



# Summary: Does chronic poverty matter in Uganda?

There is a growing realisation in Uganda that inequality has been rising amongst the population, both during and after the periods of poverty reducing growth of the 1990s, and that a significant proportion of the national population has not benefited from opportunities to 'escape' from poverty during this period. Many of these are people in *chronic poverty*.

Our report on 'Chronic Poverty in Uganda' is intended to inform policy makers and implementers (both within government and civil society), so that the interests of the very poorest in our country are reflected in national priorities. The PEAP has just been revised and many of its provisions provide us with an opportunity to do so. More can be done, however, and this report is meant to provide some evidence and suggestions for the future, even if answers remain uncertain in some respects.

## Chronic poverty in Uganda

*Chronic poverty* traps individuals and households in severe and multi-dimensional poverty for several years and is often transmitted across generations; it is a situation where people are born in poverty, live in poverty and frequently pass that poverty onto their children. Our report makes a case for estimating that 20% of the nation's households are trapped in such a situation.

People are in chronic poverty for a multitude of reasons that form a web of inter-related factors. This web includes lack of ownership or access to assets (such as land and cattle) at individual, household and community levels, and as this translates into lack of opportunities for employment, production or income generation.

Lack of education and constraints on other forms of human capital are key barriers to moving out of chronic poverty. Demographic factors such as high dependency rates or increasing household

size also appear. Poor people can become chronically poor as a result of shocks, including insecurity and HIV, and more long-term processes, such as land fragmentation, that trap people into such poverty. Insecurity in certain

### Box 1 *Chronic poverty in Uganda: key issues*

- < We estimate that of 20% of the country's households - more than 7 million Ugandans or 26% of the total population - live in chronic poverty.
- < Chronically poor people are sometimes dependents, but often working poor. According to the poor themselves, they include people with a disability, widows, and the elderly with no social support. Other vulnerable groups comprise orphans, street children; those affected by HIV (especially where the breadwinner is ill or has died) and the long-term sick; internally displaced people (especially those in camps); and isolated communities. Reliance on own account agriculture or on casual jobs is a cross-cutting characteristic, as well as the likelihood of chronically poor households being female-headed.
- < Being chronically poor stems from a web of inter-related factors, amongst which lack of assets, lack of education, chronic illness, belonging to a large and expanding household and remoteness appear prominently. Exclusion or self-exclusion from decision-making and development also features.
- < Poor women are particularly vulnerable to chronic poverty; in addition to gender inequities, additional factors, which then 'double' their plight, include: unemployment for elderly persons, being discriminated and neglected as a widow, being landless and having to care for numerous dependent children, especially orphans.
- < Different shocks, including insecurity and HIV, and more long-term processes, such as land fragmentation, trap people *and their descendants* into chronic poverty.
- < The web of factors causing chronic poverty makes for a limited range of coping strategies (casual labour, scavenging, begging, selling/borrowing assets, migration)
- < Non-agricultural income is an important "interruptor" of chronic poverty, for which education is essential. The poor often mention "hard work" but the chronically poor can rarely accumulate assets through selling their labour.

parts of the country (and the inter-generational consequences of this) highlights the spatial dimension of chronic poverty, compounded by poor service delivery and remoteness.

Exclusion and self-exclusion from decision-making and development initiatives also feature prominently. While channels through which the chronically poor and their advocates can participate exist, many chronically poor people remain excluded and, because of local power relationships and processes of subordination, inclusion in itself does not guarantee influence over local decisions. In addition to the consequences of poor governance, chronically poor people exclude themselves because of lack of self-confidence, lack of time, information, skills and education. Alcoholism also appears conspicuously in many areas, as well as other socio-cultural factors, including gender inequalities, and stigmatisation.

Where causes overlap, these deepen the plight of chronically poor people: people with disabilities, for instance, also face various forms of exclusion, isolation and disregard. Poor women are especially vulnerable to chronic poverty and confront unfair treatment at the hands of the law and custom that may, for instance, leave them landless. Other such vulnerable groups include poor orphans, children of second or third wives in poor households, those acutely affected by HIV, and the long-term sick.

The web of factors causing chronic poverty makes for a limited range of survival strategies (casual labour most frequently, but also scavenging and begging, selling/borrowing assets, and migration). Education is an important escape mechanism, especially where it is associated with diversifying away from self-employment in agriculture. The poor often mention “hard work”, but the chronically poor can rarely accumulate assets through selling their labour. In sum, with no surplus to save, low levels of human, social or political capital and few productive assets, escape routes for people in chronic poverty are profoundly limited.

These characteristics make for a type of poverty that is different from its more general manifestation: chronic poverty revolves around its perpetual nature and persistence, the feeling of bare survival with no sign of escape, and an

inability to resist shocks that lead to further impoverishment. Conversely, the ‘transitory poor’ are more resilient to such events.

Given these characteristics, we need to focus on chronic poverty as a specific, enduring and deep-seated phenomenon. We need to understand what keeps people in poverty for long periods – not necessarily the poorest (who might experience acute poverty but have the means to bounce out of it). We are much rather concerned with those who are unable to rebound from shocks, live highly vulnerable lives and often transmit their poverty to their children.

## Policy implications

Our report is informed by the belief that we cannot exclude the chronically poor on the basis that they are too hard to reach. Across the world, research is increasingly suggesting that millions of very poor people will remain in this situation, unless we rethink our poverty reduction agenda and develop policies specifically designed to meet the needs of the chronically poor with substantial, well-coordinated and well-targeted support. This report is meant as a contribution to emerging debates on this issue in Uganda.

Uganda has a positive framework for poverty reduction. Macro-economic policy, and the growth it has generated, has benefited chronically poor people, especially during certain periods over the past 15 years, and a number of government initiatives have benefited people in chronic poverty, such as Universal Primary Education. Nevertheless, the emphasis has been on the ‘active poor’ or the ‘working poor’ and, despite earlier gains, a significant number of people in Uganda remain poor. Amongst these, many live well below the poverty line for many years: thus, a majority of those that were poor in 1992 had escaped by 1999, but a substantial minority were left behind and many others fell into poverty over this period. People in chronic poverty are too often excluded and/or excluding themselves from such opportunities. A question thus arises as to the effectiveness of current growth objectives and the current ‘universalist’ approach to poverty reduction, to reach certain sectors of the population, while increasing numbers have been ‘left behind’.

Chronically poor people are especially

vulnerable to shocks. Policy has had *relatively* little to say about vulnerability, whether this is to health shocks, mitigating the consequences of HIV/AIDS, domestic conflict and divorce, wider insecurity problems, and internal displacement. We suggest that time has come to consider rebalancing the effort on modernisation, entrepreneurship and human development with a greater emphasis on security and protection.

We further suggest that we should guard from tackling chronic poverty as part of a “mopping-up exercise”, allowing a “residualist” view of poverty to predominate. Clarity is therefore required as to whether protection is linked to issues of vulnerability or to inequality, and as to whether Uganda should operate according to a politics of inclusion or one of social justice. The latter would locate social protection within a politics of distributive justice, as a form of protection from unregulated market forces and away from any politics of patronage, while also steering away from a “handout” mentality: social protection promotes livelihood by enabling people to move forward and take risks.

If an emphasis on redistributive growth is required to alleviate chronic poverty, so are very long-term, coordinated efforts and commitments. Given the extent, intractability and complexity of chronic poverty, we shall need to build the social consensus (across government, the private sector and civil society) that is required to produce change that is thoroughgoing, multi-pronged and sustained. While there are still some gaps in our understanding of chronic poverty, there are some indications for policy that emerge: it is first important that all policy decisions ensure that substantial adverse effects do not hurt the poorest. Secondly, a number of specific policy areas involve focusing on the poorest households. The poor themselves suggest more careful targeting and implementation strategies, efforts to relieve corruption, financial barriers and unfair taxation, and more effective information flows. Enhancing opportunities, developing skills, facilitating empowerment and addressing insecurity are all key factors in moving people out of chronic poverty. We suggest that, besides bringing peace to the north and improving services, social protection measures are both desirable and in many cases affordable. Enhancing access to assets for the chronically poor includes initiatives with regard to primary and post-primary education and women’s land rights. Reflecting the centrality of smallholder

agriculture in the livelihood of the chronically poor, the pro-poorest focus of current programmes also needs enhancement and new initiatives developed.

## Box 2 *Chronic poverty: key policy issues*

- ⟨ With around 20% of the population not benefiting from the country’s current development path, it is doubtful whether the PEAP long-term poverty reduction goals can be reached, if policy changes and (in some cases) innovations are not introduced.
- ⟨ Uganda has a positive policy framework, but this is focused on the transitory poor, not on chronically poor people.
- ⟨ We propose a greater emphasis than has hitherto been the case on redistributive patterns of growth, and enhancing security and protection for chronically poor people from the shocks and vulnerability they are very ill-equipped to confront.
- ⟨ Four priority areas emerge:
  - a. Bringing peace to the north and, in a first instance, improving services in conflict-affected areas for the very poor.
  - b. Evidence from other low-income countries suggests that social protection measures, while clearly desirable, are also often affordable. Further policy analysis and pilot initiatives are required to determine the most effective entry points and what might be feasible, including targeting at *household* level and location-specific interventions.
  - c. Enhancing access to assets for the chronically poor, consisting of a two-pronged approach: assuring women’s land rights, as well as accelerating the implementation of a national school feeding programme and widening access to post-primary education for the very poor.
  - d. Reflecting the centrality of smallholder agriculture in the livelihood of the chronically poor, the pro-poorest focus of current programmes must be enhanced and new initiatives, including free extension services for the very poor, developed.

