications for health and well-being for both the drinker and their family, as excessive drinking is strongly associated with health problems, anti-social behaviour (including violence and crime), and domestic disturbance and abuse. Uganda also has to pay the price in terms of the social costs of treatment, prevention, research, law enforcement, lost productivity and the lost quality of life of drinkers and their families.

The majority of Ugandan adults drink alcohol, but this is not in itself a problem. Alcoholic drinks have had a traditional role to play, including around work. For example, in many places it is common for locally brewed beer to be shared by groups who have helped each other weed or prepare fields for planting. However, drinking becomes a problem when it becomes excessive and replaces work rather than taking place after work; where it leads to domestic and other violence or when it diverts family resources.

The nature of drinking in Uganda has changed enormously in the past generation. This has been driven by social changes and the introduction and aggressive marketing of new forms of alcohol in place of freshly brewed local beer, such as new forms of hard spirits, which are packaged in sachets²⁷. These contribute to heavy drinking culture, as the spirits are available for immediate consumption anywhere, reducing social control. It is likely that alcohol consumption rose in Northern Uganda as a result of conflict, insecurity and internal displacement. Many who lived in camps for internally displaced people adopted higher than traditional levels of alcohol consumption, as hopelessness, enforced unemployment and social breakdown resulting from displacement have driven negative changes in social norms. People in other parts of rural Uganda complain that land fragmentation and hopelessness have driven up alcohol consumption, particularly amongst young men. Research has found that the un- and under-employed drink slightly more than the employed and those in debt and under great financial strain also consume more alcohol (Bird et al., 2004).

Many in Uganda accuse poor people of drinking too much, but there is an absence of public debate about the role that alcohol plays in poverty dynamics. Uganda does not have a policy seeking to reduce the impact of excessive alcohol consumption on poverty and instead, drinking is thought of as private and personal and not an area for public policy involvement. At most, it is seen as an individual medical problem and development and poverty specialists do not see it as their ‘territory’. Is



Members of the community enjoy a local brew popularly known as “Malwa”

there any evidence to suggest that alcohol consumption is anything more than this? DRT built on previous work by the CPRC (see Box 3) by conducting quantitative and qualitative research in six districts in all regions of the country to explore this further. Alcohol consumption was examined from many perspectives, from the impact on children's education to a value chain analysis of brewing and distilling. This case study presents the studies' findings to analyse the link between chronic poverty and alcohol and what needs to be done about it.

The negative socio-economic consequences of problem drinking

Research from other countries has found a wide range of negative consequences stemming from problem drinking:

- the cost of under-age drinking in the USA was estimated at nearly \$53bn in 1996 (Brundtland, 2001);
- alcohol-related hospitalisation cost \$51m in the state of New Mexico (USA) alone. This exceeded the state's alcohol-related tax revenue of \$35m (ibid.);
- alcohol-related car accidents were estimated to cost the Namibian economy at least 1% of GDP per year (ibid.);
- absenteeism from work. In Malaysia, for example, alcoholics have been found to be 16 times more likely to be absent from their jobs (Assunta, 2001).
- Alcohol is connected with 38% of traffic accident deaths and 30% of hospital admissions for head injuries in Malaysia (Assunta, 2001)
- Alcohol is connected with 62% of traffic accident injuries in Thailand (Assunta, 2001)
- 68% of oral cancer patients in Sri Lanka were alcohol users (Assunta, 2001)
- 11% of psychiatric inpatients in Myanmar (Burma) received a primary diagnosis of alcohol dependence (Assunta, 2001)
- A third of the children interviewed during a survey in Nepal reported negative impacts of parental drinking, including domestic violence, loss of wealth, indebtedness, the loss of social prestige and the development of bad relationships with neighbours. Parental drinking was also identified as a push factor driving children to run away from home (FORUT, 2003).

- In India, suicide rates are higher in the families of heavy drinkers and the wives of alcoholics have higher rates of depression (Saxena, 1999:51-52)

Box 3: Problem drinking and chronic poverty

Crisis levels of problem drinking are now found in rural Uganda. The introduction of stronger brews and distillates and the breakdown in regulatory mechanisms are both contributing to a culture of regular binge drinking. Panel data from 1,103 households surveyed in 1992 and 1999 show that, in 1992, chronically poor households and households that were not poor but later fell into poverty were more likely to purchase alcoholic drinks and devoted a higher proportion of their budget to it. For 4.3% of chronically poor households, for instance, alcohol consumption expenditure was over a quarter of all food and beverage consumption expenditure, compared with 2.8% across all wealth group households.

Sources: Bird and Shinyekwa (2005); Lawson et al. (2004); Ssewaya (2003).

Alcohol use and poverty

Research by the Chronic Poverty Research Centre has found a strong two-way relationship between alcohol dependence and chronic poverty (Bird and Shinyekwa, 2005; Lwanga-Ntale & McClean, 2003). Household data analysis shows that alcohol is one of the main drivers of poverty in Uganda (Lawson et al., 2004) and 56% of respondents of the Uganda participatory poverty assessment (UPPAP) regarded excessive alcohol consumption as an important cause of household poverty (as well as 24% of respondents seeing it as a response to poverty) (USAID, 2003). The alcohol consumption of one household member can compromise the material status, food security and well-being of other household members, as already limited income is spent on alcohol rather than on food, education and healthcare (Lawson et al., 2003).

Problem drinkers are likely to be downwardly mobile. Where the head of household spends most of the family's resources on alcohol it can be particularly difficult for the household to escape poverty, trapping them in long term or chronic poverty (Lwanga-Ntale & McClean, 2003). Alcohol spending is mostly by men (around 88%, UNHS 2006), who usually control household resources, with up to 20% of the total household budget going on alcohol. Many problem drinkers drink steadily throughout the day, meaning that they are unavailable for work, or have to accept lower wage rates as their ability to work effectively declines. Some neglect to eat, putting their health at risk and making them too weak to work effectively, further diminishing their ability to earn. The erosion of their social status and social capital may also lead to them losing

eligibility for local development opportunities such as microfinance loans and NAADS2 incentives.

Box 4: The impact of problem drinking

Sajjabi is destitute and made ill by his heavy alcohol consumption. He is a chronic alcoholic and has been for the whole of his adult life. This has contributed to his position as the poorest of the poor in a very poor village – a lake-side internally displaced people’s camp in Kamuli District, housing people driven from their homes by ethnic killings in the mid-1980s.

Sajjabi is a pitiful figure. He can barely sit up straight and looks very weak. He has no assets, no savings and no regular livelihood. He occasionally does odd jobs for people, when his neighbours are driven by pity to pay him a few shillings to do something simple. On those days he will eat, otherwise he only eats when kind people give him something. He manages to acquire alcohol by getting little bits here and there from other drinkers. He sleeps at night in a fish drying hut. He has no security and has had his few possessions stolen by children in the camp who tease, taunt and beat him.

His family in Teso were poor and his parents died when he was young leaving him very vulnerable. He got drawn into drinking heavily and became addicted. This has prevented him building a livelihood or lasting relationships. He had a son from an affair, but the woman was married, so they have never lived together as a family and his links with his son are weak.

He exclaims that he would love to persuade the young men and women he meets not to drink alcohol because of the way that it gets hold of you, but he fears that they would not listen. He feels that it has ruined his life. He despairs, saying he is only waiting to die.

Source: Key Informant Interview, Kamuli District.

Some problem drinkers are paid in kind (alcohol) for their work as casual labourers. Reduced income makes it difficult to meet the basic needs of their household and alcohol dependency means that they will prioritise buying alcohol above other household needs, such as food and education.

‘What’s wrong with drinking my own money which I have worked for? Its mine and I have the right to make decisions on how to spend it. [...] No-one should interfere in my personal life’ (drinker, Kibaale).

Our findings show that this takes different forms in different contexts. In urban areas, wage earners might pay an advance to their local bar when they are paid so that they can drink for the rest of the month.

‘With money deposited in advance, they are assured of a drink the following day even if they don’t have loose cash in their pocket’ (bar owner, Kampala).

Rural drinkers sometimes sell off their crops before they are ready for harvesting. A standing crop sold around a month before harvest will typically fetch about half its harvest value. This is a huge economic loss to a family, effectively doubling the already excessive expenditure on drink. Some men sell off small pieces of land at their drinking place to pay for drinks²⁸. Others sell or mortgage fields to clear drinking debts. Inevitably, this leads the man and his family on a downward spiral into poverty, with his wife being forced to take on greater and greater responsibility for supporting the family and bringing up the children.

Problem drinking and children

Children who grow up in poverty are much more likely to become poor adults, partly because they missed out on an education which is a key determinant of life-long earnings (Bird, 2007; Bird and Higgins, 2011) (See Box 5, below). DRT found that children from households affected by excessive alcohol consumption were more vulnerable to school dropout, although this link has to be explored further to establish its strength. Problem drinkers often fail to pay school fees or pay for educational materials. Children from homes where there is excessive drinking revealed that they have poor concentration in class, often because they or their mothers are victims of domestic violence. This eventually affects their performance to the point that they drop out.

‘I feel bad that every day our father comes home after midnight very drunk. He wakes us up and he beats our mother. It is even worse for the family that whatever we get from digging with our mother, the beans and maize, he takes to pay debts at a local bar. We don’t have enough books or a school uniform like other school children’ (8- and 14-year-old school boys, Kanungu).

Alcohol even affects the education of children from homes where there is no drinking because significant numbers of teachers also drink excessively. This affects their students’ performance, contributing to high dropout rates. In one district, about 400 teachers were laid off

because of heavy drinking when widespread complaints by parents pushed the district education officer into checking on teachers across the district.

Girls face other dangers in addition to losing their chance of education. Women tend to be the ones brewing alcohol and it is culturally normal for girls to work with their mothers. Also, adolescent girls are deliberately employed to sell alcohol in order to attract (male)

customers. These girls are vulnerable to under-age sex, unwanted pregnancy and early marriage – and of course dropping out of school. Excessive drinking is also associated with child sex abuse and in Kanungu district, more than 50% of reported cases of under-age sex are linked to excessive alcohol consumption. Child abuse cases involving very young children or incest are most usually alcohol-related.

Box 5: The impact of problem drinking on the next generation

Laurant is 22. The story of his life illustrates the potentially long-term impact of conflict within the household, and shows that the impact of problem drinking is often difficult to disentangle from other social and economic factors.

Laurant's father (Moses) is an alcoholic and regularly beats his mother, Agatha. Laurant has tried to intervene, but feels unable to protect Agatha from Moses' drunken rages. Their poor relationship affected him as a child, and has strongly influenced the way his life has turned out, influencing his diet, his access to education, the amount of land he now has to farm and his choice of wife. Moses is relatively wealthy by village standards. He had five acres of land, a range of productive and household assets and a better quality house than many. He was respected in the community and was the elected village head until 18 months ago. Nevertheless Laurant is poor.

Moses had two wives. Laurant's mother, Agatha, was the first wife, but it was the second wife who was favoured. When Laurant was a child, his father gave his step-mother meat to cook for herself and her children, but only vegetables to his mother. When Laurant was only a few months old Moses lost his Kampala-based job in a hotel. He chased Agatha away and sold off household assets in an attempt to maintain consumption levels for his second wife. Agatha left her children behind, but Laurant's 'stepmother' refused to feed them. Moses claimed that Laurant was illegitimate and singled him out for harsh treatment. When Agatha found out what was happening, she collected her children and took them to live with her at their grandfather's house. But she had difficulty supporting them as a single mother, resulting in the children being shuttled between their father's and their grandfather's house. Agatha kept Laurant with her, to protect him and eventually, when Laurant was two, decided to go back to her husband. This seemed to be the only way to ensure that everyone had enough to eat. She and her husband had several more children, but by the time he was six the marriage had broken down again. She left, but returned again when he was 14 to ensure that her sons were given some of their father's land when they got married.

Laurant knew that with his family's history of problems it would be difficult to find a woman prepared to marry him, but two years ago he was introduced to a secondary school drop-out who was eight weeks pregnant. He is delighted with his wife, has adopted her daughter, and they have had a son together. There is little now left of the family's former wealth for Laurant and his five brothers to inherit, and Laurant received only 1/8 acre from his father when he got married. They depend on brick building and casual work to in order to have enough food to eat.

What is clear is that Laurant's poverty is not simply job loss or the erosion of family assets. It is also the long-term outcome of strife between his parents, the systematically unequal distribution of resources within the household, and the damage to his family's reputation made by his father's alcoholism and his parent's erratic relationship.

Source: Key informant interview. Buwopuwa, Mbale District.

Health impacts

The high level of alcohol consumption in Uganda has worrying health implications. Poor people are most likely to drink locally distilled spirits, as this is the cheapest way to get drunk, but this exposes them to the risk of poisoning, leading to blindness, sickness and even death. No data exist nationally on alcohol-related deaths, but media reports describe a serious problem (e.g. The New Vision, 23 April 2010). The risks are not evenly distributed as alcohol-related mortality is highest among the poorest and some believe that alcohol has a stronger negative impact on Uganda than HIV/AIDS and malaria (Gatsiounis, 2010).

Alcohol abuse is responsible for 4% of deaths and

disability, placing it ahead of either malnutrition or poor sanitation, and it ranks fourth as a cause of disability among men in developing countries. It contributes to a wide range of health problems, including depression, injuries, cancer, cirrhosis, dependence, heart disease, brain damage, high blood pressure, strokes, various maternal and child health problems including low birth weight, miscarriage and foetal alcohol syndrome²⁹ (Bird et al., 2004). Ill health (alcohol induced or not) commonly leads to reduced productivity, higher unemployment and lower income levels and a simultaneous increase in medical costs and the burden of care. This situation often leads to reduced household spending on food and education, undermining children's development and increasing their susceptibility to illness. The children of problem drinkers face learning disabilities, higher levels

of generalised stress and more impulsive personality traits as an indirect consequence of their parent's drinking. They are also at higher risk of developing severe alcohol-related problems in later life.

Unsafe sexual practices, such as poor condom use and sex with prostitutes, tend to increase with alcohol consumption, increasing the probability of contracting sexually transmitted diseases (including HIV) and unintended pregnancy (Uganda Youth Development Link, 2008). A study in Masaka, Uganda,³⁰ found that there is a strong association between alcohol consumption and the risk of HIV infection. Those who drink had twice the infection rate of those who never drink (Mbulaiteye and Whitworth, 2001). Another study in Uganda found that domestic violence was associated with a woman's belief that her partner was HIV positive, indicating that they were beaten on refusing sex.

Alcohol and domestic violence

Domestic violence is frequently related to heavy alcohol consumption, and often relates to conflicts surrounding the drinker's abuse of family assets to fund excessive drinking. In Uganda, 52% of the women who recently experienced domestic violence reported that their partner had consumed alcohol, compared to 33% in India (CPRC/DRT, 2007). Often both the offender and the victim will have been drinking.

A study conducted in Rakai District, South West Uganda (with a sample of 5109 women) found that 30% of women had experienced threats of physical abuse from their current partner; 20% of these incidents took place during the previous year. They found that there was a strong association between alcohol consumption and domestic violence (Koenig et al., 2003) and 57% of women reporting recent domestic violence said that their partner had consumed alcohol.

How widespread is problem drinking and alcohol dependence?

Problem drinking progresses easily to alcohol dependence (alcoholism) but no research has been carried out on the scale of the problem in Uganda. DRT research found that problem drinking was much more common among the poor than the non-poor. Of households classed as 'poor,' over two thirds of household heads drank regularly and nearly a quarter drank excessively. Less than one in five heads of better-off households drank regularly and none drank excessively. If these figures are repeated across the country, they paint a strong picture of a link between poverty and excessive alcohol consumption.

Alcohol production as a livelihood

Regulating alcohol supply in Uganda will be difficult because of the high numbers of artisanal producers. Occasional or regular brewing of alcohol can be an important livelihood activity, particularly important for women headed households, who may not have access to land or other productive assets. Although only a minority (who tend to be poorer) brew routinely as their primary, or sole, livelihood strategy, others brew occasionally to meet specific cash needs (Bird et al, 2004) and tightening regulations and the policing of those regulations could have negative livelihood consequences, unless alternative sources of income were available.

What has been done to address the problem?

Uganda does not have a coherent policy response to problem drinking or alcohol dependence, or to the linked social and family problems. There are small-scale responses, for example the MoH has an Alcohol and Drug Unit in Butabika National Mental Referral Hospital, and some religious institutions and private organisations have similar initiatives but the cost of treatment in such institutions are far beyond the reach of the poor.

Alcohol dependence is still widely seen as an individual weakness.

'If someone drinks excessively, that's his problem. [...] Who told him not to have self control?' (local council 1 executive member, Kaberamaido).

Public policy is only engaged in terms of the public health issues surrounding the quality of alcohol. MoH recently banned the production, sale and consumption of waragi following deaths across the country in 2007 and 2008 resulting from the consumption of adulterated spirits³¹. A number of local governments (e.g. Pader, Kaberamaido, Kibaale and Mbale) over the years have passed bylaws to regulate the production, sale and consumption of alcohol. However, enforcement has not occurred. Action to restrict alcohol sales has been opposed by many within central and local government (e.g. the Ministry of Tourism, Trade and Industry, MTTI) on the grounds that it will restrict business.

Next steps?

Policy makers in Uganda commonly regard poor people as undeserving and affected by norms and attitudes

that keep them in poverty. Value judgements about the morality and ethics of drinking result in poor people being regarded as imprudent and wasteful to spend money on alcohol and although drinking alcohol can serve a useful social function, policy makers tend to see it as being inherently problematic.

The Ugandan MoH developed a draft alcohol policy in 2008 but it has sunk from view (Uganda Youth Development Link, 2008), possibly blocked by the Ministry of Trade. It needs to be strengthened and updated given what we know about the damage that problem drinking is causing in Uganda. Robust data needs to be gathered on the scale and severity of the problem and its links with poverty need to be further explored. Uganda also needs to look to other countries to examine what can be successful in the identification and treatment of problem drinking and what support mechanisms can be put in place to protect the families of drinkers. This improved evidence base will support the design of effective policy. However, this evidence will take time to amass and it is clear that action needs to be taken in the meantime. Establishing a national statutory body to regulate the alcohol manufacturing and retail sector is an important first step on the supply side (Uganda Youth Development Link, 2008). On the demand side much work can be done. Public health workers should be trained to recognise alcohol dependence and to advise on safe drinking levels. Radio and other media need to be harnessed to spread a message about safe drinking levels and at the same time, commercial advertising of alcohol needs to be controlled. More hospital places need to be created to help people with an alcohol addiction. Other activities which might reduce demand include counselling people who drink heavily (but are not alcohol dependent). This can have a significant positive effect on both average alcohol consumption and the intensity of drinking (Brundtland, 2001).

Next steps need to include legislative reform to increase the price of alcohol and the tax rate on heavy spirits³². Alcohol consumption is normally price sensitive and production quotas and licence fees can both be used to restrict supply and drive up prices.³³ Restricting the supply of alcohol can also be effective in reducing problem drinking. This could include tightening regulation on alcohol production and prosecute contravention; constraining alcohol marketing³⁴ and irresponsible promotions³⁵; limiting drinking by under 21s³⁶; reducing the hours (or days of the week) that alcohol is sold and restricting the kinds of outlet licensed to sell alcohol (Brundtland, 2001). These moves are supported by international evidence which shows that increasing price, reducing availability and increasing the age that individuals start drinking can all help to reduce alcohol consumption (Elder et al., 2010; Babor et al., 2010). The challenge in the Ugandan context is, of course, that

most of the alcohol consumed is brewed and consumed informally, suggesting that all tiers of local government would have to be recruited to address over-consumption. In order for this to happen, a sustained education campaign would be necessary. This is tricky as many view the regulation of informal alcohol production as a 'fight against people's livelihoods' (Gatsiounis, 2010).

For such policies to be effective they should be complemented with programmes to treat people with alcohol dependence. Effective programmes are likely to incorporate early recognition; psychological treatment (which has higher success rates when coupled with 'community reinforcement' e.g. Alcoholics Anonymous); treatment of the medical problems associated with dependence (e.g. withdrawal); identifying alternatives to drinking in 'high risk situations' and providing families with support (WHO, 2001b). These programmes require adequate funding and trained personnel, however, they are unlikely to be given priority until the scale of the damage done by problem drinking and alcohol dependence in Uganda is more widely recognised.

Case Study 3: Disability and HIV/AIDS: how they are linked?

The 2002 census tells us that there were close to a million people living with disabilities (PLWD) in Uganda, or 3.5% of the population. They and their families are more likely to be poor and to be chronically poor (UNHS 2009/10), because their impairments limit livelihood options. However, many are able to work and it is discrimination that limits their livelihood options and well-being, constraining access to key markets and to health and other services. Limited access to education also places a cap on life-long earnings, increasing the likelihood that they will be poor.

This case study illustrates how marginalisation can be compounded, by showing that PLWD can be at higher risk of contracting HIV/AIDS as a result of social marginalisation.

Many major risk factors associated with HIV infection are present among disabled populations. PLWD are more likely to be poor, illiterate and unemployed: all these factors are known to increase vulnerability to HIV infection (Yeo, 2001). Disability makes PLWD more vulnerable to HIV/AIDS in other ways too. Simple prejudice means that many see only the disability and not the person. It does not occur to them that PLWD may have sexual relationships. This leads to the perception that they are likely to be free of HIV/AIDS, paradoxically making them vulnerable to unwanted sexual advances from people wanting a 'risk free' encounter. As a result, sexual abuse

against disabled women is quite high.

The assumption that 'PLWD don't have sex' leads to their exclusion from HIV/AIDS programmes that attempt to reach all affected and infected people. Education, testing and clinical programmes commonly fail to reach PLWD because they are not tailored to the specific needs of disabled groups (NUDIPU, 2008). So, for example during the early 1990s, when Rakai district was the centre of HIV/AIDS, public awareness campaigns used 'the warning drum beat' to create awareness and to mobilise action. Deaf people missed the drumbeat and the radio announcements. Many seminars were held, but PLWD report that these were inaccessible to people with physical impairments, and that no-one thought to ensure they were able to attend. Volumes of printed material have been produced and circulated but it is inaccessible to people who are visually impaired or illiterate and this includes a high proportion of PLWD, as few are able to access education because of poverty, prejudice and marginalisation.³⁷

Disability can prevent people from accessing vital knowledge or services in other ways:

'We go for sensitisation meetings where condoms are demonstrated and the trainer has no skills to train me to use the condom as blind person' (disabled representative, Gulu).

This was not deliberate exclusion. Simply, no-one thought of making sure PLWD learned how to use a condom by teaching them as a specific group in an appropriate way.

Also deaf people have found that they cannot use HIV testing services because of the lack of counsellors able to communicate in sign language, and many deaf people are unwilling to take a family member along to communicate for them, as this would limit confidentiality. These problems could have been avoided by consulting with PLWD during the design of the interventions, but such consultation did not happen.

It is well-recognised that some exclusion is 'self-imposed.' However, where it is understood, it can be counteracted. Poster campaigns on HIV and AIDS are widespread in Uganda representing different 'types' of people, in an attempt to capture the diversity of the population, but they never seem to include PLWD. This perhaps reinforces self-exclusion, as PLWD perceive that HIV/AIDS related services are not aimed at them.

The increased financial costs associated with impairment also contributes to exclusion. Most health services providing HIV/AIDS treatment or services are located at

trading centres, which may be 15 km away from users. Everyone has to pay transport costs, but many PLWD have to pay additional transport costs for their guides, sign language interpreters or wheelchairs.

'I would have to pay UGX 6,000 for myself for a return trip for a health visit, UGX 6,000 for my wheelchair and another UGX 6,000 for my guide, that's three times what an able-bodied person would pay for the same trip' (PWLD, Masaka).

HIV/AIDS service organisations lack knowledge on how to handle different disabilities.

"We don't understand what the concept of disability means" is a daily excuse used by service providers as if [PLWD] are not citizens with entitlements' (Gulu Disabled Union).

It seems that some of these problems are driven not by a lack of specific technical knowledge (such as how to use sign language) but instead are to do with attitudes that fail to recognise the need to tailor services to specific needs.

"We are all disabled," "Our poverty programmes are universal, they target all," "Where are the disabled?" These are the common phrases policymakers use to exclude PLWD from service provision' (local government official, Gulu).

It is normal, for example, for people to have to queue for long hours to access services, especially in rural areas. However, for some PLWD this is not just an inconvenience but rather an absolute barrier to accessing the services.

Ironically, PLWD's needs are often not met even by programmes that target them, as they commonly focus almost exclusively on economic empowerment.

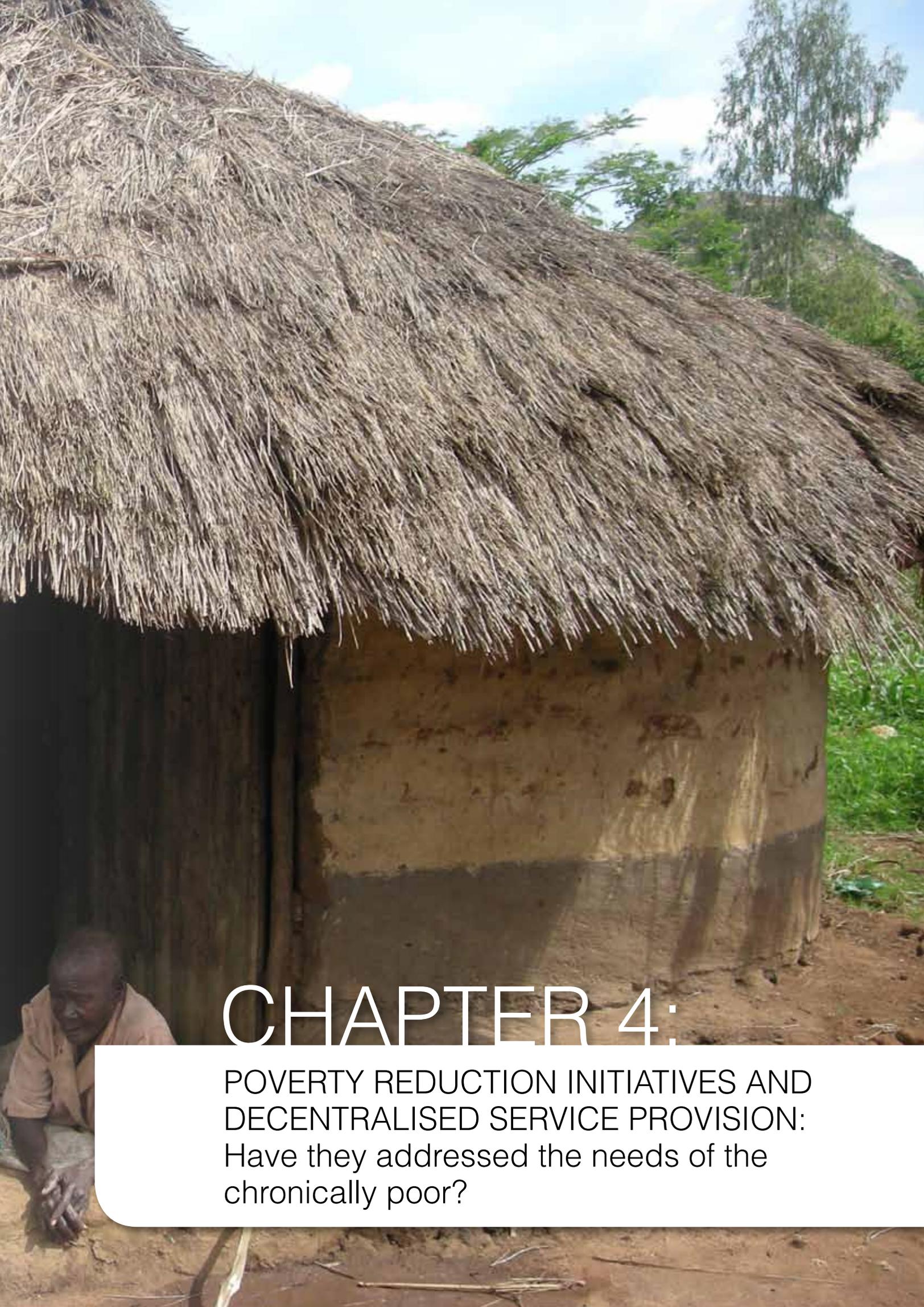
These factors combine to mean that PLWD often only seek treatment for HIV/AIDS when they have a severe AIDS related illness. This increases the likelihood of an increased care burden in the household, driving down income and eroding assets. Particularly where the individual is a head of household, the likelihood is that household will be drawn into a downward spiral into chronic poverty and that there will be implications for

human capital investments and asset inheritance for the younger generation.

The exclusion of PLWD illustrates two wider issues. First, policy makers and those responsible for service delivery do not conceive of the rights or entitlements of PLWD as citizens to access services. Second, there is insufficient engagement with PLWD on their needs and how best to meet them. Policymakers often assume and claim knowledge of issues affecting PLWD ('they continue to talk about us and not with us') and yet, when they speak for the disabled, they betray their ignorance³⁸. The lack of consultation means that opportunities have been missed in HIV/AIDS programming over the last 20 years.

This example illustrates the consultation and targeted policy design that is necessary if chronic poverty is to be effectively addressed in Uganda.





CHAPTER 4:

POVERTY REDUCTION INITIATIVES AND
DECENTRALISED SERVICE PROVISION:
Have they addressed the needs of the
chronically poor?

CHAPTER 4:**POVERTY REDUCTION INITIATIVES AND DECENTRALISED SERVICE PROVISION: Have they addressed the needs of the chronically poor?**

Over the past 25 years, the Ugandan government has championed a number of poverty reduction initiatives and programmes, across many areas. Poverty reduction policies initially took two forms: the PEAP – Uganda’s poverty reduction strategy paper (PRSP), which went on to serve as a model for other countries;³⁹ and now the National Development Plan (NDP) and local administrative reforms, through the decentralisation of responsibilities and resources. A central aspect of efforts to reduce and eventually eradicate poverty lay in improving service delivery, which had broken down nearly completely by 1986, when the current NRM government came to power (e.g. Dodge and Wiebe; 1985; 1987; Whyte, 1991). A critical element of decentralisation was the emphasis placed on the need to empower ordinary people by introducing regular elections and popular participation.

Research has shown that great strides have been made in both the fight against poverty and in empowering ordinary people, but that significant shortcomings remain (e.g. Ahikire, 2007; Golooba-Mutebi, 2008; Saito, 2008). A major shortcoming is the treatment of poverty as a single-faceted phenomenon, which affects or impacts all people in the same way and to which blanket solutions can be applied. The consequence of this has been the lumping together of different categories of poor people, such as the chronically poor and the transient poor, and the adoption of similar strategies to address their plight. While several poverty reduction initiatives have gone some way towards changing national poverty statistics, they have only partially dealt with the problem of chronic poverty, for reasons inherent in the interventions and policies themselves, as this chapter shows.

This chapter examines service delivery within the context of decentralisation. It looks at the initiatives undertaken; the objectives behind them; the levels of success achieved with particular reference to implications for poverty reduction; and the challenges faced. It uses examples from the health, education and agriculture sectors, discussing both the limitations of previous policies in relation to reducing chronic poverty, and how these policies are now starting to shift away from their

original poverty reduction aims. It also looks at attempts made to take financial services to the grassroots through microcredit programmes.

How the chronically poor fall through the cracks

During the early 1990s, the government of Uganda formally embarked on decentralising power, resources and responsibilities from the centre to the local level. The motivations for this were to democratise local government and the country’s politics in general, and also to make local governance more participatory, efficient and development-oriented (Decentralisation Secretariat, 1993). Participation would involve members of the general public, including the chronically poor, taking part in making decisions on matters of collective interest.

Participatory decision-making was supposed to bring about the effective delivery of poverty-reducing public services,⁴⁰ through regular contact between members of the public and elected local leaders ensuring that the public bring their views and aspirations to the attention of local leaders. Underlying this was the assumption that, when members of the public felt dissatisfied with the quality of a particular service, they would alert their leaders. Elections were supposed to ensure the accountability of leaders at different levels of the five-tier local government hierarchy. Leaders would have to respond to the demands of the public through appropriate action to ensure that service quality matched popular preferences.

The impact of decentralisation has however, been mixed, with some serious shortcomings (Francis and James, 2003; Golooba-Mutebi, 2004; 2005a). Popular participation has not been effective, and the quality of services remains low. Assumptions about what decentralisation could deliver were misplaced, with improvements hampered by limited human, financial and managerial capacity. As far as the chronically poor

are concerned, the very design of decentralisation has ensured their exclusion from the process, albeit inadvertently. The chronically poor are typically those with the least education and social status. They are therefore those most likely to exclude themselves from decision-making processes and to be the ones with the fewest opportunities to bring their aspirations to the fore (Blair, 2005). Small wonder, then, that local government services have not been sensitive to their needs (Hickey, 2005).

Box 6: Local governance and chronically poor people – the limits of participation

'While a voice in policy-making processes is seldom denied to marginal groups in Uganda – the elderly, landless and people with mental disabilities excepted – this may not be sufficient to effect changes within the power relations that underpin long-term or 'structural' poverty. [...] Far from providing an empowering arena of engagement for marginal groups, then, the "local" remains riven by unequal power relations and processes of subordination.'

Source: Hickey (2005).

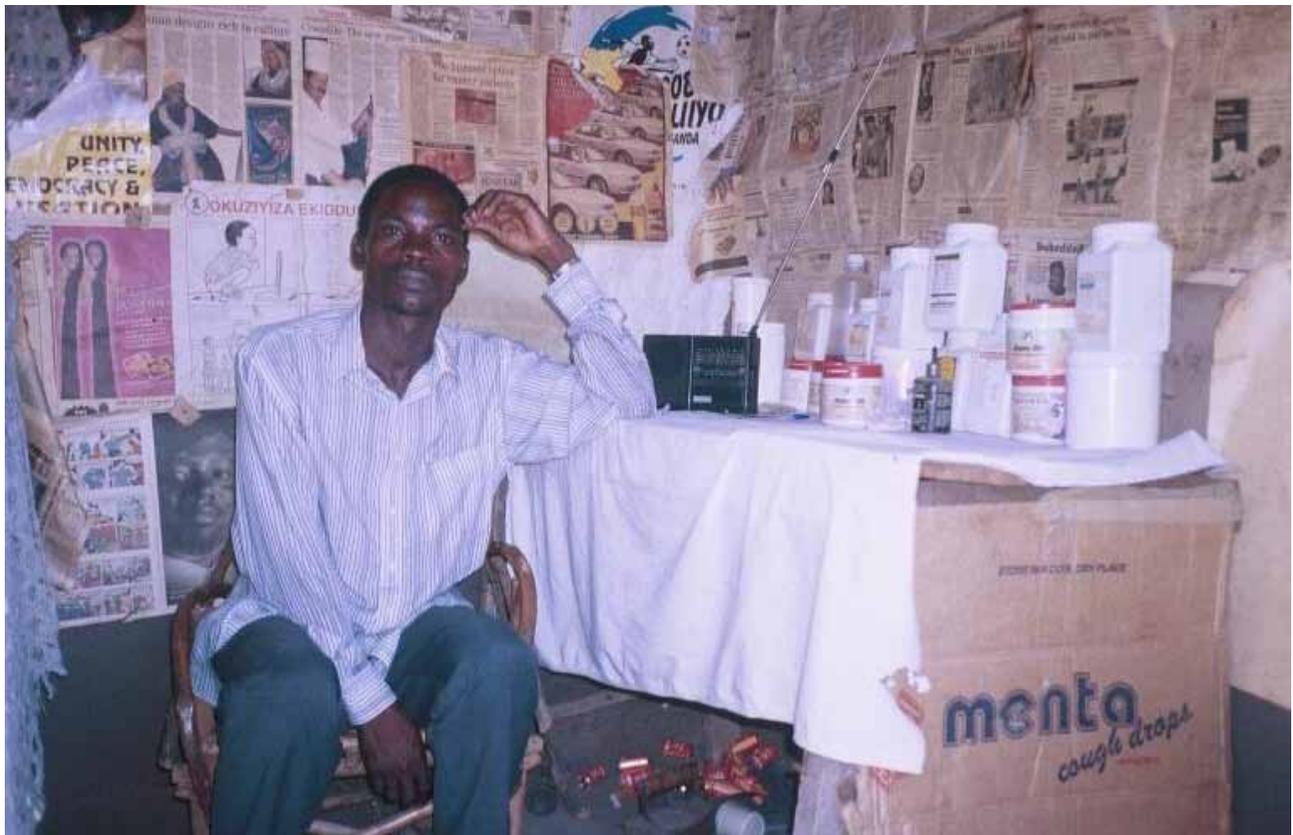
Health

Health outcomes are dependent on several factors, among them income, education, information, water

supply and sanitation. There is, however, a very clear two-way link between health and poverty, reflected in, for example, poor people failing to access high-quality health care, or indeed any care at all. An inability to access health care can translate into incapacitating chronic ill-health, which in turn can lead to an inability to engage in livelihood-enhancing activities, pushing individuals and their families into chronic poverty. Consequently, maintaining good health not only contributes to a better quality of life but is also an essential ingredient in an individual's capacity to earn a living (MoH, 2006).

Uganda has one of the highest maternal mortality rates in the world: 310 deaths per 100,000 live births (in 2010, WHO, 2013)⁴¹. Peri-natal and maternal conditions are reported to be the leading causes of premature deaths and life years lost in Uganda, accounting for 20% of the disease pattern (MoH, 2006). Women who escape death may suffer disabilities, among them chronic anaemia, fistulae and chronic pelvic pain. All these interfere with their capacity to live productive lives and condemn many to ever-deepening life-long poverty.

Household-level studies show that providing education and information about the causes of illness significantly reduces incidence of illness among all age groups (e.g. Habiyonizeye, 2010). The education of women and girls is fundamental in reducing infant and child mortality (Bbaale and Buyinza, 2011). Meanwhile, early first pregnancy is known to increase the risks of maternal mortality (Neema et al., 2004). Adolescent girls (15-19



A village pharmacy in rural Uganda

years old) are more prone to complications both during pregnancy and delivery, and have twice the risk of dying from pregnancy or childbirth compared with women 20-34 years old (UBoS data in Atuyambe et al., 2005: 304-309). One hoped-for outcome of Universal Primary Education (UPE) in Uganda is a decline in the pregnancy rate among adolescent girls (Neema et al., 2004).

Delays in receiving adequate and appropriate treatment are also among the causes of maternal deaths. Women may delay the decision to seek medical support and then find it difficult to identify and reach a medical facility (GoU et al., 2003). These problems are worsened by women not knowing about their health care options and likely costs. The costs themselves can also be very off-putting (travel and health care costs) (Neema et al., 2004) and women's lack of control over domestic resources can influence their decision whether or not to seek medical help (ibid). Chronically poor people, lacking assets, including education and information, are less able to respond to their health needs. As chapter 3 shows, chronically poor people are also more likely to live a long way from a medical facility. Together these constraints can mean that they are more prone to poverty-reinforcing poor health than other wealth groups.

The HIV/AIDS pandemic has impacted the state of the health sector strongly, not only leading to increased mortality but also incapacitating large numbers of people. Both these outcomes depend to a large extent on income and access to health services, so chronically poor people suffer disproportionately. For poor households, the loss of a breadwinner can close off any chances of improving their circumstances and can condemn them to chronic poverty. The implication is that HIV/AIDS is a key factor in many people staying poor, despite the gains Uganda has registered in reducing poverty levels (Hickey, 2005).

The quality of public service provision in Uganda is such that it is unable to respond to the health needs of the bulk of the population. Challenges include the impact of HIV/AIDS on both demand for services and the ability to provide quality services; poor delivery of specific health services such as prenatal and maternity services; a breakdown in infrastructure; a shortage of trained and skilled personnel; a lack of essential medicines and supplies; and the impact of corruption on access to services for poor people.

The shortage of essential medicines and supplies and, when they are available, their poor management, has been summed up by one commentator as follows: 'for all the billions going to public health, there are no drugs in hospitals; doctors' (and) nurses' absenteeism is atrocious' (The Independent, 5-11 June 2009). This observation is supported by empirical evidence (e.g. Golooba-Mutebi, 2005a), which highlights the shortage of personnel and drugs, negligence, over-crowding and

out-of-date or broken equipment. The country's main referral hospital has been described as follows:

'Supplies of everyday items such as cotton wool, surgical blades and bandages run out so often that, for several weeks or months at a time, patients who can't afford to buy such basic supplies are often refused treatment' (The Independent, 8-11 February 2008).

There are several reasons for the lack of drugs, but a lack of financial resources in the health sector is rarely one of them. Drugs are being sent to health units in inadequate quantities, and in some cases health workers deliberately do not requisition much-needed medicines in order to avoid complex ordering and accountability procedures.⁴² Also, the theft of drugs and supplies by health workers is rampant. Academic research and media reports have been reporting this phenomenon for many years, showing how health workers stealing drugs from public facilities and selling them to private pharmacies or using them in their own privately run clinics, usually not far from the public facilities they are employed by the government to work in. One study found that, in the mid-1990s 76% of government-provided drugs leaked into the private market (Macrae et al., 1996). Continuing leakage suggests either that the government has taken no action, or that its efforts have been unsuccessful. Theft is not limited to medicines and supplies: money is stolen rather than being spent as intended: 'of all the billions that government has allocated to health, only a small fraction goes to the intended purpose, the rest ending up in private pockets' (ibid).

Shortages of trained personnel leads to long queues and often to patients either returning home without being seen or being treated without a proper diagnosis (The New Vision, 12 January 2010). Some districts are unable to fill up to 75% of their health vacancies (EPRC, 2009), leaving the few personnel in post overworked. The difficulty in recruiting and retaining staff owes partly to poor management, with health workers in some areas going for months without pay, leading to low morale. Inadequate management combines with low morale and results in absenteeism and misconduct by health personnel, including rudeness, particularly towards poor people. The non-poor may also be deterred, but they can afford private alternatives (Ndyomugenyi et al., 1998).

Utilisation of government health services by poor people has increased since health care was made free at the point of delivery in 2001 (Meessen et al., 2006; Xu et al., 2005). However, the lack of drugs, basic equipment and health workers in public health facilities means that many poor people are still forced to seek care from private

service providers (Twikirize and O'Brien, 2011). Indeed, since the adoption of free health care, out-of-pocket expenditures on health by the poorest have increased, with poor patients often required to buy drugs from the private sector (Xu et al., 2005). Meanwhile, chronically poor people are largely excluded from alternatives to the failed state health service, including community health insurance schemes, as they are unable to afford them (Twikirize and O'Brien, 2011). Consequently, they suffer disproportionately from the state's inability to organise and manage a functioning public health care system, and too often are condemned to long-term ill-health, blocking their hopes of escaping from poverty.

Education

The introduction of Universal primary education (UPE) in January 1997 meant the abolition of tuition and other costs from some state primary schools ('UPE schools').⁴³ Other barriers to enrolment, such as pupils being required to wear school uniforms, were also eradicated. Government and donors saw UPE as a key policy tool for achieving poverty reduction and human development by ensuring quality education for the poor.

UPE led to a dramatic rise in primary school enrolment, which increased by 58% in the first year of implementation (Ministry of Education and Sports, 1999, in Grogan, 2006). In response to the rise in numbers (and accompanying public complaints about the lack of

facilities), the government also constructed thousands of classrooms. Some school supplies were also provided in greater quantities.

However, the remarkably high enrolment rates have been accompanied by high dropout rates, suggesting that, while the removal of financial barriers to education opened the way to higher enrolment rates, it was insufficient to guarantee or ensure the retention of pupils. Of the 2.2 million pupils who enrolled in the first year of primary school (P1) in 1997, only 400,000 registered for the primary leaving examination (PLE), a very small increase on numbers before free schooling and an attrition rate of 81% (Grogan, 2006). Enrolment numbers have obviously fallen since (as the first year included many children who had not entered school in previous years), but primary dropout rates have remained at around 80% (ibid). Meanwhile, the elimination of school fees has reduced dropout rates for boys but not girls.

There are also concerns about the quality of education offered in UPE schools. The quality of education has often been compromised where infrastructure and human resource capacities have not matched the increasing numbers of pupils. Research highlights how, since the introduction of UPE, the probability of a child attending a government school being able to read a complete sentence (of a school test) has reduced by 11%. With only 52% of children starting in government-aided schools prior to 1997 able to read the whole sentence, this is a substantial reduction (Grogan, 2006). Failure



Pupils in class at one of the primary schools in Katakwi district

rates in the PLE are also high, again suggesting that the quality of education received by children who go to government schools is inadequate. In UPE schools, the average PLE score is below 40%. In 2005, the average result for mathematics in the PLE was below 30%. The reputation for low-quality education in UPE schools is captured by a local term that has been coined for the concept: instead of its Luganda name, *Bonna Basome* ('Let All Go to School'), people call it *Bonna Bakone* ('Let All Be Retarded'). Furthermore, education quality needs to be addressed if the country is to meet its desired goals of productivity and employment creation.

Meanwhile, chronically poor people's access to education is restricted by their inability to afford materials. Orphans are particularly hard hit: 'I do not have an exercise book or pen, so when the other pupils take out their books to write, I just look at them and I have nothing to do' (Girl orphan in Bura ward, Kitgum, in McClean, 2003).

Despite poor performance, UPE pupils and students gain automatic promotion to the next class, to ensure they do not repeat classes and clog up the system. However, the consequence is that many children leave school without mastering basic literacy or numeracy (de Kemp, 2008). Massive teacher absenteeism and laxity in the inspection of schools have been highlighted as major problems (The Observer, 14 March 2010). A 2004 study, based on unannounced visits to schools, found an average teacher absenteeism rate of 27% (Winkler and Sondergaard, 2008). Another source found that over three-quarters of teachers are not in class teaching when unannounced visits are made, and that teachers teach less than 20% of the time (The Independent, 25 January-7 February 2008).

Overall, UPE delivery has been plagued by poor management, poor infrastructure, lack of learning materials, low salaries and lack of accountability. There is very poor management of resources. 'Ghost' teachers make up 9% of teachers on the official payroll, and misuse of UPE grants at district level accounts for 16% of total remittances. In addition, deployment of teachers is unrelated to any assessment or measure of need. In sum, at least one-third of the expenditure on primary education is wasted or used inefficiently (The Independent, 25 January-7 February 2008).

Poor education quality is one of the reasons that children drop out of school. But another is that although they do not have to pay school fees, parents still face monetary (transport, materials) and non-monetary costs keeping their children in school. Children also drop out due to lack of interest, pregnancy, early marriage, work, illness and family responsibilities (Bategeka et al., 2004). Finally, like many other initiatives which aim to fight poverty, UPE did not adequately take into account the special circumstances of the chronically poor. Although

it addressed poor people's inability to afford school fees, it did not consider barriers to retention. A failure to do this means that poor children are still likely to grow up functionally illiterate, intensifying the likelihood that they will grow up to be poor adults and that poverty will continue to be transmitted from one generation to the next.

Agriculture

Uganda is an agricultural country, with over 80% of its population of 30.7 million living in rural areas and deriving their livelihood mainly or entirely from agriculture. This means the sector is a key focus of government efforts to fight poverty. Although analysis of the UBoS panel shows that agriculture has declined in importance as the main source of livelihood (Ssewanyana and Kasirye, 2012), it remains important and is the key source of livelihood for the majority of chronically poor households and also for those who remained non-poor during both panel periods (2005/06 and 2009/10) (ibid.).

Diversification is crucial if poor households are to move out of poverty (Ssewanyana and Kasirye, 2012), and numerous programmes have been designed to reduce the constraints to diversification and to increase agricultural incomes. However, implementation has suffered, partly as a result of inadequate funding, with only 3.8% of the national budget going to agriculture. This is despite Uganda being a signatory of the Maputo Protocol, which committed it to investing 10% of the national budget in the sector. The ability of agricultural policies to enable chronically poor people to exit poverty has also been limited by failures in policy design, which rarely takes account of the circumstances of this group.

The strategic objective of the National Agricultural Advisory Service (NAADS) is to increase the effectiveness and efficiency of agricultural advisory/extension delivery to farmers for enhanced agricultural productivity, food security and commercialisation (GoU, 2009). A key objective is to empower farmers to demand advisory services so that they can increase their productivity and incomes. However, its emphasis on demand-driven service provision and provision of support to people already engaged in farming means that NAADS was never likely to benefit the chronically poor, who tend to be involved in own-account smallholder agriculture (CPRC/DRT, 2005). NAADS also needs to be more tightly focused on poor households and regions and with greater awareness raising amongst poor and chronically poor households, in order to boost demand for services.

Great emphasis has been placed on contracting out service provision to farmers, private individuals and companies through competitive bidding. The aim is for a diversity of mechanisms to empower farmers and



An inter-cropped garden in Nakaseke district

to enhance their role in demanding services through farmer groups and forums. Its principal targets are poor subsistence farmers, with a special emphasis on women, youth and people with disabilities, traditionally among the most marginalised sections of the population. NAADS is explicit about its objective of letting beneficiary farmers choose enterprises of their preference. The implementation framework recognises that, if its initiatives are to lead to lasting results, the beneficiaries will have to be involved actively in identifying their own needs, setting priorities, formulating plans and monitoring and evaluating outputs and outcomes. The idea was that plans be generated through group discussions, consensus building and collaborative learning approaches. A key aspect of the programme, therefore, is the development of a demand-driven, farmer-led agricultural service delivery system (NAADS Task Force and Joint Donor Group, 2000).

As a prelude to placing farmers at the centre of decision making, the programme envisages giving farmers skills in the use of fertilisers, pesticides, farm machinery and irrigation. It is also to provide improved seeds and show farmers how to use them for maximum benefit. This is part of the core function of NAADS of helping farmers acquire the capacity to take charge of the structures and processes within which the advisory services are delivered. Farmers operate in groups headed by elected leaders who act as their representatives in farmers' forums, which are responsible for ensuring that programme implementation is in accordance with farmers' needs and that funds are used transparently.

Farmers' organisations then work hand in hand with local governments during programme implementation (MAAIF, 2006).

Despite hinting at ineffective supervision and coordination, the 2006-2007 Annual Report proclaims that NAADS is 'an exemplary programme in the region and in the world' (NAADS Secretariat, 2007). However, it has been the subject of vicious criticism, not least because of what seems to be its concentration on more prosperous or progressive farmers. Despite initial implementation guidelines, the programme's target group quickly became the economically active poor (PMA Secretariat, 2009), which should include the chronically poor but in fact has never done so (see Chapter 2). NAADS management felt that this group would adopt new technologies and practices more readily than others, having improved seeds, animal shelter and labour to enable them to participate in the programme (ibid). Indeed, in many cases, poor people have actually been actively excluded, including through the programme not focusing on the poorest districts. Meanwhile, the distribution of resources between districts has no poverty dimension. Research has also shown that district officials exclude certain groups of people in the selection process for farmer groups, including 'vulnerable women, the least educated and illiterate people, widows, the elderly and youth' (Oxfam GB and FOWODE, 2004, in PMA Secretariat, 2009). Criticisms about NAADS' limited poverty focus have come from both would-be beneficiary poor farmers and observers.

This accusation is particularly worrying because of the

meagre government allocation to agriculture. The lion's share now goes to what is classified as 'non-wage recurrent expenditure'— the majority of which comprises the provision of subsidised inputs to the chosen few (World Bank, 2010).

Analysis of the UBoS panel (2005/06 and 2009/10) by Ssewanyana and Kasirye (2012) also indicates that implementation does not reach chronically poor people. In 2005/6, chronically poor households were less likely than other wealth groups to have been visited by an extension worker during the 12 months prior to the survey (Figure 2, Annex 1). They were also less likely to be aware of NAADS training programmes or to participate in NAADS training courses and there was a seeming bias towards the never poor, which appears to confirm that public investments in NAADS are biased toward richer households. (see Figures 2, 3 and 4, Annex 1)

NAADS has failed to help the chronically poor as much as others because its design was exclusionary and it has failed to deliver help to the poor because of how it has been implemented. The benefits flow to the better-off and well-connected, who profit from subsidised inputs, and, most of all, the service providers and civil servants. A task force set up to investigate malpractice in NAADS is looking at offences including abuse of office, embezzlement of funds, forgery, falsification, theft, conspiracy to commit felony, neglect of duty and illegal possession of property. Anecdotal evidence is legion. At a NAADS review meeting, one district chief administrative officer revealed that, while UGX 1.1 billion had been injected into the programme in his district from 2007, it had not made any significant impact because of corruption. One way of diverting funds, he explained, was to charge NAADS UGX 10,000 (\$5) for a one-day-old chick, a huge inflation of real costs.⁴⁴

Bonna Baggaggawale (Prosperity for All)

The path-breaking and ambitious Prosperity for All scheme, launched in 2006, aims to eliminate poverty by increasing household incomes through the provision of affordable financial services. As with its predecessor (a previous, largely failed, rural credit programme called Entandikwa),⁴⁵ Prosperity for All was introduced as an election strategy during a presidential campaign. It targets the whole country and is 'a full-fledged effort to address the entire range of the value chain that encompasses production, micro-finance, marketing and processing' (MFPED, 2008). Emphasis is placed on the development of products that have a relatively high value in the market, especially the export market.

Since land scarcity is a key constraint for many poor people, local savings and credit cooperatives (SACCOS) lend money to buy land, with the land acquired acting as security. SACCOS also help the poor pool resources to buy farm inputs such as fertilisers, pesticides and machinery and to acquire storage facilities. Farmers are encouraged to work in cooperatives and then are assisted by the government to hire professional managers, a precondition for successful management of SACCOS. Overall, the solution proposed was to establish marketing cooperatives at various levels and to help farmers raise the quality of their products through drying, grading, weighing, packing and proper storage. This implies that poverty in Uganda was largely being driven by low (and low value) agricultural production, driven in turn by constrained access markets.

While laudable, this provides limited analysis of the drivers of poverty and assumes that poor people possess the time and willingness to mobilise and develop



Poultry projects supported under the prosperity for all programme

organisations for collective action. Evidence shows, however, that poor people and particularly the chronically poor, are the least able to respond to opportunities of this kind, not least because of their tendency to self-exclude from engagement in collective action (e.g. Blair, 2005; Golooba-Mutebi, 2004; 2005b).

Sub-county chiefs were lined up as the programme's key drivers, charged with building and managing community information systems, 'mobilising' the people and assisting them to build, manage and maintain SACCOs and marketing cooperatives at sub-county level. Clearly, sub-county chiefs do not necessarily have the skills mix required to implement such an initiative effectively. Not only that, but if launching the programme during an election campaign was not enough, sending the sub-county chiefs for military training as their introduction to the programme was bound to ensure it was perceived politically. One leading technocrat in the sector referred to Prosperity for All as 'highly political,' a comment which seemed to be confirmed through the appointment of the President's brother as Minister for Microfinance, and so overseeing a key element of the Prosperity for All agenda (Hickey, 2011). Prosperity for All thus came under constant and close scrutiny by the media, opposition politicians and other commentators, who were concerned it had not been subjected to sufficient evaluation by experts before it began. As of mid-2010, no evaluation of the scheme had been undertaken (ibid).

In one district, there was a UGX 37,000 (\$20) 'membership fee' – about a month's total household income for poor people (The New Vision, 26 January 2010). For the chronically poor, the requirement that prospective beneficiaries pay in order to be eligible for the programme's benefits is enough to exclude them, as is the tendency by local politicians to use it to reward supporters and silence vocal local groups (e.g. The Observer, 12 July 2010). Elsewhere, while the government has prioritised Bonna Baggaggawale, local opinion shows that would-be beneficiaries would have preferred that attention be focused on building schools and recruiting teachers (e.g. The Observer, 10 March 2010; 26 March 2010).

The Northern Uganda Social Action Fund

As with other anti-poverty initiatives, NUSAF, despite aiming to target the most vulnerable groups in the north, especially IDPs, orphans, female-headed households, former LRA abductees, people living with HIV/AIDS and the disabled, fails to recognise those living in chronic poverty as distinct from those living in poverty. As is well known, not all members of vulnerable groups are poor. It was nevertheless feted as the key poverty reduction

initiative for the war-devastated north and hyped by state media as a strategic master plan designed to end suffering in the region (The New Vision, 15 July 2002). In terms of specifics, it was intended to 'empower communities in Northern Uganda to enhance their capacity to identify, prioritise, and plan for their needs and implement sustainable development initiatives that improve socio-economic services and opportunities thereby contributing to improved livelihoods by placing money in the hands of the communities' (World Bank, 2002). In its implementation, the programme exhibited the usual characteristics of social action funds, including an emphasis on the importance of bottom-up, community-led processes – an approach which, as we have seen, is notorious for perpetuating the tendency of chronically poor people to self-exclude from collective action. Little wonder, then, that a systematic study of its direct impact on the lives of the poor revealed at best mixed results, at worst widespread failure (Golooba-Mutebi and Hickey, 2009).

Poverty, service provision and anti-poverty initiatives: some key points

Failure to disaggregate poverty

Anti-poverty initiatives, if well-conceived and properly implemented, help reduce poverty. However, unless they are designed to address the multiple and interlocked drivers of chronic poverty, they will only benefit the non-poor and the transiently poor. Meanwhile, chronically poor people remain firmly locked in poverty; their lack of assets, education and resources to participate in collective action meaning that they are unable to grasp opportunities.

There are many reasons why apparently well-meaning initiatives fail. These include corruption which diverts dedicated resources; dysfunctional state structures with no capacity to discharge their roles; misplaced assumptions about the proper balance between bottom-up and top-down service delivery and poverty reduction processes; a shortage of trained personnel; and a failure to disaggregate 'the poor' into its constituent groups and deal with the problems and circumstances of each with specially tailored strategies. A fitting starting point for all poverty reduction programmes should be to move away from 'one-size-fits-all' approaches to fighting poverty which, as this report shows, is complex and therefore calls for complex solutions.

Indifference by local leaders

One question that arises when reviewing weaknesses in service delivery such as widespread malfeasance

relates to why accountability mechanisms put in place by both the central government and its local counterparts to check or address them do not function. This question becomes even more pertinent if one considers the fact that a key factor behind decentralisation in Uganda was to ensure accountability by elected leaders working together with service users to check misconduct or malpractice by service providers. As we have seen, far from holding service providers to account, local leaders fail to hold those responsible for service delivery to account. This means that poor people, especially chronically poor people, who commonly lack voice, remain trapped in poverty-reinforcing powerlessness. The resulting deeply inadequate standards of service provision cause and exacerbate poverty, as well as preventing already poor people, particularly the chronically poor, from exiting poverty and benefitting from less disadvantaged and more dignified lives.

The political commitment to poverty reduction

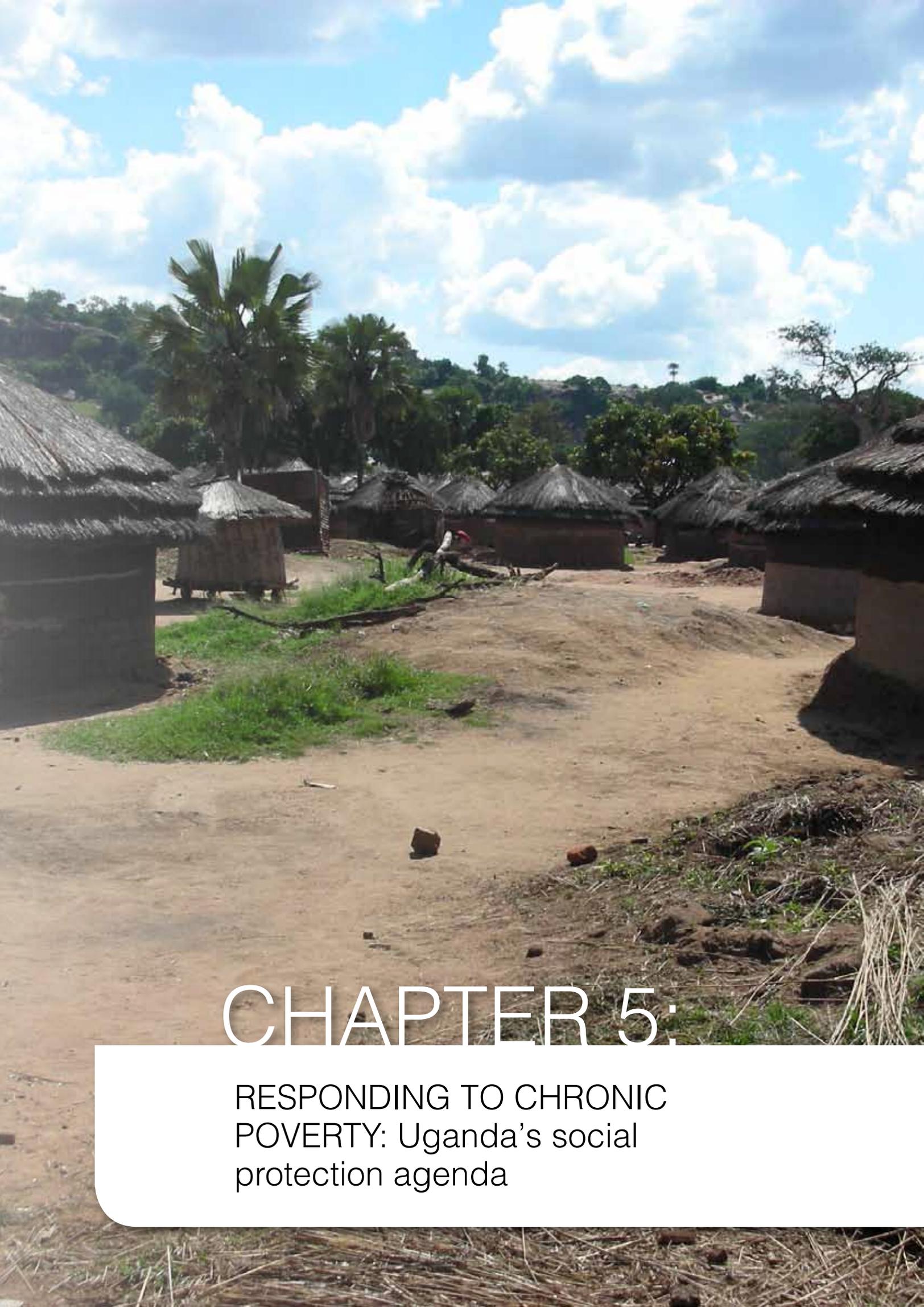
The introduction of UPE in 1997 and the adoption of free healthcare in 2001, despite mixed results, indicated the Ugandan government's clear commitment to poverty reduction. It is true that there have been shortcomings in some of the anti-poverty interventions government has pursued, particularly in terms of reaching chronically poor people. However, Prosperity for All, launched in 2006, marks an important shift away from a focus on poverty reduction within Uganda's development policy agenda. Since 2006, each Background to the Budget Paper has stressed 'prosperity for all' and increasing productivity, in the same manner that poverty reduction was the guiding discourse during the late 1990s and early 2000s (Hickey 2011). Certainly, 2006 marked an important stage in the political economy of development in Uganda, particularly in terms of its graduation from HIPC status, the confirmation of extensive oil reserves in the Albertine area and the increasing involvement of China. The development path that Uganda has set out in the NDP is an agenda of economic productivity and structural transformation (ibid). Development interventions must be seen within this context, and assessed as to whether they manage to link this agenda successfully to pro-poor outcomes.

Conclusion

Given the inadequate tailoring of Uganda's anti-poverty initiatives to address the specific needs of chronically poor people, it would be optimistic to expect that the more 'transformative' approach taken in the NDP will be any better. However, international evidence exists which indicates that this may be the case. The second international Chronic Poverty Report argued that countries that produced better policies for chronically poor people were those that had a politically led national development project (CPRC, 2008). The East Asian experience and international research on the politics and governance of poverty suggest that a transformative national economic development strategy, if well-implemented, is more likely to address deeply entrenched poverty than a more targeted approach.

However, in Uganda, as this report shows, chronically poor people face some constraints to participating in economic growth – their extreme vulnerability to shocks, low asset base, low skill levels, poor access to health services and poor quality of education services being some which can be remedied through policy. There will, however, still be a strong need to bolster the poorest in Uganda, precisely so they can participate. Social protection is one way of doing this, and Chapter 5 will discuss this at length.





CHAPTER 5:

RESPONDING TO CHRONIC
POVERTY: Uganda's social
protection agenda

CHAPTER 5:**RESPONDING TO CHRONIC POVERTY: Uganda's social protection agenda**

This chapter presents the main arguments in favour of social protection⁴⁶ in Uganda and reviews the key future challenges and opportunities. The 2005 Uganda Chronic Poverty Report highlighted the prevalence of chronic poverty and showed that chronically poor households experienced a range of deficits, including inadequate consumption and malnutrition, limited access to health and education and limited voice and influence (CPRC/DRT, 2005). Analysis showed social protection to be an effective tool to enable poor people to improve their basic well-being, accumulate assets and invest in human capital, allowing them to get to the starting block from which they could begin to benefit from more mainstream poverty reduction interventions.

The emergence of social protection as an alternative policy option

Social protection has now been actively debated in Uganda for many years. It first gained prominence in Uganda as the focus of the 2003-2008 Social Development Investment Plan (SDIP) and was presented as the fifth pillar of the third-generation PEAP, where it was one of the key proposals for strengthening poor people's social capital and as a mechanism for enhancing the social inclusion of vulnerable groups. A range of complementary social development policies and programmes have been developed, including the National Policy on Orphans and Vulnerable Children; the National Policy on Elimination of Child Labour; the National Policy on Disability; the National Equal Opportunities Policy and the National Gender Policy. However, these policies tend to run in parallel rather than being linked or integrated with other economic and sectoral plans. Some also fail to attract the support of key ministries involved in budget allocations and implementation.

A lack of policy coherence has seen different departments of the ministry responsible for social development (MoGLSD) advocate contradictory policy interventions. In the Uganda context, where a large proportion of

people who are not currently poor are vulnerable to downward mobility into poverty, we believe that social protection needs to be more widely available. For this to happen it needs to enjoy widespread and coherent support. However, contradictions and gaps in policy remain and social protection targeted at those at risk of becoming poor (commonly described in Ugandan policy documents as the 'active poor') has been found to be more politically acceptable than support targeted at those already living in poverty (e.g. Devereux et al., 2002).

The lack of a coherent policy agenda combined with a weak state-citizen contract helps explain why the implementation of social protection has lagged behind the rhetoric. Uganda was one of 13 African countries that participated in a high-level intergovernmental conference on social protection in Livingstone, Zambia, in March 2006, at which commitment to social protection was reaffirmed. Co-hosted by the government of Zambia and the African Union, the meeting led to issuing of the Livingstone Call for Action, which spelt out broad goals as well as specific commitments relating to the adoption of social protection in Africa. The conference came hot on the heels of the publication of the Uganda Chronic Poverty Report (CPRC/DRT, 2005), which highlighted persistent and chronic poverty as well as growing inequality in the country. This gave the issue the national and regional traction it had not previously had and in 2006 the Government launched a new attempt to develop a comprehensive national approach to social protection under the "Expanding Social Protection Programme"⁴⁷.

Uganda's "Expanding Social Protection Programme"

Since 2006, the Ugandan government has worked to develop a coordinated approach to social protection. It recognised that the most vulnerable households (particularly those with children, older people and people with disabilities) often lacked the resources to meet basic needs or to access services and development



opportunities. It also observed that existing social protection instruments had limited reach and lacked coherence. In order to respond, in 2010 it launched the “Expanding Social Protection Programme” (ESP), a five-year programme which seeks to complement other basic services and poverty reduction programmes, coordinated by the Social Protection Secretariat within the MoGLSD, implemented by Maxwell Stamp, with disbursements delivered using Mobile Money and managed by MTN mobile provider (OPML, 2012). The programme seeks to reduce chronic poverty, tackle inequality and promote the inclusion of recipients in mainstream development by embedding a national social protection system in the country’s national policy, planning and budgeting process.

The programme (worth £40 million (pounds sterling) with contributions coming from the Government of Uganda; the UK’s Department for International Development, and Irish Aid) has been designed around two main components:

(a) Policy Support, aimed at strengthening leadership and commitment to social protection across the Government,

developing a national social protection framework and generating evidence on the impacts of social protection; and

(b) Social Assistance Grants for Empowerment (SAGE), a cash transfer pilot aimed at providing evidence to validate the benefits of social assistance and to be implemented in 14 districts (Apac, Kaberamaido, Katakwi, Kiboga, Kyenjojo, Moroto, Nakapiripirit, Nebbi, Amudat, Kyegegwa, Kyankwanzi, Zombo, Napak, and Kole).

SAGE includes the Senior Citizens Grant, a non-contributory pension, or old-age grant, to older persons, and the Vulnerable Family Grants (VFGs) to households with limited labour capacity.

- Senior Citizens Grants – the disbursement of a small but regular monthly cash transfer to all individuals over 65 in the pilot districts (or 60 years in Karamoja region) (MoGLSD, 2013).
- Vulnerable Family Grants - are disbursed to households identified as having high dependency ratios (containing older people, people living with

disabilities, orphans and vulnerable children or large numbers of children) (OPML, 2012). The programmes aim to reach 600,000 people in 95,000 households in target districts during the pilot phase (Apr 2011 – Feb 2015) and there are plans for the programme to be scaled up nationally (ibid.).

These transfers are worth approximately US\$8 or UGX 23,000 a month (revised annually in line with inflation). This amount represents about 20% of the monthly household consumption of the poorest of Uganda's population and it seeks to move them out of the poorest 10% of households (OPML, 2012). The amount is also sensitive to what is affordable at the national scale and is in line with programmes around the region. Evidence from other countries shows that even such small payments, if paid regularly and predictably, make a huge difference to the lives of poor and vulnerable individuals and families (Uganda, 2013).

Results of the evaluation of the pilot are due to be released this year (2013). Initial findings already show that the transfers are important for recipient families. For the poorest 10%, it makes up around one fifth of their household budget (OPML, 2012). SCGs have been shown to increase access to health and education services amongst older persons and their families, significantly improve child nutrition and development (with older people investing in their grandchildren), enable investments back into the local community and so support economic growth and allow working older people to invest in micro-enterprises (MoGLSD, 2013).

Projections show that national roll-out of the SCGs would lift 30% of beneficiary households above the poverty line; reduce the depth of poverty experienced by recipient households by 79% and, nationally, would reduce the depth of poverty by 17% (MoGLSD, 2013).

In the early stages of implementation there were some misunderstandings about the scheme and some concerns about fiduciary risk, sustainability of funding, and possible misuse of the money by both beneficiaries and project management officials. This was highlighted by newspaper articles and editorials during September and October 2010. However, the ESP programme presents a unique opportunity for Uganda to address extreme and long-term poverty by focusing on the most deprived and vulnerable groups of people.

Factors affecting uptake of social protection

A lack of political will has limited the energy and resources devoted to implementing social protection in Uganda. This may be explained by three factors: the predominant political (or socio-economic) paradigm; elite attitudes; and capacity, institutions and management.

Policy making in Uganda is driven largely by clientelism and patronage. The agency of poor people is weak and neither social movements nor research-based evidence about poverty seem to have much influence over the shape and direction of policy. This helps to explain why social protection has been given limited priority. This is not helped by the inadequate political economy analysis of poverty in Uganda and the weak analysis of the relational, political and sociological root causes of chronic poverty.

Factors related to the predominant political and economic paradigm

The dominance of neo-liberal attitudes in Uganda from the mid 1990s meant that socio-cultural values tended to be downplayed within social policy. An emphasis was placed on promoting productivity and the poorest were marginalised, with social protection being seen as a cost rather than an investment in human assets. It was assumed that poor people could benefit from mainstream national policy, if only they wanted to, and that 'welfare' would lead to dependency and undermine entrepreneurialism and the willingness of poor people to 'pull themselves up by their bootstraps'. Dominant discussions included concerns about the state crowding out the private sector and the need to shrink the state back to core functions. Linked to these narratives was downward pressure on government budgets and an unwillingness to commit to recurrent expenditure of any kind that might be fiscally unsustainable.

Elite attitudes

As in other African countries, Uganda's elite is a very small but powerful group of people. They control information, decision-making systems and structures (including the justice system), as well as economic, social and other key resources. In some instances, members of this elite speak to political leaders on behalf of poor and marginalised or vulnerable groups.⁴⁸ Although they may have professional knowledge of poverty and poverty processes, they may misrepresent the interests of poor communities.

There is another problem. They tend to have a relatively

similar perspective on poverty and tend to view social protection for the poorest negatively (DRT, 2006). They refer to poverty using assumptions, ideas or even terms and concepts that are alien to poor people.⁴⁹ They may have a relatively benign image of the poor, a strong sense that such categories of people are 'deserving' and therefore need to be assisted, but they may also be quick to apportion blame, in particular citing 'laziness and a lack of innovation or hard work.'⁵⁰ This helps to explain why strong opposition to pilot social transfers for the chronically poor came from the elite.⁵¹

Negative attitudes towards government attempts to reduce poverty using social protection are exacerbated by the belief amongst some that previous national anti-poverty programmes have largely failed. There is also profound suspicion about the connection between politics and poverty, driven by the belief that the political elite only expresses concern about poor people when it suits their political or professional interests. This scepticism contributes to social protection being pushed even further down the list of priorities.

Capacity, institutions and management

Evaluations have questioned the competency, capacity and leadership of parts of the Ugandan Government to undertake social protection (MoGLSD, 2006; 2007), with the weaknesses impairing Uganda's ability to respond to risk and vulnerability. There are certainly deep obstacles to effective policy making and management of social protection programmes, driven partly by organisational and institutional bottlenecks. These include, for example, the weakening of Uganda's decentralisation process and the absence of a coordinating authority to see through cross-sectoral design and implementation. The government also has weak emergency preparedness, as shown by its inadequate response to the 2007 floods in northern and north eastern regions.

Institutional weaknesses mean that inadequate resources are allocated to capacity development and implementation, hampering delivery.

Looking to the future

Building consensus and policy coherence

As part of the Livingstone Call for Action in 2006, a recommendation was made for the introduction of social pensions and social transfers to a cross-section of vulnerable children, women and men, including older persons, people with disabilities, orphans and other

vulnerable children and many others who live in chronic poverty. African governments were asked to put together costed national social transfer plans within two to three years to be integrated within national development plans and budgets, which development partners can supplement, so that reliable long-term funding for social protection could be assured. This was backed by a request that investment was increased in institutional and human resource capacity and accountability systems. This regional resolve highlights the growing recognition of social protection as an important tool for addressing chronic and extreme poverty.

Soon after the Livingstone conference, efforts began in Uganda to build consensus on social protection with a series of workshops and dialogue meetings. Agreement was reached on key steps to move the agenda forward, including mobilising interest from different sector ministries, winning political support from Parliament and engaging with wider civil society. In late 2006, efforts were extended with the transformation of the then Ad Hoc Social Protection Task Force into a Sub-Committee of the Social Development Sector Working Group, with representation broadened to include a cross-section of CSOs, key sector ministries and representatives of development partners.

Meanwhile, a campaign was embarked on to create greater awareness and, through this, to build consensus among both CSOs and government departments and agencies. However, a host of factors still challenge consensus and buy-in, including the absence of a policy, a harmonised framework and a mechanism for coordinating and giving direction to existing and upcoming social protection instruments and processes. Limited long-term funding for a comprehensive programme and slow progress in enlisting the full support of the central Ministry of Finance, Planning and Economic Development (MFPED) as well as of the key sector ministries of health, education, agriculture and local government are important blockages. Some challenges have been weakened by the high priority given to social protection in the new NDP.

In the meantime, a comprehensive review of existing programmes might help in switching public expenditure from less effective poverty reduction programmes and in consolidating fragmented programmes (including donor-supported programmes). It should also lead to better-informed decisions on raising budget ceilings to create fiscal space for the social development sector, with a view to accommodating new funds for social protection. In addition, the review should lead to prioritisation of the social protection approach in the design and delivery of all key government programmes. Linked to this is the need to prioritise social protection policy, budget

and institutions and allocations and to improve the policymaking process, ensuring clarity in policy intent and practice.

Building a shared understanding of poverty, risk, vulnerability

The debates around social protection in Uganda illustrate that poverty and vulnerability are poorly understood by many – both the composite factors that make people vulnerable and drive them into poverty and those that enable them to escape. Discussions about vulnerability tend to focus on so-called ‘vulnerable groups’ rather than on the mechanisms embedded in our society, economy and polity that make people vulnerable. This avoids difficult discussions about how the way that we have constructed our world – which works very nicely for many of us – actively impoverishes others.

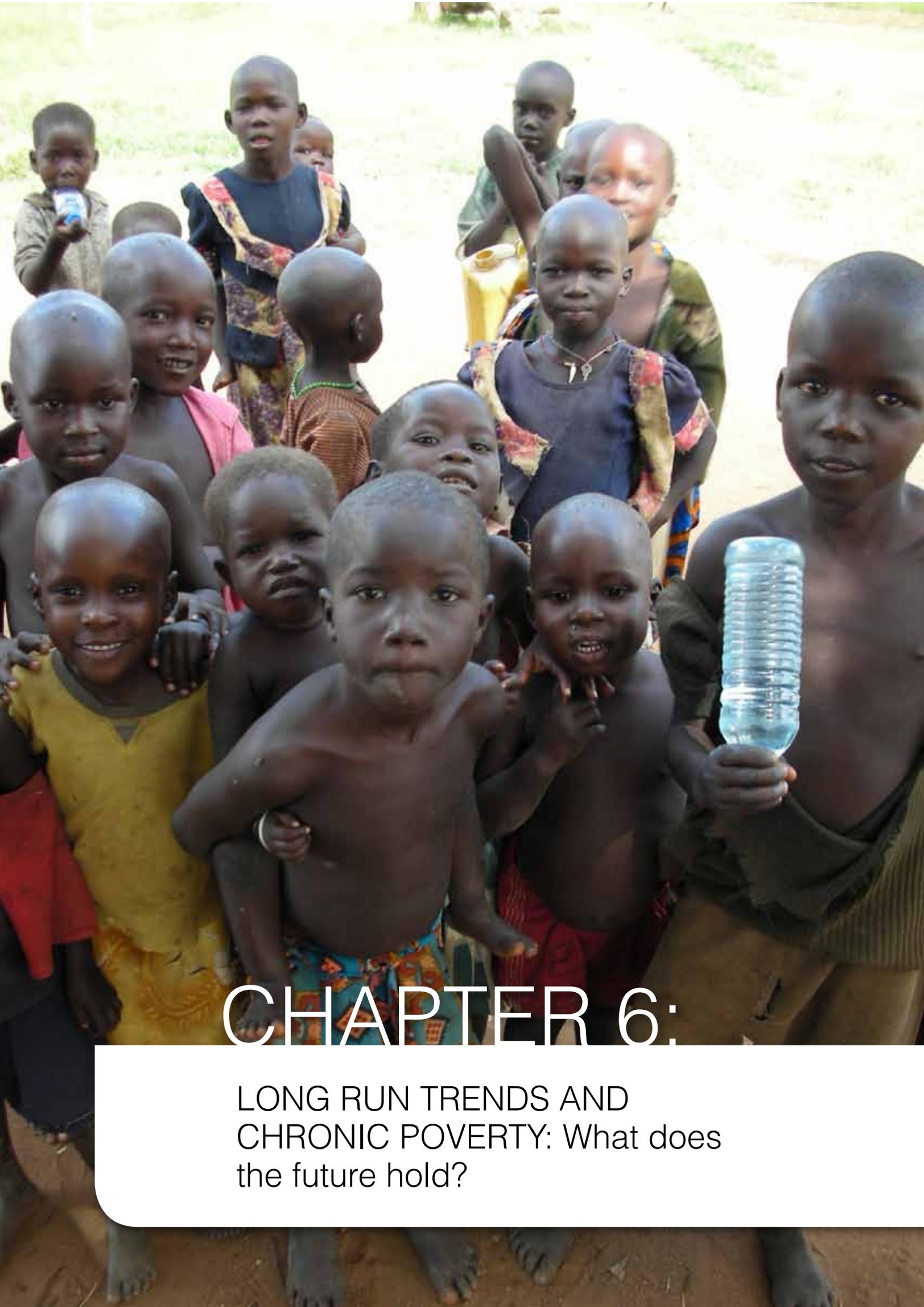
This suggests that more work is needed to communicate what we already know about poverty, vulnerability and inequality in Uganda. This needs to be communicated effectively to the general public, to policy elites and to ‘street level bureaucrats’ so that there is sufficient support for a new state-citizen contract around the rights of everyone to meet their basic needs and live a life of dignity. So, it is not enough to focus on the technical issues related to designing optimum social protection programmes and complementary interventions. What is also needed is to enable a debate which will ultimately build a consensus that social protection is a useful and necessary tool for addressing poverty, inequality and vulnerability in Uganda.

Innovating

Our knowledge of the poverty drivers and maintainers in Uganda (see Chapters 1 and 2) suggests that policy responses need to be sophisticated. They need to meet the needs of very different groups of people and respond to very different circumstances. This policy toolbox needs to include innovative social protection measures, including strengthening surviving informal solidarity mechanisms at family, clan and community levels, mutual health organisations and micro-insurance for the very poor, thus ensuring that policy innovation considers cultural context and builds on existing indigenous protection mechanisms. The new policy toolbox will need the coordination offered by a coherent overall policy framework which will maximise the synergies between social protection instruments and economic policies (including agricultural/smallholder policies, for instance).

Review and coordinate existing interventions

Identification and coordination of the organisations currently providing social protection to vulnerable groups (e.g. people affected by HIV/AIDS)⁵² is needed. A review would help to identify which delivery mechanisms are the most effective as well as the challenges and trade-offs faced. This should be coupled with a policy and programmatic review to assess effectiveness in addressing different types of risk and vulnerability. These activities could provide the foundation for a strategic alliance between the different providers to work together to deliver effective social protection.



CHAPTER 6:

LONG RUN TRENDS AND
CHRONIC POVERTY: What does
the future hold?

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LONG RUN TRENDS AND CHRONIC POVERTY: What does the future hold?

This chapter explores the way in which structural inequalities, population dynamics, climate change, and land degradation can drive and maintain chronic poverty. It identifies likely trends and indicates factors that may put pressure on poor people and on the economy, helping to identify the drivers of future poverty and chronic poverty. Focusing on these likely trends will help inform the necessary policies and programmatic design.

Structural inequalities

The Ugandan economy has been growing at an average of 7.0% per annum over the past two decades, and the poverty rate fell from 56% to 24.5% between 1992/93 and 2009/10. However, national inequality in consumption per capita (as measured by the Gini coefficient) increased from 0.37 to 0.43 during the same period. Uganda also

has strong regional inequalities as well as disparity between rural and urban areas. Inequality within urban areas is increasing in all regions of Uganda (Table 2). At high levels of inequality the relationship between economic growth and poverty reduction becomes weak. In other words, in an unequal society, growth cannot be relied upon to drive down poverty and other mechanisms need to be found instead. These will have to be carefully designed and implemented and will draw down on government budgets. In addition, unequal societies tend to be more conflict prone, have higher crime rates and greater levels of anomie or unhappiness (including amongst the wealthy)(Wilkinson & Pickett, 2009). In addition, inequality reduces poor people's participation in social and political development processes, limiting their access to basic social services and making it more likely that they will become trapped in chronic poverty (World Bank, 2003). Generating equitable and more inclusive growth is therefore crucial.

Table 2: Poverty and inequality by region and area of residence, 1992/93-2009/10

Residence	Region	1992/93				2009/10			
		Poverty			Inequality	Poverty			Inequality
		Headcount (P0)	Gap (P1)	Severity (P2)	Gini	Headcount (P0)	Gap (P1)	Severity (P2)	Gini
Rural	Central	54%	19%	9%	0.33	14%	3%	1%	0.41
	Eastern	61%	23%	11%	0.32	25%	6%	2%	0.30
	Northern	75%	31%	16%	0.34	49%	17%	8%	0.35
	Western	54%	19%	9%	0.31	23%	6%	2%	0.35
Urban	Kampala	14%	3%	1%	0.40	4%	1%	0%	0.43
	Central	33%	10%	4%	0.33	5%	1%	0%	0.45
	Eastern	40%	13%	6%	0.32	19%	3%	1%	0.39
	Northern	50%	19%	10%	0.37	20%	5%	2%	0.37
	Western	33%	9%	4%	0.35	4%	1%	0%	0.44

Sources: Fox (2009b) for 1992/93; UNHS 2009/10.

Population dynamics

The implications of population growth for services, employment and poverty

Uganda's population of around 30.6m is growing rapidly at 3.3% per year⁵³, which means the population is expected to double within 22 years. If the proportion of people living in poverty remains the same, this means that numbers living in poverty will double, too. The current

figures of around 7-8 million people living in poverty and around 4 million trapped in chronic poverty may increase further. Not only that, but with over half the population under 15, high dependency ratios have implications at the household level, with difficulties in meeting basic needs including nutrition, health and education. The young population also imposes pressure on public services, particularly health and education and means that the pattern of economic growth must support strong expansion in employment opportunities.

Table 3: Key population indicators for Uganda

	Total population, 2007	Rate of natural increase (2005-2010) (%)	Urban population, 2010 (%)	Child dependency ratio, 2010	Total fertility rate, 2006	GDP per capita, 2007 (\$)
Uganda	30.6	3.3	13.3	99.9	6.7	381
Avg. for medium HDI countries		1.3	41.1	44.3	2.6	1746
World		1.2	51.1	41.2	2.6	8257

Source: UNDP (2009).

On this last point we see that the labour force was projected to increase from 12 million in 2007 to about 16.4 million in 2017 (MFPED, 2009). However, employment growth is not keeping up, with an increase of only 0.14 percentage points for every 1 percentage point growth in GDP (ibid.). This suggests that Uganda will face crisis levels of un- and under-employment in the future.

Unemployment is worst amongst the youth (MFPED, 2009) and in urban areas (6.9%), especially Kampala (8.3%)(UNHS, 2006). Agriculture provides employment of last resort, tending to offer low returns and of the 75% of the population that are employed in agriculture, only 6% were paid (ibid.).

Settlement patterns and land fragmentation

High population growth contributes to land fragmentation, leading to the development of sub-marginal plots too small to generate a reasonable livelihood. This can drive farmers to 'mine' natural resources, abandoning fallow periods (which regenerate fertility), deforesting local woodlands to make charcoal and digging up soil and clay to make bricks to sell. These are drudgery intense livelihood activities and over the long term erode the productivity of the land, with implications for household food security and ability to cope with adversity.

Where land shortages are such that communities can no longer sub-divide the land they have, they can resort to encroaching on other land. This can place environmental pressure on marginal and fragile areas as people

encroach on previously uncultivated land. People relying on marginal land holdings are more vulnerable to harvest failure and poverty and can damage biodiversity and the sustainability of fragile ecologies. Land encroachment can contribute to conflict within and between families and communities.

In urban areas overcrowding increases pressure on housing, employment and services and can increase exposure to crime.

Migration

Poor people use migration as a coping strategy when their household is facing extreme hardship, or they identify opportunities to diversify the household livelihood portfolio and accumulate assets. The success of migration as a coping strategy depends on its causes and characteristics, combined with the relative opportunities at the place of destination compared with place of origin.

Uganda has seen substantial internal migration: by 2010, 24% of the population had lived in a different village to the one where they were born. This is a substantial increase on 1953-2003 when only around 1.5% had moved. Between 2006 and 2009 alone, internal flows increased from 13% to 28%⁵⁴, some of which was a result of internal displacement, driven by conflict and insecurity.

Poor people's limited ability to cope with negative events means that having to relocate due to a natural disaster can have particularly negative consequences, driving them into severe and chronic poverty (see Box 7 below).

Urbanisation

In 2012, Uganda's urban population stood at 15%, which is substantially below the 41.1% for other countries with a medium HDI (MFPED, 2012). However, the country is undergoing rapid urbanisation, driven by a combination of population increase and migration from rural areas. The better opportunities, local services and amenities that attract some rural migrants to towns can become over-subscribed by the population increase, causing standards to fall and exclusion to occur. Surplus labour may also lead to high structural under and unemployment, driving down wages.

Sudden population growth in towns can overstretch the resources of local authorities. This can lead to rapidly increasing disparities in the income and wellbeing of the population and segmentation of the city into safe and prosperous areas that have good services, and 'no-go' areas where living conditions are in rapid decline (UNDP, 2009). While urban poverty has declined in Uganda, inequality has increased (see Table 2, Annex 1). This suggests that addressing the new urban agenda is likely to require a new level of cooperation between a range of actors and across all tiers of government.

Climate change and chronic poverty

Recent evidence suggests that climate change is increasing susceptibility to floods, drought and changes in seasonal rainfall patterns (IPCC, 2013). The East African region on the whole has seen a warming trend of about 0.5°C per decade since the 1960s, making it wetter on average by 10% to 20% over the past 100 years (DFID, 2008).

As climate change has become more established, the frequency of climate-related disasters has increased and their amplitude globally has grown, with implications for productivity, resilience of the natural environment and infrastructure. They can lead to long-term effects on economic growth and social development and necessitate post-disaster reconstruction.

Climate change is already having real effects in Uganda, with increasing numbers of adverse climate events including periods of extreme heat, droughts and floods as well as the late arrival of rains in some parts of the country. Regular flooding now affects districts in the Eastern region; the Rwenzori Mountain's ice cap is rapidly melting and will have disappeared in 40 years due to rising temperatures (the glaciers on the mountains are likely to have disappeared in 20 years time); recent land/mud slides in Buduuda, Mbale and Sironko in Eastern Uganda; and there have been recent fluctuations in

the water level of Lake Victoria (NEMA, 2008). Extreme weather events can cause direct damage to agriculture, people's property, lives, livelihoods and infrastructure.

Poor people are the most vulnerable to the adverse effects of climate change because of their fragile resilience and limited ability to adapt. Their dependence on natural resources and their limited capacity to adapt is heightened by weak national systems⁵⁵, and many people who are currently vulnerable or transitorily poor are at risk of being pushed into chronic poverty.

The sections that follow highlight some of the mechanisms through which climate change can drive chronic poverty.

Box 7: Are victims of natural calamities a homogeneous group?

During the seasonal floods that affect Bwaise in Kampala, some residents decamp to short-term residential settlements outside Bwaise for two to three months a year. Most affected are those engaged in petty business along the road, but the predictability of the floods and the mobile nature of their trade lessen potential income and property losses.

Residents of rural Eastern Uganda, who face the same annual flood episodes, report completely different experiences. They rely heavily on agriculture, and the floods result in severe crop losses, with implications for household income and food security. Employment opportunities for daily labourers are badly affected, driving them directly into income poverty. Loss of property in the course of the floods further compounds poverty. Crop failure and unemployment are indicative of stress levels and inability to cope, with the ability to switch to other livelihood activities limited by a lack of skills and local opportunities. Many young people identified migration to towns as the immediate solution, despite its selectivity. Those left behind are highly susceptible to disease (owing to exposure to floodwater and reduced access to safe drinking water) and malnutrition (stunting, wasting), especially in children, leaving them even more vulnerable to other forms of ill-health. Road networks are often completely destroyed, compounding the remoteness and geographical isolation of affected areas. Marketing of farm produce becomes harder, further threatening household incomes and survival.

The destruction of schools affects access to education, and resumption of schooling becomes reliant on infrastructural rehabilitation, which in turn depends on local government budgets. Enrolling in private education depends on availability and affordability. Poor education affects life-long earnings, with implications for the children to grow up to be poor adults. Similarly, health centres are often ruined and access to them reduced, with negative impacts on morbidity and mortality.

For the landslide victims of Buduuda and the mudslide victims of Sironko and Mbale, the complete destruction of their communities meant that they had to be evacuated to temporary camps, while new housing was arranged. The ability of poor communities to cope with such widespread destruction, along with losses of family members drove many into severe and chronic poverty.

The impact that climate change will have on Uganda in the future depends not only on the climate phenomena themselves but also on the ability of households and communities to cope and the mitigation and response measures put in place by government. A household's ability to cope with a negative event (or a negative trend) that affects will depend on their income level, their asset holdings (including human capital assets), the diversity of their livelihood options and their entitlements (including their ability to draw on social protection). This suggests not just that national social protection policies need to allow for climate change planning but also that other policies and programmes need to explore what can be done to strengthen household and community level resilience.

Assets and resilience

Poor people tend to live in poorly constructed homes, often in communities exposed to environmental hazards such as floods, landslides or droughts and/or in areas lacking basic health services or infrastructure (Bailey, 2009). Poor people also have fewer assets to use and/or sell to cope in the aftermath of an environmental or natural disaster. Climate events can result in irreversible losses of human and physical capital and may cause poverty traps. Where economic diversification is low, income opportunities and hence, options for developing alternative livelihoods in response to climatic changes may be limited. It is therefore important to investigate the actual impact of adverse climatic events on household property and asset bases and the degree to which this renders people victims to chronic poverty.

Agriculture and food prices

Uganda's economy is largely agricultural, meaning that the wellbeing of over 75% of the population is closely tied to the climate. Uganda's climate is naturally variable with fluctuations in rainfall greatly affecting cash and food crop productivity. Robusta coffee is Uganda's primary export crop, however it is highly sensitive to higher temperatures and excessive rain, which reduces flowering and leads to lower yields and affects the drying of beans. Pests and mould affect both production and quality, with impacts on livelihoods. Floods that initially started in one district of Eastern Uganda in 2006-2007 have now recurred in districts across all regions of Uganda, resulting in crop destruction. (ref?). Melt waters from the melting ice caps of the Rwenzori Mountain flow into River Semiliki and this has affected the mountain's vegetation and biodiversity, leading to erosion, silting and degradation of the vegetation. Environmentalists confirm that weather

patterns in the Rwenzori area will have grave impacts on agriculture (Oxfam 2013).

We need to know what the impact of climate volatility on agricultural productivity will be for different socioeconomic groups (Ahmed et al., 2009). Reduced productivity may be outweighed by the increased market value of agricultural goods, due to shortage. However, this will only be of benefit to net producers (farmers who sell more onto the market than they buy from it). For poor households reduced outputs may well mean less food to eat or lower income, with implications for health and well-being, particularly of children. For instance, the floods of 2007 that affected the Eastern and parts of the Northern region resulted in 65% of the population losing 90% of their crops, which further deepened food insecurity (Oxfam, 2008).

There are also implications for urban households, which depend largely on markets for their food requirements. Food is a major expenditure for this group and, as food prices rise, they may need to reduce consumption or switch to 'inferior goods', pushing many households below the poverty line. The 2007/08 food price shock that affected Uganda cut the purchasing power of households living at the poverty line by 10-15%, and those living below the poverty line by even more (Fox, 2009a). In addition, the shock increased urban poverty by up to 3.6% on the 2005/06 estimates, and increased the depth of poverty to levels worse than those observed in 2002/03 by about 25%. These price changes drove around 700,000 urban households who had been just above the poverty line into poverty, as well as causing poor households to fall deeper into poverty (ibid.). Documenting the coping strategies that were used by these households would support the development of evidence-based policy and programming.

Food security

Droughts and associated periods of food insecurity result in severe malnutrition of children. A longitudinal study in Zimbabwe following up on the severe drought of the early 1980s found that those who survived were stunted, translating into lower schooling achievements, inferior adult health and an estimated 14% reduction in lifetime earnings, which thus contributed to the deepening of intergenerational poverty (Alderman et al., 2006: 450-474). In the Karamoja sub-region of Uganda, dry conditions experienced in 2008 – as a consequence of three consecutive below normal rainy seasons – resulted in poor harvests, which rendered over 95% of the population food-insecure (EPRC, 2009). Meanwhile, about 800-900 Karimojong malnourished children are admitted to Moroto Hospital every month (IPCC, 2013)

Water availability

Water security implies availability of an acceptable quantity and quality of water for health, livelihoods and production. However, climate change is projected to worsen existing water scarcity in many water-scarce regions, particularly in the subtropics, owing to increased frequency of droughts, increased evaporation and changes in rainfall patterns and run-off (World Bank, 2012). Over half of the world's population is thought to depend on groundwater for everyday use, such as drinking, cooking and hygiene. Across the developing world, this accounts for between 20% and 40% of total water use (Alavian et al., 2009). Water scarcity during periods of drought, especially for the already water-scarce regions of Uganda like Karamoja, breeds water insecurity.

Climate change will make the collection of water, fuel and fodder more difficult, increasing the work of those responsible – generally women. Also, as crop yields decline and natural resources become more scarce, women's workloads are likely to increase in other ways too, jeopardising their chances of working outside the home or attending school.

Freshwater ecosystems are essential components of the environment. Direct impacts of reduced rainfall and increased temperatures include lower flows in rivers and levels of water tables, along with higher temperatures in rivers and lakes. One of the indirect impacts on poor people is seen through effect on the productivity of ecosystems. For example, survival of fisher folk will be threatened, with the magnitude of the shock suffered depending on the duration and multidimensional nature of poverty within this group.

Health status of people

It is likely that climate change will have both direct and indirect adverse effects on human health. Mortality and morbidity rates are likely to increase owing to prolonged heat waves coupled with humidity, particularly among the urban poor and the elderly. Flooding, landslides and storms are likely to increase the numbers of disaster-related deaths. Changes in temperature and rainfall may alter the geographic range of vector-borne diseases such as malaria and dengue fever, with women and young and unborn children more vulnerable to malaria. The frequency and severity of malaria epidemics in East Africa appear to have increased along with the increased frequency, magnitude and persistence of the El Niño phenomenon over the past 20-30 years (McMichael et al., 1996). Similarly, frequent outbreaks of cholera in flood-affected zones and their claim on lives, especially in urban and densely populated settlements, cannot be

ignored. Climate change-induced droughts, flooding and other extreme weather events degrade and reduce water supplies and increase water-associated diseases such as cholera and diarrhoea, particularly in areas with inadequate sanitary infrastructure. Inadequate access to safe drinking water and sanitation combined with poor hygiene practices are major causes of ill-health and life-threatening diseases, especially among children, thus compounding poverty levels. (see Figure 5, Annex 1)

Figure 5 (Annex 1) shows the distribution of the population suffering illness in Uganda by residence (rural/urban) and region. Incidence of disease increased in all places between 2005/06 and 2009/10, with proportions higher for rural than urban areas, although the rate of increase was higher in urban settlements. The Eastern region reported a higher proportion suffering illness (approximately half), followed by the Central and Northern regions. Malaria was reported the most prevalent illness in the two time periods (56% in 2006 and 52% in 2009/10) for both young and old.

Migration and urbanisation

Environmental stress is a known contributor to rural–urban migration and urbanisation processes in Africa (Hope and Lekorwe, 1999). Barrios et al. (2006: 357-371) indicate that climate change is an important determinant of rural–urban migration, demonstrating that declining rainfall, for example, results in low capacity of soils to retain moisture so reducing the fertility of agricultural land. This in turn affects the livelihoods of rural residents and pushes them to migrate to urban areas. The extent to which climate change has affected rural–urban migration in Uganda is not known, though, and comprehensive analysis needs to be carried out to cast more light on this issue.

Land degradation⁵⁶

Poverty is viewed as both a cause of land degradation and a result of people living in fragile and ecologically vulnerable environments (Scott, 2006). Land degradation not only affects the livelihoods of current, but also future generations. With over 70% of the population in Uganda relying on the land, its degradation can intensify the intergenerational transmission of poverty. Deininger and Okidi (2001) identify land degradation as a major cause of stagnating agricultural production in Uganda, and partially responsible for the low incomes of rural communities.

Severe land degradation affects over 25% of agricultural land in Uganda, with prevalence varying by region and district. It is a serious problem in the highland areas

of Kisoro, Kabale, Kapchorwa and Mbale (NEMA, 2002). Soil erosion and nutrient depletion driven by desertification and deforestation⁵⁷ are important drivers of chronic poverty and need to be addressed if Uganda is to eradicate poverty.

Meanwhile, poorly managed agricultural intensification can result in resource mining and the intensification of soil degradation and water pollution while yields continue to fall. In the 1980s, the rate of soil fertility depletion in Uganda was estimated to be among the highest in sub-Saharan Africa, with an annual rate of total nutrient depletion of 70kg of nitrogen, phosphorous and potassium per hectare (Wortmann and Kaizzi, 1998). It is not clear whether depletion has continued at this rate, and if so what its impact has been on household livelihoods. Encroachment of agriculture into mountainous and swampy areas is resulting in reduced biodiversity, the loss of tree cover, overgrazing and over-cultivation with immediate implications for communities as these fragile ecologies become less able to support sustainable livelihoods.

Poor people are unable to apply the additional labour or investment necessary to improve natural resource management or boost productivity. They are also not able to compete for high-productivity land, and often occupy (or encroach onto) marginal areas, intensifying land degradation.

Evidence based interventions are urgently needed to mitigate land degradation and reduce its impact.

Conclusion

This chapter has explored a number of long run trends and emerging challenges or opportunities and discussed how they might impact on chronic poverty. It has shown that chronic poverty is a living debate in Uganda, and well-established and functional institutions are needed that can cope with on-going socioeconomic, environmental and population dynamics.

Research and innovations for appropriate service delivery, combined with policies that link human activities with natural processes, can help sustain vulnerable ecosystems while enhancing productivity to support growing populations. Community-based early warning systems need to be developed, supported by new technologies that enable effective water harvesting systems; advice on better farming and grazing practices, including the introduction of drought-resistant crops to sustain rural livelihoods; extensive lessons drawing on local knowledge of the diverse and multidimensional nature of poverty; and innovative programming that targets those in most need of inclusive and more equitable growth.





CHAPTER 7:

IS ANYBODY LISTENING? The battle against chronic poverty in Uganda has yet to start

CHAPTER 7:**IS ANYBODY LISTENING?**
The battle against chronic poverty in Uganda has yet to start

The 2005 Chronic Poverty Report identified measures under each of the PEAP's structural areas or 'pillars' needed to address chronic poverty in Uganda and prioritised them. It is useful to return to that agenda now to ask the following questions:

1. Have Uganda's poverty eradication policies been in line with the agenda suggested for tackling chronic poverty?
2. If so, to what extent have the measures been successful?
3. Does the policy agenda need to be updated and, if so, how?

The first pillar: 'sustainable growth in the incomes of the poor'

The 2005 Chronic Poverty Report highlighted the danger that growth can bypass remote areas, unless regional differences and remoteness are taken into consideration. Stimulating pro-poor growth was identified as requiring better analysis and a better understanding of the link between growth and poverty eradication. In which sectors would growth have most impact on poverty? The report called for mainstreaming chronic poverty analysis in all economic policymaking, building on the opportunities created by decentralisation and by the commitment to poverty reduction evident in the sizeable poverty alleviation funds transferred by central government to every district.

What does the evidence say about progress made or new challenges? The case study of Kalangala (Chapter 3) shows the continued relevance of the warnings: growth can bypass remote areas and, unless it is designed specifically to help the chronically poor, disappointment is likely. How traders are being forced to move away from remote islands shows that, in a free market, investment is attracted to the most profitable areas and not to where it is needed most. Governments can ensure equitable

growth in one of three ways: they can return to directing and controlling economic activity, although this makes it difficult to unleash the energies of the private sector; they can use grants and subsidies to encourage growth in priority sectors and geographical areas, which will include many poor people; or they can provide the conditions for profitability in those sectors and areas where growth is most needed. However, parallel forces can exclude those who are socially and economically remote, as the case of the large government-backed vegetable oil production project in Chapter 3 showed. A policy which takes a profitable programme as its sole objective may be needed and may be a good thing, but it will not necessarily help reduce poverty.

Furthermore, the poor's testimony that the project was marginalising them even further, by effectively expropriating transport infrastructure as its own, is a powerful illustration that the private sector's motive is to make profit. Governments do not have to control economic activity for growth to be broadly beneficial, but they cannot abdicate all responsibility either. They are responsible for setting the ground rules of economic activity and also for ensuring that the rules and laws of the country are respected and that economic power is not allowed to trample on the rights of the less powerful. The absence of any political will to enforce regulation of alcohol can be seen as an example of a failure to ensure private business operates within rules and a framework that serve wider society (Chapter 3). Some of the complexities of developing a pro-poor alcohol policy are mentioned below.

Governments also have a more subtle responsibility, to shape a national culture where corporate social responsibility is the norm and where failure to act ethically is so shameful it is bad for business – where a large company cannot treat the local poor in a remote area with disrespect. Every day, scenes of exploitation play out across the country. These are a testimony of the failure of the state to set rules and to provide oversight to ensure the respect of the rights of citizens, including the right to a life free from poverty. Providing an enabling

environment for the private sector to play its role as an engine of growth does not mean enabling just profit-making. It is also the government's role to enable private sector growth to eradicate chronic poverty and ensure regional equity.

The second pillar: enhancing incomes and assets

Key policy areas were – and remain – increasing the productivity and profitability of agriculture ('modernisation'); securing land rights for all; employment creation and more effective implementation of a minimum wage; and supporting the poor to benefit from the economy through access to markets and capital. The 2005 Chronic Poverty Report highlighted a fear that targeting the Plan for Modernisation of Agriculture (PMA) at 'the active poor' meant reinforcing a preconception that the chronically poor were in some way 'inactive' – i.e. the architects of their own situation – and that it would simply serve as a way to avoid the difficult work of helping the rural poor increase their income levels. The report thus stressed the need to ensure that agricultural development – and more diversified rural economic development – did not bypass the chronically poor, and that strategies were devised to ensure that three key prerequisites of rural economic production – land rights, capital/credit and knowledge – were made available to the chronically poor.

This report confirms the fears of the first report. In fact, the evidence goes much further and gives rise to even more worry than was expressed then. Chapter 4 shows that interventions supposed to target the active poor in fact have done little to help this group either, let alone the chronically poor. The chronically poor were excluded in the design of programmes such as NAADS, just as they were from grants supposed to go to the 'vulnerable' in NUSAF – because the criteria for application and for selecting beneficiaries made it all but impossible for them to get help. Even the active poor have largely failed to benefit because of the manner of implementing these programmes.

An increasingly obvious feature of poverty reduction programmes has been a concentration on resource flows and resource or asset transfers, rather than on trying to change the structural conditions that have created poverty. Agricultural extension is less and less about knowledge and more and more about handing out seeds and animals. Supporting the growth of financial services for the poor becomes synonymous with a government handing out envelopes of cash. Supporting asset creation in economically disadvantaged areas comes to mean handing over large sums of money to a few individuals or groups for their own private business. Such a development is hardly surprising, and its motivation is

clear: a populist 'quick fix' becomes irresistible when it also gives huge power to those who direct the flow of resources. Politicians and civil servants alike benefit, since budgets can be used both for political patronage and to advance political power, and also for personal gain through diversion or favouritism in awarding contracts. In a political culture where citizens have long since given up on believing they have rights and instead are grateful for any 'charity' they receive from their leaders, these funds are seen as being free money – any tiny benefit that can be extracted is better than nothing. Chapter 4 also shows how this state of affairs has been furthered by decentralisation, one of the very measures believed to be a force for ensuring responsible and accountable governance.

The third pillar: promoting security and conflict resolution

Conflict has played a huge role over the decades in driving and maintaining poverty in Uganda. The 2005 Chronic Poverty Report saw the need to think beyond ending the civil war, then still affecting parts of the north of the country, or even the ending of insecurity more broadly, such as continues to exist in the northeast. It was noted that, beyond the existence of localised conflicts, many people in Uganda fear for their personal safety and suffer physical insecurity. It was also recognised that sustainable security can come only with greater social harmony and the restoration of social contracts at both local and national level. This needed the regional equity, improved service delivery and a revitalised social infrastructure.

On a macro scale, there have been tremendous improvements in security in most of the north of Uganda since 2005. Although there has been no final peace agreement, LRA activity has moved away from Uganda and most of the displaced have moved home or homewards. The birth of a new independent Republic of South Sudan, along with huge inflows of cash into its economy, has also stimulated trade and economic activity in the region. As Chapter 2 shows, this has had some impact on the lives of the chronically poor.

However, the picture is not clear enough to be too optimistic. The two-decade war means there are many people who are poor who would otherwise have been doing well. Now the war has ended, these people have the chance to re-establish themselves and slowly move out of poverty (at least out of extreme poverty). The post-conflict bounce back is likely to parallel developments that occurred in the south and west of the country in the early 1990s, with rapid improvements, followed by slower progress. However, conflict has seen the erosion of assets and a whole generation have struggled to

access education and health services and are likely to be negatively affected for life. Others have lost land and other assets as well as members of their families. The Northern Uganda Conflict Analysis 2012-2013 Report shows that despite a low risk of large scale political violence, unchecked conflict drivers such as land disputes, marginalisation, gender based violence and derisory transitional justice could cause the region to revert to violence. Government policy is not addressing the real and persistent problem of chronic poverty in the region. Expecting a social action fund approach to tackle chronic poverty is unrealistic and ignores the real nature of the chronic poverty. Governance in war-affected areas has not improved since the end of the active conflict, and indeed there has probably been an increase in corruption and the naked intimidation of citizens in the grab for new wealth – fertile land, oil, development aid money – which is rapidly leading to greater inequality. Where those who benefit from the peace are perceived not to be those who ever suffered from the war, it is hard to see how national reconciliation and sustainable peace will be built. Resource flows remain concentrated in projects and grants, with little sign of what the chronically poor really need – transparent and equitable resource flows for proper state services that meet their needs.

At a micro level, the impact of social breakdown is being seen in the area, most notably in rampant land conflicts, which are supposed to be regulated by social (clan) structures. There is little evidence that actors are taking seriously the need to rebuild these structures and, with them, a new community social contract.

The lack of political will to address social reconstruction and social wellbeing across Uganda is seen most clearly in Chapter 3's study of alcohol, precisely because alcohol is neither a politicised problem nor an area where there are major vested interests or corruption. Social breakdown is both a cause and an effect of alcohol dependence. Chronic poverty cannot be eradicated without tackling problem drinking, because of its direct role in creating household poverty (loss of income, excessive expenditure) and its indirect role in maintaining people in poverty, even through the next generation (erosion of services, children unable to study, child abuse and early pregnancy).

And yet no-one (government, NGOs) is taking the problem seriously and, until it becomes a matter of public policy, chronic poverty and the abuse of children's rights will continue. In fact, addressing alcohol dependence is a very complex issue, with simple, centralised measures, such as taxing the formal sector or regulating the informal sector, unlikely to succeed. Increasing taxation would not solve the biggest part of the problem, which lies in the informal sector; regulating the informal production and sale of alcohol would increase barriers to entry to what

is a relatively accessible trade, and thereby undermine a major source of income for many poor women. However, the first step is to take problem drinking on board as a serious social problem, and not simply to condemn individuals as drunkards and then write them off.

The fourth pillar: governance and inclusion

This is not the place to discuss governance in Uganda: the problems are well-known and widely recognised as getting worse at both central and local level. The 2005 Chronic Poverty Report called for a proactive approach to supporting and strengthening the community effectiveness of the chronically poor, empowering them to work together not just to access services and support but also to understand and use the law and other state provisions. The need for a proactive approach was recommended to bring the chronically poor into decision-making processes, by actively seeking their views.

This second report highlights that this is still just as much of a need in 2010: the problems identified then remain firmly entrenched. Chapter 3 shows how disabled people are marginalised from something as necessary and simple as HIV/AIDS services, not through a lack of resources nor because of a lack of a technical solution, but through simple prejudices that mean civil servants do not see the need to engage with service users as equal human beings. The specific results of exclusion from services may not have been obvious but the overall result was eminently predictable – that people are made to feel marginalised, unwanted and hence unwilling to use the services that should be theirs by right.

There are echoes of this theme throughout the report. Remoteness is a matter of geography, but the isolation that results is not: it is the result of the same lack of interest in proactively reaching out to people with appropriate infrastructure and functioning services. People are not complaining because they do not have perfect urban-quality facilities on remote islands – everyone appreciates the state's resource constraints. What causes them problems is when their remoteness is not considered, when policies ignore their realities, when staff paid to serve them are allowed to abandon them.

Those suffering from alcohol abuse – the drinkers themselves, their families and their children – find that everyone knows the problem but no-one comes to ask them what could be done about it. The example of the district that sacked many teachers for being drunk and absent is all too rare, but is a reminder of how accountability is supposed to work, and how services can be improved today in Uganda.

How different are any of these situations from the way the

state has shown so little interest in helping the chronically poor from benefiting from development resources such as NAADS, NUSAF or Bonna Baggaggawale. As Chapter 4 argues, the problem starts with the designers of the interventions not trying to understand the chronically poor, continues with those implementing not being interested in reaching the poor and goes all the way to those responsible for management not being interested in holding anyone to account for reaching the chronically poor.

The fifth pillar: social protection and human development

More progress has been evident on the fifth pillar of the PEAP, as a main advocacy area in recent years for many working on chronic poverty across the world. Several countries in Africa are beginning to experiment with the kind of social protection seen in Brazil and South Africa, for example cash grants from the state for those with specific needs (child allowances, old-age pensions, unemployment benefits). Uganda has already rolled out its own pilot, and there are many who hope its success will lead to it being rolled out nationwide on a permanent basis. However, the pilot is currently still seen in some quarters as a donor project; although previous opposition to the scheme has certainly reduced, it is not yet clear to what extent the government will take over full ownership. This will be as important as the actual cash transfer, because it will mark a huge transformation in the political culture of the country. Making any such social protection scheme truly national and a statutory right will entail public acknowledgement that the state is the ultimate duty bearer of the fundamental human right of all to live in basic human dignity.

Cash transfers are only one form of social protection. This report gives little evidence that a social protection agenda has been internalised in political thinking; a look at any newspaper in the country will give rise to the same feeling. Although much political noise has been made about illegal evictions of lawful occupants from mailo land,⁵⁸ a concerted approach to prevent land grabbing remains elusive, with the police, courts and land administration institutions all paralysed, waiting for the political leadership to address the problem in any other than a piecemeal and ad hoc way. Child abuse is among the most commonly reported crimes – despite the fact that most cases remain unreported – and again, the country awaits a concerted response to child protection. There is a similar lack of protection for the victims of alcohol abuse.

This all parallels the way in which human development has been treated over the past decade or more. The flagship human development policy was UPE, which

was trumpeted as a great political step forward. The government needs some credit here: it initiated UPE and has invested hugely in it. However, the reality of implementation has been disappointing. A true political commitment to ensuring human development, i.e. to ensuring that the children of even the chronically poor actually get an education that will offer them a life chance, has not yet been seen. The result is that few children have benefited in any meaningful way – the increase in the proportion of children who complete primary education successfully is hardly significant. A conspiracy of silence surrounds the massive dropout and failure rates, with international agencies and the government alike quoting figures that show how all children enrol but not mentioning that a majority have disappeared before they are even functionally literate. Several chapters in this report touch on the factors behind this.

Meanwhile, as in health services in Kalangala, staff do not bother to work and local government does not care; too many teachers are drunk and too little action is taken; sexual exploitation of children by teachers is going unaddressed; corruption exists in resource transfers; and, underlying it all, the chronically poor are unable to get involved in decision making or to hold anyone to account. This problem had already been identified before 2005, including by local government officials themselves:

'Government officials propose that poverty reduction programmes adopt a holistic approach, away from the current sectoral focus, with specially targeted programmes for chronically poor people. They also suggest that general poverty reduction programmes be monitored to ensure that chronically poor people actually benefit' (CPRC/DRT, 2005).

Conclusions

Millions of Ugandans remain in chronic poverty, unable to meet their basic needs. Millions of children grow up malnourished, condemned never to reach their full physical or mental potential. They are likely to grow up to be poor adults. This does not have to be so: resources to tackle the problems are available. Chronic poverty continues because there is inadequate political will to do anything about it.

The chapters in this report do not just highlight specific technical weaknesses in the design of interventions or policies to address poverty. Again and again, they reveal that no-one has taken responsibility for poverty, no-one has been held accountable for it and no-one has held those responsible to account. This report cannot give any new insights into the successes and failures of measures

to tackle chronic poverty because so little has been done seriously to tackle it. Projects and services have been designed, but not managed in a way that makes their impact on the chronically poor anything other than an incidental occurrence. Until this situation changes, and there is serious political will to address chronic poverty, there will be little new to report. Specific recommendations are easy to make but will remain fundamentally irrelevant until the core of the problem changes: does Uganda really believe that chronic poverty is something that should not exist?

The 2010/11-2014/15 NDP takes a new approach to Uganda's problems. It embodies greater national and political control over the policy agenda and focuses on increasing economic productivity and structural transformation. There should be opportunities for the chronically poor in this approach. In human development, for example, it emphasizes secondary and higher education, and gives significant weight to vocational and skills training. These investments would increase the incentives to stay in school, although the prevalence of child labour indicates that there are also pressures to stay out of school in poor households, which would need to be addressed through social protection and possibly scholarships for poor households. In agriculture, the emphasis has shifted to high-value sectors, but these can provide useful wage labour opportunities to supplement the reliance of poor households on small-scale agriculture. Note, though, that, if the jobs created are to be 'decent' – to pay above a subsistence minimum and become less insecure – other measures to tighten the wage labour market will be critical. These include education to keep children in school and out of the labour market and better educational chances for girls and women in particular, enabling them more choice over the number of children they have. The NDP commits Uganda to a minimum wage – this will become a critical area of policy.

The long-held aim of the PEAPs of reducing poverty to 10% by 2017 has been replaced in the NDP with Uganda becoming a middle-income country (MIC) by the same date. The latter is a laudable objective, and should not be incompatible with reducing poverty to 10%. There are MICs that have done it (Box 8). To achieve this, serious renewed attention needs to be given to how the poorest are to be included in the new transformed Ugandan society. If the strategy is successful, it will at least create a substantially greater revenue flow with which to address poverty and deprivation, alongside building the infrastructure and institutions for the new economy. If the right sort of growth occurs, especially in agriculture, in the small and medium enterprises of the non-farm and urban economies and in isolated areas as they are joined up through infrastructure investments, it will also generate opportunities for the poorest. A

national social transfer programme would certainly help poor households to manage the high levels of risks they face, and to participate more effectively. This is a practical entry point for a more inclusive transformation, as transfers are used to improve household asset bases and capabilities. Currently, it does not feature in the NDP.

Box 8. Lessons from Middle Income Countries that have addressed chronic poverty

A recent policy guide examines the evidence on chronic poverty in MICs, identifies countries which have been most successful at addressing it, and analyses how this has come about, and the policy inputs in each case. Some successful countries, largely Asian Communist, have pursued rapid, pro-market as well as pro-poor growth strategies combined with strong early investments in education, land reform and smallholder agriculture. They came to health and social protection investments later. Other, largely leftist Latin American democracies have pursued redistributionist social policies, the synergies among which have helped tackle chronic poverty. A final group of 'third/middle way' countries have pursued both growth and broad social development simultaneously, under a variety of political regimes from populist (Thailand), to democratically elected (Cape Verde), to effectively a one party state (Tunisia). Lower MICs and LICs cannot simply choose which path to take – the pre-conditions for both the high growth and the redistributionist models are quite special. It is likely that most will have to adopt the 'third way', though versions of the leftist approach may be feasible in Latin America, and in other more mature democracies characterised by deep social movements.

The policy guide offers advice to policy makers on promoting pro-poorest economic development, through an emphasis on getting growth to deliver quality as well as adequate quantities of employment; maintaining a strong policy environment for agriculture; and addressing regional inequality where this is prominent. An integrated approach to human development (here taken as education, health and social protection) produces powerful synergies for addressing chronic poverty. In education there is need to focus policy and investment on the poorest households benefiting from pre- and post-primary education and links to the labour market; in health attempts to reach universal coverage need to include special efforts to reach the hardest to reach. Social protection helps create demand for both services among people who would otherwise be easily discouraged, as well as reducing chronically poor people's vulnerability.

Political and governance regimes play a substantial role in determining outcomes. Institutional capacities need to be strong both to achieve the integration within social policy as well as the inclusive thrust of policies and programmes. However, there are also smart institutional arrangements which can make up for weaknesses, and certain administrative strengths – in social protection, local justice and local administration, are probably essential to tackle chronic poverty, since these are basic services close to the chronically poor. Civil society organisations can play a strong role in 'getting to zero' – providing services to the hard to reach and also developing alliances with state actors to develop reforms on difficult social and cultural issues which stand in the way of eradicating extreme poverty.

Source: Chronic Poverty Advisory Network (2013) Addressing Chronic Poverty in Middle Income Countries: Getting Close to Zero, CPAN Policy Guide 5

Beyond social protection, as this and the previous Chronic Poverty Report demonstrate, there are other policy agenda that will need to be treated seriously if transformation is to be inclusive – issues of security of land tenure, including for women; greater public expenditure in agriculture-related investments; investments to increase job-rich and pro-poor economic growth and appropriate infrastructure development. And issues and problems related to escaping poverty vary regionally (Krishna, 2006): decentralised structures will need to have the power and capacity to develop appropriate approaches and to modify central prescriptions. However, not all of this can be expected to occur at the same time: a national social protection programme is a good starting point.

Annexes

Annex 1: Tables and statistics

Table 1: Poverty estimates, %

	Poverty headcount (P0)			Poverty gap (P1)			Severity of poverty (P2)		
	2005/6	2009/10	T-test	2005/6	2009/10	T-test	2005/6	2009/10	T-test
Panel A – Household level:									
All	25.1	20.5	-2.45	6.8	5.8	-1.49	2.7	2.4	-0.77
Rural	29.2	23.5	-2.56	8.0	6.7	-1.58	3.1	2.7	-0.88
Urban	6.5	6.7	0.14	1.6	1.8	0.33	0.7	0.8	0.62
Kampala	1.9	1.0	-0.67	0.3	0.3	-0.64	0.3	0.1	-0.83
Central	16.5	11.6	-1.61	4.1	3.1	-1.05	1.4	1.4	-0.09
Eastern	33.0	22.5	-3.54	8.0	5.6	-2.60	2.8	2.1	-1.62
Northern	48.9	38.2	-2.20	16.3	12.5	-1.67	7.3	5.5	-1.37
Western	17.0	21.0	1.18	3.8	5.6	1.53	1.2	2.2	1.66
Panel B - Individual level:									
All	28.5	23.9	-2.20	7.9	6.8	-1.36	3.1	2.8	-0.70
Rural	32.4	26.7	-2.39	9.0	7.6	-1.50	3.6	3.2	-0.85
Urban	8.7	9.3	0.26	2.2	2.5	0.38	0.9	1.1	0.64
Kampala	3.2	2.39	-0.40	0.9	0.6	-0.34	0.5	0.2	-0.67
Central	19.2	13.7	-1.51	4.6	4.2	-0.38	1.6	1.9	0.61
Eastern	37.4	24.4	-3.88	9.2	5.6	-3.35	3.3	2.0	-2.36
Northern	52.7	43.8	-1.79	18.1	14.6	-1.40	8.2	6.5	-1.13
Western	19.0	24.9	1.48	4.5	6.6	1.48	1.6	2.6	1.53

Notes: Analysis based on 2,563 households covered in both waves.

Table 2: Poverty trajectory by location, %

	Poverty Trajectory				
	Chronic	Moved out	Slipped into	Never poor	All
Panel A: Poverty headcount, %					
All	10.0	15.1	10.5	64.4	100.0
Rural	11.5	17.7	12.0	58.7	100.0
Urban	3.1	3.4	3.6	89.9	100.0
Central	3.0	10.1	6.1	80.8	100.0
Eastern	11.9	21.1	10.6	56.4	100.0
Northern	26.4	22.6	11.8	39.2	100.0
Western	5.8	11.1	15.2	67.8	100.0
Panel B: Contribution headcount, %					
All	100.0	100.0	100.0	100.0	
Rural	94.3	96.0	93.7	74.6	
Urban	5.7	4.0	6.3	25.4	
Central	10.0	22.6	19.8	42.5	
Eastern	26.7	31.4	22.8	19.7	
Northern	48.5	27.4	20.7	11.2	
Western	14.8	18.7	36.7	26.7	

Table 3: Changes in household consumption expenditure per capita

	Survey round			
	2005/6	2009/10	%age change	Annualised growth, %
a) Uganda				
As calculated in official reports	43,239	65,743	52.0	9.8
Revaluing home consumed food at market prices	45,077	67,524	49.8	9.5
Adjusting for regional prices	45,116	71,392	58.2	10.8
Adjusting for inflation (2005/6 prices)	45,976	49,735	8.2	1.8
b) Rural				
As calculated in official reports	33,544	52,551	56.7	10.6
Revaluing home consumed food at market prices	34,683	55,820	60.9	11.2
Adjusting for regional prices	35,427	59,284	67.3	12.1
Adjusting for inflation (2005/6 prices)	36,060	41,264	14.4	3.2
c) Urban				
As calculated in official reports	90,574	135,131	49.2	9.4
Revaluing home consumed food at market prices	87,311	129,069	47.8	9.2
Adjusting for regional prices	84,484	135,096	59.9	11.0
Adjusting for inflation (2005/6 prices)	86,269	94,303	9.3	2.1

Table 4: Selected household characteristics by poverty trajectory

Characteristic	Poverty Trajectory					
	Year	Chronic poor	Moved out	Slipped into	Never poor	All
Household size, #	2005/6	6.2	6.1	5.4	5.1	5.4
	2009/10	6.7	6.0	6.7	5.3	5.7
Children <=5 years	2005/6	1.48	1.40	1.29	1.08	1.19
	2009/10	1.35	1.29	1.37	1.06	1.15
Children 6-9 years	2005/6	0.95	0.85	0.73	0.59	0.68
	2009/10	1.03	0.91	0.98	0.67	0.78
Children 10-14 years	2005/6	1.03	0.93	0.83	0.74	0.81
	2009/10	1.30	1.00	1.21	0.79	0.92
Adult females 15-59 years	2005/6	1.31	1.32	1.20	1.28	1.28
	2009/10	1.46	1.31	1.40	1.34	1.35
Male adults 15-59 years	2005/6	1.09	1.16	1.11	1.15	1.14
	2009/10	1.24	1.20	1.40	1.22	1.24
Elderly persons 60 year+	2005/6	0.23	0.23	0.21	0.21	0.21
	2009/10	0.28	0.28	0.33	0.26	0.27
% Heads with sick	2005/6	42.1	43.1	50.4	43.9	44.2
	2009/10	50.3	58.0	51.0	51.4	52.2
Head's years of schooling	2005/6	3.0	4.1	4.4	6.7	5.7
	2009/10	2.8	4.0	4.2	6.5	5.5
Adults' stock of education ^a	2005/6	7.0	9.4	9.0	14.8	12.6
	2009/10	6.8	9.4	10.1	15.1	12.9
%multigenerational households	2005/6	14.5	14.0	11.5	12.2	12.6
	2009/10	18.0	16.1	20.1	15.0	16.0
%with missing generation ^b	2005/6	4.1	2.5	3.4	2.0	2.4
	2009/10	5.0	2.1	2.6	2.2	2.5

Notes: ^arefers to household members aged 18 years and above; ^b refers to households without prime aged adults 18-59 years.

Table 5: Vulnerable groups by poverty trajectory, %

	2005/6					2009/10				
	Chronic poor	Moved out	Slipped into	Never poor	Uganda	Chronic poor	Moved out	Slipped into	Never poor	Uganda
%Orphans of total children	12.9	13.4	12.1	15.0	14.1	11.5	10.9	12.7	11.8	11.7
Of whom with:										
- Only father dead	68.9	56.6	70.6	49.9	55.2	76.9	56.0	73.2	54.1	59.9
- Only mother dead	16.6	23.0	14.1	22.7	21.2	16.1	25.4	17.6	25.9	23.4
- Both parents dead	14.5	20.4	15.3	27.4	23.6	7.0	18.6	9.2	20.0	16.6
	100	100	100	100	100	100	100	100	100	100
%Youth to population (18-30 years)	14.9	17.6	17.1	21.0	19.3	13.2	14.9	15.2	18.3	16.8
Widow/widower as % adults > 18 yrs	7.8	7.8	7.0	6.5	6.9	10.2	8.5	7.1	7.8	8.1
- % Female	95.7	86.8	84.0	87.9	88.2	93.2	90.7	85.5	89.1	89.5
% Elderly persons to population	3.7	3.8	3.9	4.1	4.0	4.3	4.7	4.9	4.9	4.8
% PLWDs to population						5.1	4.5	4.2	3.6	4.0

Table 6: Headship by poverty trajectory and region, %

	Elderly		Widow		Female		PLWDS ^a
	2005/6	2009/10	2005/6	2009/10	2005/6	2009/10	2009/10
Chronic poor	17.8	20.7	14.0	20.0	32.9	37.1	15.6
Moved out	16.1	21.4	14.1	15.4	27.6	30.5	13.9
Slipped into	16.3	23.6	12.9	16.0	25.3	24.8	12.0
Never poor	14.5	18.0	10.9	13.6	25.4	27.2	10.5
Uganda	15.3	19.4	11.9	14.7	26.5	28.4	11.7

Note: ^aNo comparable data for 2005/6.

Table 7: Status of adult earners by poverty trajectory

	%household size		Ratio of children: adult earners		%in total adult population	
	2005/6	2009/10	2005/6	2009/10	2005/6	2009/10
Chronic poor	32.6	34.5	2.4	2.5	94.3	91.5
Moved out	36.1	35.7	2.1	2.2	92.6	91.1
Slipped into	36.4	41.8	2.0	2.4	90.5	86.5
Never poor	42.4	47.1	1.7	1.8	88.4	87.7
Uganda	39.9	43.6	1.8	2.0	89.9	88.5

Table 8: Household heads' broad economic sector of employment by poverty trajectory, %

Sectors		Chronic	Moved out	Slipped into	Never poor	Uganda
Agriculture	2005/06	83.1	81.7	73.7	52.6	62.2
	2009/10	73.6	68.4	72.4	48.1	56.3
Industry	2005/06	4.1	4.4	6.0	9.5	7.8
	2009/10	5.4	7.0	7.1	9.3	8.4
Services	2005/06	6.2	8.5	12.5	33.1	24.5
	2009/10	10.7	16.1	8.1	35.9	27.5
Not stated	2005/06	0.1	0.0	0.0	0.2	0.1
	2009/10	0.0	0.0	0.0	0.1	0.0
Inactive/unemployed	2005/06	6.5	5.4	7.8	4.7	5.3
	2009/10	10.4	8.5	12.4	6.6	7.9

Table 9: Changes in household physical asset ownership, %

	Poverty trajectory				Region				All
	Chronic poor	Moved out	Slipped into	Never poor	Central	Eastern	Northern	Western	
Livestock:									
2005/6	35.0	23.0	27.9	37.6	31.7	46.8	37.1	21.0	33.6
2009/10	36.7	35.5	29.7	39.1	32.5	49.5	44.3	24.8	37.1
Small animals:									
2005/6	55.4	56.2	54.0	62.4	58.3	58.5	61.1	60.2	59.5
2009/10	63.9	64.4	56.1	60.6	58.5	61.0	65.8	60.1	61.1
Poultry:									
2005/6	64.8	59.8	68.4	64.1	56.3	74.7	70.2	56.3	63.9
2009/10	66.6	68.8	61.1	64.0	53.7	79.2	71.9	57.0	64.8

Table 10: Households' access to community infrastructure in 2005/6 by poverty trajectory, %

	Chronic poor	Moved out of poverty	Slipped into poverty	Never poor	Uganda
Access to Schools:					
Government primary school within 3km	91.7	88.4	93.5	91.4	91.2
Private primary school within 3km	25.9	34.5	36.1	58.4	49.4
Government secondary school within 10km	72.8	71.8	80.4	77.7	76.7
Private secondary school within 10km	61.0	74.1	66.3	81.7	77.0
Access to health facilities within 3km:					
Government health unit	28.3	34.4	43.6	43.9	41.0
NGO health unit	18.0	22.9	18.5	33.3	28.8
Private clinic	35.3	47.2	50.8	70.4	61.5

	Chronic poor	Moved out of poverty	Slipped into poverty	Never poor	Uganda
Access to road infrastructure:					
Trunk murrum road within 10km	74.5	77.4	73.7	83.6	80.7
Trunk tarmac road within 10km	29.4	31.3	32.9	52.5	45.1
Seasonal feeder road within 1km	65.7	71.6	69.6	77.4	74.6
Feeder road within 1km	60.4	73.7	62.8	79.6	75.1
Access to financial institutions with 10km:					
Bank	15.3	16.2	15.0	38.9	30.7
Credit institution	35.1	39.6	42.4	61.6	53.8
Access to markets with 5km:					
Consumer market	57.5	61.6	62.9	76.0	70.8
Input market	37.9	43.6	42.8	65.2	57.0
Output market	45.9	51.0	52.1	70.6	63.4

Table 11: Shares in consumption expenditure by poverty trajectory, %

	All		Rural		Urban		2005/6	2009/10
	2005/6	2009/10	2005/6	2009/10	2005/6	2009/10		
	Chronic		Moved out		Slipped into		Never poor	
Food	64.0	64.8	61.0	63.8	58.8	62.6	41.0	43.9
Drinks and tobacco	3.5	2.7	2.5	1.7	3.4	2.2	3.0	1.9
Clothing & footwear	2.8	2.7	3.7	2.4	3.0	3.1	3.7	3.1
Rent, fuel & energy	15.5	16.2	16.2	12.5	12.2	15.9	17.9	16.8
Household & personal goods	4.1	3.9	5.0	4.1	3.9	4.0	5.3	6.5
Transport & communication	1.4	1.8	1.9	3.7	2.4	2.0	7.8	9.2
Education	3.4	3.7	3.8	4.8	4.4	5.1	12.6	11.6
Health	5.2	3.9	5.4	5.7	10.6	4.6	5.9	4.7
Other consumption expenditure	0.5	0.3	0.7	1.2	1.7	0.5	2.9	2.2

Table 12: Kalangala PLE performance since 2008-2012

	2008			2009			2010			2011			2012		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
DIV .1	4	0	4	3	4	7	8	0	8	8	4	12	20	12	32
DIV.2	50	35	85	51	65	116	64	67	131	77	75	152	68	72	140
DIV. 3	40	54	94	39	44	83	33	49	82	26	36	62	25	21	46
DIV.4	18	24	42	20	13	33	15	14	29	12	14	26	8	11	19
DIV.V	19	19	38	16	16	32	14	14	28	8	9	17	9	6	15
DIV. X	0	0	0	15	19	43	12	15	27	10	11	21	5	15	20
TOTAL	131	132	263	129	142	271	134	144	278	141	149	290	134	138	272

Annex 2: List of figures

Figure 1: Mean years of schooling for children aged 6-12 years in 2009/10

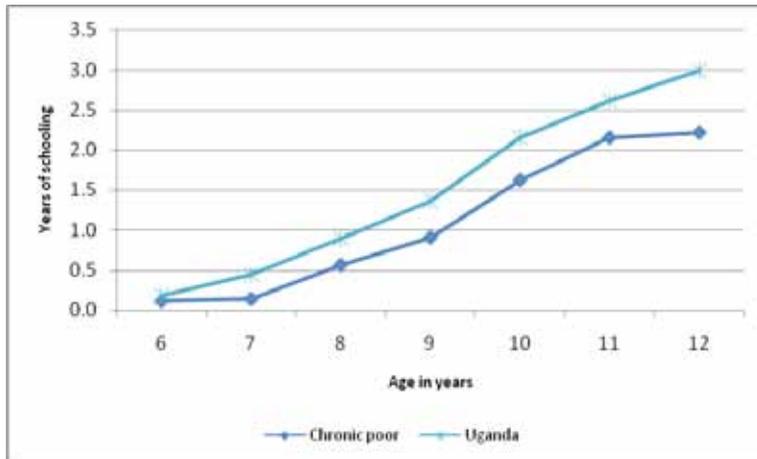
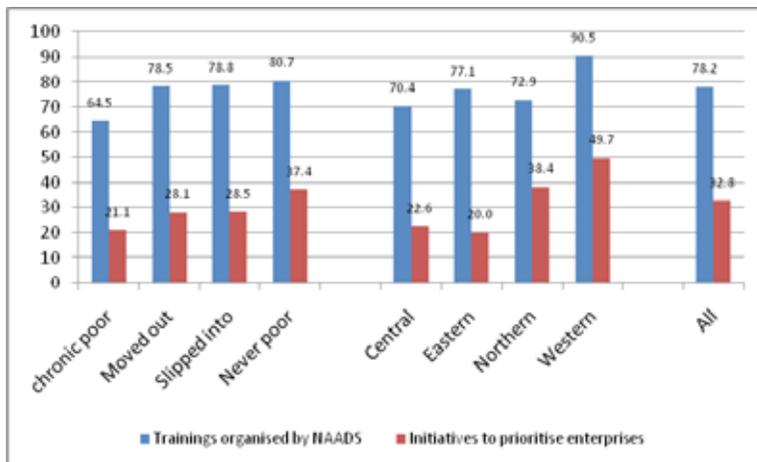
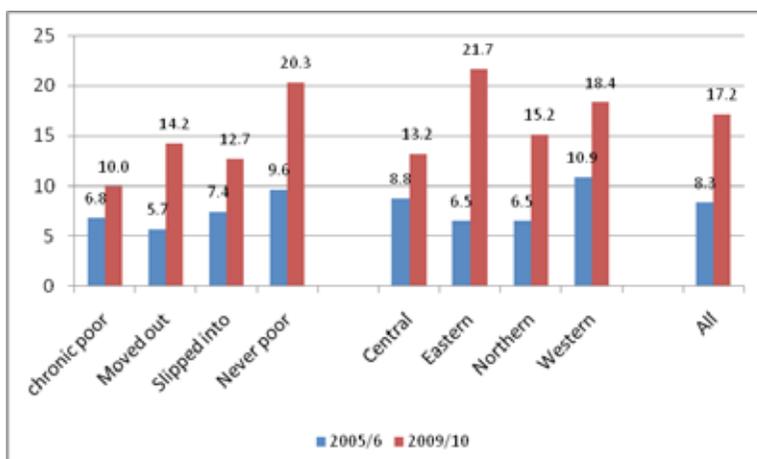


Figure 2: Share of households aware of NAADS program in 2009/10, %



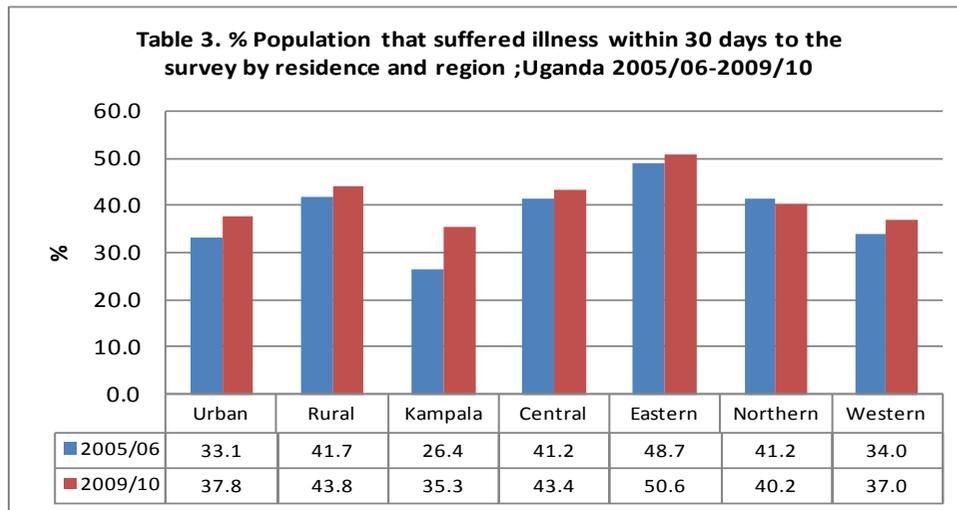
Ssewanyana and Kasirye (2012)

Figure 3: Households with members that participated in the NAADS training in the past 12 months, %



Ssewanyana and Kasirye (2012)

Figure 4: Population suffering illness in the 30 days prior to survey, 2005/06-2009/10



Source: Based on statistics from UNHS 2006 and 2009/10.

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Endnotes

- 1 Key research publications can be found at www.chronicpoverty.org.
- 2 This chapter is an abridged version of the study on "Poverty and inequality dynamics in Uganda: Insights from the Uganda National Panel Surveys 2005/6 and 2009/10", by Ssewanyana, S. and I. Kasirye (2012), EPRC Research Series #94.
- 3 Nearly twice as many respondents to the 1992-1999 panel described their standard of living as having improved (Lawson et al., 2006).
- 4 Per capita consumption has increased by 8.2 per cent (between 2005/6 and 2009/10) but with stronger annual growth in rural areas (3.2 per cent) than in urban areas (2.1 per cent).
- 5 Between 1992-99 around two in ten were living in chronic poverty (Lawson et al., 2006). Between 2005/6 and 2009/10 one in ten (11.6 per cent) were chronically poor.
- 6 Expenditures on education include all level of education – primary, secondary and tertiary education.
- 7 Household income among the chronically poor households grew at the mean at 1.8% and at the median at 2.7%.
- 8 They have a stock of education of about 7 years, well below the national average of nearly 13 years, and household heads had only 3 years schooling (in 2005/6), on average, in comparison with the national average of 5.7 years.
- 9 This is a reduction on figures from the 1990s, when 44.9% were chronically poor in the Northern region (Lawson et al. 2006; Ssewanyana, 2010). It is likely that the reduction is due to the ending of conflict.
- 10 This is a reduction on figures from the 1990s, when around four in ten people in rural areas were chronically poor (38.9%) (Lawson et al. 2006; Ssewanyana, 2010)
- 11 The majority of widows (who were lone heads of household) were women (men may not report themselves to be widowers or may remarry rapidly).
- 12 The proportion of children who are orphans has declined (from 14.1% in 2005/6 to 11.7% in 2009/10), in Northern Uganda around two in ten children have lost one or both parents (18.8% in 2005/6 to 24% in 2009/10).
- 13 The disability module of 2005/6 is not comparable to that of 2009/10. And the 2009/10 captures issues of disabilities better than that of 2005/6.
- 14 For a detailed profiling of household assets by poverty trajectory see Ssewanyana (2012).
- 15 The quality of government run primary schools remains a concern and poor households cannot afford private education. Non-poor households have greater access to private education, partly due to their ability to pay but also because of proximity (they are more likely to live within 3km of a private primary school).
- 16 The case studies present findings from the qualitative and participatory research of Development Research and Training, contextualised, where appropriate, with material from the international literature.
- 17 'Remoteness' refers only to geography – how far people live from an economic centre. 'Isolation' refers to how cut off people are in remote areas from services, decision making, the economy, etc. Remoteness need not be a problem, because it does not have to lead to isolation. That is, in part, a political choice.
- 18 One of these is in Kalangala town and has 20 beds and serves as the district referral health unit.
- 19 Although educated people can slip into poverty following a negative event they tend to be more resilient than uneducated people and tend to be able to exit poverty again fairly quickly. See statistics on chronic and transitional poverty in Chapter 2.
- 20 Bidco Uganda is a joint venture formed between Wilmar International, Josovina Commodities and Bidco Oil Refineries, a Kenya-based company. Wilmar International holds at least 39% of the shares of the joint venture (Friends of the Earth, 2013). Wilmar International an international oil seeds company.
- 21 If the proposed 40,000 hectares are developed, the estate will produce twice as much palm oil as is needed domestically, creating a surplus for export (Friends of the Earth, 2013).
- 22 The World Bank withdrew in 2004 as they were concerned that the project did not comply with its forestry policy, but planting nevertheless started in 2005 and harvesting began in 2009/10 (Friends of the Earth, 2013, Basaalidde, 2012).
- 23 The project received \$12 million in financing from the Government of Uganda and \$20 million from IFAD (Friends of the Earth, 2013).
- 24 See also World Rainforest Movement (2009) 'Uganda: BIDCO Oil palm plantation expansion will further put at risk local communities livelihoods.' <http://www.wrm.org.uy/bulletin/143/Uganda.html> (downloaded 25.08.13).
- 25 People are being dissuaded from keeping livestock in the project area as they are subject to exorbitant fines if their animals stray into the plantation (World Rainforest Movement, 2009).
- 26 11.93 Litres of pure alcohol per person over 15, per year, compared with their near neighbours Rwanda, 9.80; Kenya, 4.14; Tanzania, 6.75 (WHO, 2011)
- 27 The sachets are sometimes as small as 100 ml and cost as little as 10 cents, making them accessible to even very poor people and children (Gatsiounis, 2010). They have been banned in neighbouring countries, as they can contain dangerous adulterations, are easily concealed by drivers and hard to regulate (Uganda Youth Development Link, 2008). The MoH tried to ban them in 2008/09 but came into conflict with the Ministry of Trade over proposals (Gatsiounis, 2010).
- 28 The land is often not personal land but belongs to their family, and the sale is made without their wife's consent. This means that the sale is not legally recognised, but is rarely challenged.
- 29 Drinking alcohol while pregnant (other than in extremely small quantities) can cause Foetal Alcohol Syndrome (FAS), which leads to irreversible mental and physical harm to the foetus.
- 30 Survey of 2374 sexually active adults were questioned about their alcohol consumption. They were then tested for HIV infection.
- 31 Unregulated waragi accounts for 80% of the alcohol produced in Uganda (UBOs, cited by Gatsiounis, 2010).
- 32 Tax rates on alcohol were lowered in 2008 boosting production and consumption. Alcohol is the 6th most significant source of tax revenue for the government, highlighting the sensitivity of any reforms which will limit consumption (Gatsiounis, 2010).
- 33 The exact relationship between changes in price and consumption is locationally specific but a rough generalisation suggests that an increase in price of 10% leads to a 5% reduction in beer consumption, a 7.5% decrease in wine consumption and a 10% decrease in spirits consumption. There is evidence that heavier drinkers reduce their consumption more. A 10% decrease in per capita consumption will result in roughly a 20% decrease in male alcohol-related mortality and a 5% decrease in fatal accidents, suicides and murders in the population as a whole (Edwards, 2001). Price increases also result in a reduction in the severity and regularity of domestic violence against women (Markowitz, 2000).
- 34 Marketing is currently unregulated. The Uganda Youth Development Link (2008) finds that marketing is commonly targeted at children, with inappropriate advertising in the media and sponsorship of sports events, the performing arts, music shows and bazaars.
- 35 Including giving away alcohol for free to children and youths.
- 36 A study amongst vulnerable youth in Kampala showed an association between the marketing of alcohol and the likelihood that the youth would experience drunkenness (Swahn et al., 2013).
- 37 This is not just a problem for Uganda. Global literacy rates for adults with disability are 3%, and just 1% for women (World Bank, 2004).
- 38 This is also partly due to the fragmentation of the disability movement in Uganda, which sometimes fails to articulate clearly the broad strategic demands of people with different types of impairment with a single voice.

- 39 The recent change in government interest from poverty reduction to 'growth' is reflected in the replacement of the PEAP by the NDP, which was launched in November 2010.
- 40 The impact of well-delivered public services on poverty is well asserted (e.g. CPRC/DRT, 2005).
- 41 Maternal mortality has fallen at a rate of 5.1% every year over the last ten years (WHO, 2013)
- 42 Members of the Drug Inspection Unit, interviewed on Radio Simba's Olutindo Programme, 19 April 2010.
- 43 UPE schools are also not supposed to demand contributions to building funds or to parent teacher associations.
- 44 This is roughly half what a fully grown broiler chicken costs. This strategy for personal rent seeking is not unusual: in other programmes, piglets have reportedly cost \$400 (see Golooba-Mutebi and Hickey, 2009).
- 45 Entandikwa was the government's first attempt at providing microcredit directly to poor people, launched in 1996 during the presidential election campaign. It was intended to be a revolving fund. Responsibility for identifying those deserving of assistance and for recovering what had been loaned out was left to NRM officials through the local councils. Very little of the nearly \$6 million injected into the scheme was ever recovered.
- 46 We understand social protection to be 'all public and private initiatives which provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of the marginalized; with the overall objective of reducing the economic and social vulnerability of poor, vulnerable and marginalized groups' (Devereux and Sabates-Wheeler, 2004).
- 47 The programme is headquartered at the Social Protection Secretariat within the Social Protection Directorate of the Ministry of Gender, Labour and Social development (MGLSD).
- 48 This includes when, as NGO representatives, they undertake advocacy on behalf of different marginalised groups of people.
- 49 The 'vulnerability' concept is one of the most frequently used – sometimes with different interpretations.
- 50 Strong sentiments to this effect were expressed in the Second UPPAP (MFPED, 2002).
- 51 See www.socialprotection.go.ug/; also The New Vision, 31 March 2008; 4 April 2008.
- 52 These include community-based organisations (CBOs), religious organisations, NGOs, the private sector, public services and agencies providing social action funds.
- 53 Total fertility rate of 6.7.
- 54 Generated from an analysis of internal migration history for household members from UNHS 2009/10 data, undertaken for ongoing economic and sector work on inclusive growth in Uganda.
- 55 Adaptive capacity also depends on the degree of civil order, political openness and sound economic management.
- 56 There is a strong link between land degradation, population growth and climate change but we explore land degradation as a standalone topic here for clarity's sake.
- 57 The area under forest cover has declined greatly, and large expanses of land standing bare without trees are a very common sight, especially in the north and east of the country.
- 58 Under this system, colonialists gave land to notables and elite in the early 1900s, who later began settling tenants. In 1928, these tenants received eviction protection so they could not be removed from the land with no compensation. Only mailo owners have the opportunity to acquire land titles, but the tenants have strong rights to the land as well. Today, the majority of individuals occupying the land are the tenants. See www.colby.edu/personal/t/thtieten/def-uganda.html.

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