

Poverty & Equity Brief

Africa Eastern & Southern

Uganda

October 2020

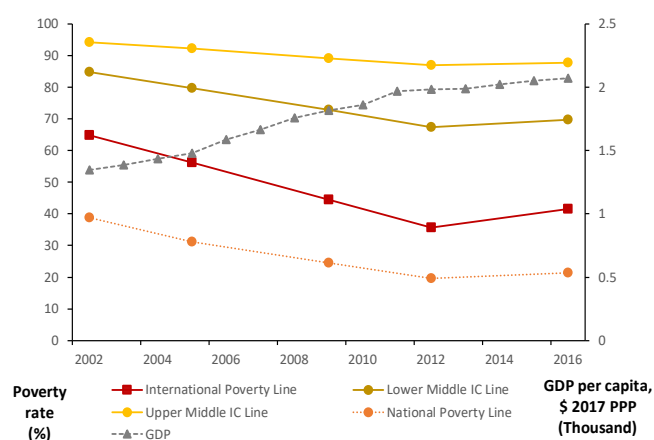
According to the latest official estimates, between 2012 and 2016 poverty increased moderately from 19.7 percent to 21.4 percent, and inequality rose as the Gini index went from 41 to 42.8. This was the result of the overall economic slowdown observed during that period, coupled with a severe drought 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.

According to the results from the first round of the Uganda High-Frequency Phone Survey on COVID-19 conducted in June 2020, COVID-19 outbreak will likely result in an increase of monetary poverty and stall progress in some of the human capital indicators. Thus, children participation in remote learning activities was found to be very unequal with much lower access among the poorest and those living in rural areas which can deepen the gap in human capital. So far work stoppages were found to be more pronounced in urban areas and among those working in service sector. All prevalent income sources in Uganda were negatively affected since the COVID-19 outbreak, with non-farm family businesses being affected the most and family farming affected the least. Even though preliminary findings from the second round of the phone survey conducted in August 2020 signal about substantial improvement in the labor market, further rebound will depend on the lockdown measures and the way pandemic evolves.

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	41.5	2016
Lower Middle Income Class Poverty Line 4228 in Uganda shilling (2016) or US\$3.20 (2011 PPP) per day per capita	27.7	69.8	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	87.7	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

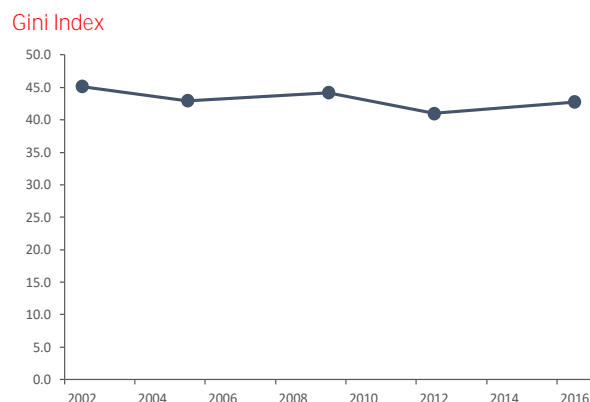
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2020, and Global Monitoring Database for the rest.

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	International Poverty Line (%)		Relative group (%)		Multidimensional Poverty Measures: 2016 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	81	19	18	82	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 41.5
Rural population	51	49	47	53	
Males	58	42	40	60	Education At least one school-aged child is not enrolled in school 14.0 No adult has completed primary education 34.8
Females	59	41	40	60	
0 to 14 years old	52	48	46	54	Access to basic infrastructure No access to limited-standard drinking water 22.9 No access to limited-standard sanitation 77.6 No access to electricity 61.2
15 to 64 years old	65	35	34	66	
65 and older	63	37	36	64	
Without education (16+)	51	49	48	52	
Primary education (16+)	58	42	40	60	
Secondary education (16+)	78	22	21	79	
Tertiary/post-secondary education (16+)	97	3	3	97	

Source: World Bank using UNHS/SSAPOV/GMD

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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.