

UGANDA'S POVERTY DYNAMICS



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Partner organisation: the Secretary to the Treasury



IN BRIEF

- » Poverty line data is a key development indicator that can inform government policy
- » IGC researchers analysed a household panel survey to measure poverty dynamics
- » The researchers suggested a review of the poverty line, which is over two decades old
- » The Ministry of Finance, Planning and Economic Development decided to redefine the current poverty line based on this project

Poverty data is a key development indicator that can inform government policy. The Secretary to the Treasury of Uganda requested IGC assistance due to concerns over the accuracy of the figures and evidence that pointed in different directions on the topic of poverty measurement in Uganda.

The main thrust of the project was to evaluate poverty dynamics in five waves of a Ugandan representative household survey running from 2005 to 2013. Such a panel allows a look at the households that fall into and move out of poverty, something that the standard longitudinal survey does not allow. It also allows panel data techniques and thus offers a richer picture of poverty dynamics than widely used household surveys, which lack a panel dimension and act instead as a static snapshot.

The IGC research revealed that poverty had indeed declined in the latest wave of the survey. However, the changes over previous years varied considerably from the results of the annual longitudinal poverty assessment that the Government of Uganda performs. Explanatory factors were identified, and the discrepancy noted. The conclusion suggested a review of the two decades old poverty line both in light of this study and of other discrepancies highlighted by this study.

The government is now undertaking a review of the national poverty line.