

# Poverty & Equity Brief

Sub-Saharan Africa

## Uganda

April 2020

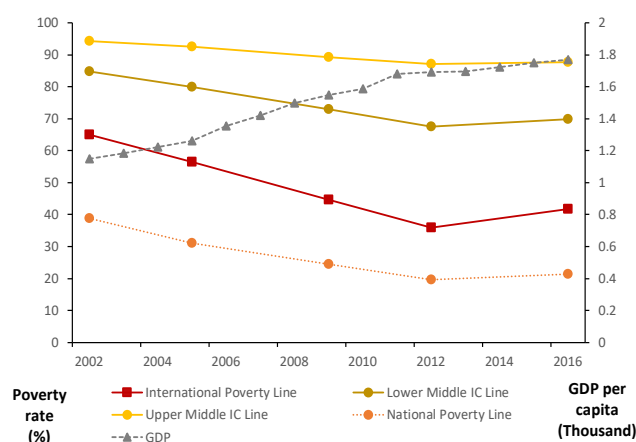
According to the latest official estimates, between 2012 and 2016 poverty increased moderately from 19.7 percent to 21.4 percent, and inequality rose as the Gini index went from 41 to 42.8. This was the result of the overall economic slowdown observed during that period, coupled with a severe drought that affected the country in 2016 and 2017. Multi-dimensional poverty incidence, which in addition to the monetary dimension includes measures of human capital deprivation and access to basic services, reached almost 60 percent in 2016. The factor that contributed the most was low access to basic services, mainly improved sanitation and electricity. Important geographical disparities remain: rural areas lag behind urban centers along most dimensions, and the Eastern and Northern regions comprise 3/4 of the monetary poor.

The effects of COVID-19 outbreak will likely result in an increase of monetary poverty and stall progress in some of the human capital indicators, due to disruptions in the delivery of education and health services. The necessary preventive measures to contain the pandemic will first affect households engaged in the services sector (around 30 percent of the labor force) and tourism. Eventually, declines in FDI and supply disruptions will lower aggregate demand, which added to an overall slowdown in trade, will reduce the demand for food and agricultural products, depressing rural incomes. Without the support of social protection programs to help cope with these type of shocks, the welfare of households will suffer, particularly those at the bottom of the income distribution. The magnitude of the welfare impacts may be partially offset by the fact that the large majority of Ugandans depend (43 percent) on subsistence agriculture for their livelihoods.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	8.9	21.4	2016
International Poverty Line 2510.4 in Uganda shilling (2016) or US\$1.90 (2011 PPP) per day per capita	16.5	41.7	2016
Lower Middle Income Class Poverty Line 4228 in Uganda shilling (2016) or US\$3.20 (2011 PPP) per day per capita	27.7	69.9	2016
Upper Middle Income Class Poverty Line 7266.9 in Uganda shilling (2016) or US\$5.50 (2011 PPP) per day per capita	34.8	87.8	2016
Multidimensional Poverty Measure		57.2	2016
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		-2.20	2012-2016
INEQUALITY			
Gini Index		42.8	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-1.19	2012-2016
GROWTH			
Annualized GDP per capita growth		1.13	2012-2016
Annualized Consumption Growth per capita from Household Survey		-1.01	2012-2016
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		-1.89	2012-2016

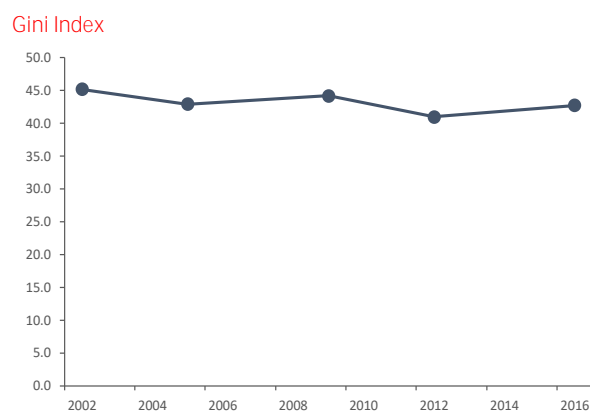
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2020, and Global Monitoring Database for the rest.

## POVERTY HEADCOUNT RATE, 2002-2016



Source: World Bank using UNHS/SSAPOV/GMD

## INEQUALITY TRENDS, 2002-2016



Source: World Bank using UNHS/SSAPOV/GMD

## KEY INDICATORS

Distribution among groups: 2016	Lower Middle Income line (%)		Relative group (%)		Multidimensional Poverty Measures (% of people):	2016
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population	55	45	18	82	<b>Monetary poverty (Consumption)</b>	
Rural population	22	78	47	53	Daily consumption less than US\$1.90 per person	41.7
Males	30	70	40	60	<b>Education</b>	
Females	30	70	40	60	At least one school-aged child is not enrolled in school	14.0
0 to 14 years old	23	77	46	54	No adult has completed primary education	34.8
15 to 64 years old	37	63	34	66	<b>Access to basic infrastructure</b>	
65 and older	32	68	36	64	No access to limited-standard drinking water	22.9
Without education (16+)	24	76	48	52	No access to limited-standard sanitation	77.6
Primary education (16+)	29	71	40	60	No access to electricity	61.2
Secondary education (16+)	49	51	21	79		
Tertiary/post-secondary education (16+)	83	17	3	97		

Source: World Bank using UNHS/SSAPOV/GMD

Source: World Bank using UNHS/SSAPOV/GMD

Notes: N/A missing value, N/A\* value removed due to less than 30 observations

## POVERTY DATA AND METHODOLOGY

Uganda is one of the few countries in the region to have frequent high-quality surveys to monitor the overall wellbeing and poverty level of the population, and scores 74 (out of 100) in the Sub-Saharan Statistical Capacity Index. The Uganda Bureau of Statistics (UBOS) has conducted household surveys (Uganda National Household Survey—UNHS) every three to four years since the 1990s. While a new UNHS survey is currently in the field, it is likely that it will be postponed until the COVID-19 is contained. Uganda uses the cost-of-basic needs method to measure the level of poverty. It estimates the expenditure needed to satisfy a minimum caloric requirement (3,000 per adult equivalent) and basic non-food needs (the non-food expenditure of those households on the food poverty line). There are adjustments for differences in regional prices and for changes in prices during the duration of the survey. The current national poverty line was set in 1998 (using 1993 data) and it might no longer reflect the reality in which poor Ugandan households live. Indeed, recent evidence shows the consumption basket does not correspond to the current consumption patterns of poor households, and the methodology used to update it seems to underestimate its cost. In addition, the current national poverty line is significantly lower than the international poverty line—the average of the poverty lines of the poorest 15 countries in the world. With all these factors in mind, it is important to revisit the estimation of the national poverty line once new data becomes available.

## HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The four countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.