

Poverty & Equity Brief

Africa Eastern & Southern

Uganda

April 2024

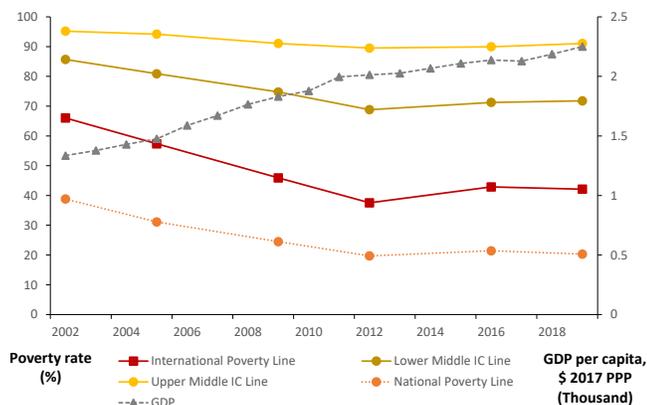
The most recent poverty estimate from the Uganda National Household Survey 2019/20 (UNHS) amounts to 20.3 percent, based on the national poverty line. If split into pre-COVID-19 and pandemic time, the UNHS 2019/20 shows a decline in poverty from 21.4 percent in 2016/17 to 18.7 percent in 2019, before the COVID-19 outbreak and a subsequent increase in poverty to 21.9 percent afterwards. The Uganda Bureau of Statistics (UBOS) has also released new poverty rates using a revised poverty line. According to the revised line, the national poverty rate in 2019/20 was about 30 percent, closer to but still lower than the international poverty rate (based on the US\$2.15 poverty line in 2017 PPP) of about 42 percent. The annualized consumption growth for the bottom 40 percent of population between 2016/17 and 2019/20 was close to zero, but still higher than the negative mean consumption growth of -0.10 percent. Lower work stoppages in the agriculture sector during COVID-19 and favorable weather conditions in 2019 and 2020 likely helped the most vulnerable to sustain positive consumption growth on average. Multidimensional poverty declined between 2016/17 and 2019/20, mainly due to increased access to electricity through wider usage of solar panels but remained higher than 50 percent. UBOS has recently finalized collection of UNHS 2023/24 which included refugees and will be used to update poverty rates in the country.

Several High-Frequency Phone Surveys were conducted since COVID-19. According to the most recent round from October/November 2023, more respondents shared positive views on current/future household and country economic wellbeing compared to the results reported in previous rounds. More respondents also experienced improved access to essential products. Despite the improving economic situation, about 40 percent of households still have inadequate food consumption from a nutritional point of view based on the food consumption score, with Vitamin A and iron deficiency being remarkably high. Real GDP growth is expected to accelerate in 2025 and 2026, mainly driven by investments in the oil sector, however, the trickle-down effect of oil for the poor will depend on adopting the right set of policies and strengthening existing and setting up new institutions. Weather shocks, food inflation, and other shocks can limit the positive impact from the expected acceleration of economic growth as well.

| POVERTY | Number of Poor (million) | Rate (%) | Period |
|--|--------------------------|----------|-----------|
| National Poverty Line | 8.7 | 20.3 | 2019 |
| International Poverty Line 2830 in Uganda shilling (2019) or US\$2.15 (2017 PPP) per day per capita | 18.1 | 42.1 | 2019 |
| Lower Middle Income Class Poverty Line 4804.5 in Uganda shilling (2019) or US\$3.65 (2017 PPP) per day per capita | 30.8 | 71.8 | 2019 |
| Upper Middle Income Class Poverty Line 9016.6 in Uganda shilling (2019) or US\$6.85 (2017 PPP) per day per capita | 39.1 | 91.1 | 2019 |
| Multidimensional Poverty Measure | | 52.2 | 2019 |
| SHARED PROSPERITY | | | |
| Annualized Consumption Growth per capita of the bottom 40 percent | | 0.21 | 2016-2019 |
| INEQUALITY | | | |
| Gini Index | | 42.7 | 2019 |
| Shared Prosperity Premium = Growth of the bottom 40 - Average Growth | | 0.31 | 2016-2019 |
| GROWTH | | | |
| Annualized GDP per capita growth | | 1.73 | 2016-2019 |
| Annualized Consumption Growth per capita from Household Survey | | -0.10 | 2016-2019 |
| MEDIAN INCOME | | | |
| Growth of the annual median income/consumption per capita | | 0.47 | 2016-2019 |

Sources: WDI for GDP, National Statistical Offices for national poverty rates, PIP as of October 2023, and Global Monitoring Database for the rest.

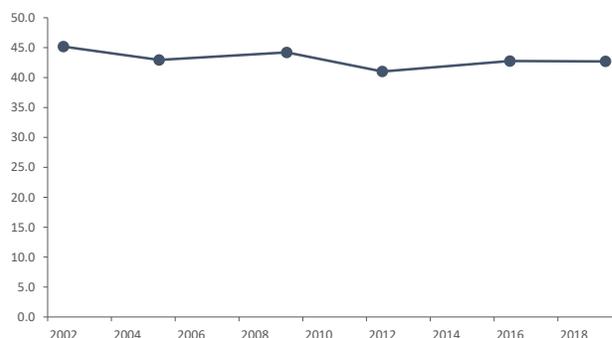
POVERTY HEADCOUNT RATE, 2002-2019



Source: World Bank using UNHS/SSAPOV/GMD

INEQUALITY TRENDS, 2002-2019

Gini Index



Source: World Bank using UNHS/SSAPOV/GMD

KEY INDICATORS

| Distribution among groups: 2019 | International Poverty Line(%) | | Relative group (%) | |
|---|-------------------------------|------|--------------------|--------|
| | Non-Poor | Poor | Bottom 40 | Top 60 |
| Urban population | 77 | 23 | 21 | 79 |
| Rural population | 51 | 49 | 47 | 53 |
| Males | 58 | 42 | 40 | 60 |
| Females | 58 | 42 | 40 | 60 |
| 0 to 14 years old | 52 | 48 | 46 | 54 |
| 15 to 64 years old | 63 | 37 | 35 | 65 |
| 65 and older | 63 | 37 | 34 | 66 |
| Without education (16+) | 45 | 55 | 53 | 47 |
| Primary education (16+) | 58 | 42 | 40 | 60 |
| Secondary education (16+) | 77 | 23 | 22 | 78 |
| Tertiary/post-secondary education (16+) | 94 | 6 | 6 | 94 |

Source: World Bank using UNHS/SSAPOV/GMD

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

| Multidimensional Poverty Measures: 2019 | (% of population) |
|--|-------------------|
| Monetary poverty (Consumption) | |
| Daily consumption less than US\$2.15 per person | 42.1 |
| Education | |
| At least one school-aged child is not enrolled in school | 11.8 |
| No adult has completed primary education | 31.4 |
| Access to basic infrastructure | |
| No access to limited-standard drinking water | 23.7 |
| No access to limited-standard sanitation | 71.1 |
| No access to electricity | 41.3 |

Source: World Bank using UNHS/SSAPOV/GMD

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 it scored 70.7 (out of 100) in the Statistical Performance Index in 2022. The Uganda Bureau of Statistics (UBOS) has conducted household surveys (Uganda National Household Survey-UNHS) every three to four years since the 1990s. Results from the most recent UNHS survey conducted in 2019/20 were announced in summer 2021. New round of UNHS 2023/24 is being finalized and will cover refugees. 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 kcal 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. To address this issue, UBOS has estimated a new poverty line using consumer basket from 2016/17 year. The new poverty line, called upper poverty line, resulted in a shift of poverty rates from about 20 to 30 percent in 2019/20. The new poverty rate is still lower than poverty obtained from using international poverty line of 2.15 USD 2017 PPP (42.1 percent).

Note on new global poverty lines: Poverty data are now expressed in 2017 Purchasing Power Parity (PPP) prices, versus 2011 PPP in previous editions. As price levels across the world evolve, global poverty lines have to be periodically updated to reflect the increase of the value of the lines in nominal terms. The new global poverty lines of \$2.15, \$3.65, and \$6.85 reflect the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. In addition to reflecting updates in nominal terms, upper-middle-income countries raised the standards by which they determine people to be poor from 2011 to 2017. Hence, the increase in the upper line is larger, and the population that does not meet the new standard is higher in most countries than it was with 2011 PPPs. See pip.worldbank.org.

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 three 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.