

John Paul II Justice & Peace Center

# **THE KAMPALA BASIC NEEDS BASKET**

Cost of a Basic Needs Basket  
in Six Informal Settlements  
Kampala – Uganda, 2008, No. 1



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# Contents

<b>1. Introduction</b> .....	5
1.1 Understanding Poverty.....	5
1.2 The Ugandan Context .....	7
<b>2. Objectives of the Kampala Basic Needs Basket Survey</b> .....	10
<b>3. Research Methodology</b> .....	11
3.1 The Study Area and Sampling Procedure.....	11
3.2 Data Collection .....	11
3.3 Research Tools .....	12
<b>4. Data Analysis and Key Findings</b> .....	14
4.1 Measuring Poverty: Establishing the Poverty Lines .....	14
4.2 Poverty Incidence versus Poverty Gap Measures .....	14
<b>5. Research Findings</b> .....	16
5.1 Establishing the Poverty Lines.....	16
5.2 Budget Shares for Food and Non-food Items.....	17
5.3 Absolute Poverty Incidence .....	19
5.4 Food Poverty Gap.....	20
5.5 Absolute Poverty Gap.....	21
5.6 Absolute Poverty and the HHH's Age .....	21
5.7 Absolute Poverty and the HHH's Level of Education .....	22
5.8 Absolute Poverty and Household Size .....	23
5.9 Do Poor People Save?.....	23
5.10 Do the Poor have a Right to Leisure? .....	24
5.11 Key Findings through Observations and by Listening to the Untold Story.....	24

Conclusions and Policy Recommendations.....	26
Appendix .....	31
References .....	32

<i>Table 1: Mean Expenditures: Food and Non-Food Monthly Expenditures .....</i>	16
<i>Table 3: Food Poverty Gap and Absolute Poverty Gap .....</i>	20
<i>Table 2: Household Monthly Expenditure on Non-Food Items .....</i>	31
<i>Table 4: Gender and Absolute Poverty Incidence .....</i>	31

<i>Chart 1: Household Monthly Expenditure on Non-Food Items .....</i>	17
<i>Graph 1: Food Poverty Incidence and Absolute Poverty Incidence.....</i>	18
<i>Graph 2: Gender and Absolute Poverty Incidence.....</i>	21

# 1 Introduction

In February 2008, JPII JPC conducted its first Kampala Basic Needs Basket Survey. The survey was conducted in six informal settlement areas, namely: Nsambya, Kisenyi, Katanga, Namuwongo, Bwayiise and Kamwokya. The aim of the survey was to establish the cost of living and the prevalence of poverty within the slums of Kampala.

## 1.1 Understanding Poverty

According to the Wikipedia free encyclopedia, poverty is the denial of access to those things which make a life of dignity possible, including not only food, shelter and safe drinking water, but also such ‘intangible’ assets as the opportunity to learn or to engage in meaningful employment or to enjoy the respect of one’s fellow citizens. While some define poverty primarily in economic terms, others consider social and political factors to be intrinsic. Poverty is a multidimensional phenomenon. It includes low levels of income and consumption, physical insecurity, poor health, low levels of education, disempowerment, a heavy burden of work, unemployment and isolation. Although poverty is generally considered to be undesirable due to the pain and suffering it usually causes, in certain spiritual contexts, ‘voluntary poverty,’ that is to say, the renunciation of material goods, is seen as virtuous by some religions, and in particular by the Catholic church.

There is a need to distinguish between absolute/abject poverty and relative poverty. According to Rowntree, absolute/abject poverty is the lack of sufficient income to obtain the basic necessities of life; it is the subsistence poverty of not having sufficient food, clothing and ad-

equate shelter.<sup>1</sup> This is the type of poverty that people of goodwill and responsible citizens should combat because of its dehumanising effects. Abject poverty is quite different from relative poverty. Townsend defines relative poverty as the “lack of the resources required to participate in activities and to enjoy living standards that are customarily or widely accepted in the society in which poverty is being measured.”<sup>2</sup> Relative poverty is used to describe situations of income inequalities that must be addressed as more and more ethicists, philosophers and justice and peace agents have been advocating. Exaggerated income inequalities are characteristic of most poor economies and they indeed exacerbate the prevalence of abject poverty.

It is quite hard to justify the existence of abject poverty given the resources with which our world has been endowed. Surely, as Mahatma Gandhi puts it, “the world has got enough resources for everyone’s needs [...]”.<sup>3</sup> It is some people’s frenzy of greed or orgy of envy that to a great extent denies others their fill. The resources of this world are in the hands of very few people. The UN World Institute for Development Economics (6 December 2006) reported that 40% of the world’s wealth is owned by only 1% of the world’s population. The disparity in opportunities is indeed one of the realities of our world that the fathers at the Second Vatican Council deliberated about albeit with great pain. The fathers regretted to note that “never has the human race enjoyed such an abundance of wealth, resources and economic power. Yet a huge proportion of the world is still tormented by hunger and poverty while countless numbers suffer from total illiteracy” (Gaudium et Spes No. 4).<sup>4</sup> The gap between the rich and the poor widens everyday; some people accumulate a lot of wealth with great ease while others must toil very hard before they can earn a single coin. There are still thousands of people in our world today who depend on the scraps that drop from the rich man’s table (cf. Lk 16:19-31).

Some people attribute poverty to laziness, lack of power, and over dependence on aid; they further argue that there is no need to reduce social inequalities. Contrary to this view, however, Chambers (1983) ar-

gues that there is no evidence to support the claim that poor people are irresponsible, lazy and fatalistic. What usually emerges is that sometimes poor people do behave in ways that can be interpreted in that manner. Poor people may not save, may not be visibly working and may appear to accept fate passively. But there is evidence that failure to save and invest reflects pressing needs that must be satisfied immediately. Poor households tend to have few buffers against contingencies; basic needs are met by drawing on slender cash earnings or by reducing on daily consumption, by barter, or by borrowing from friends and relatives.

## 1.2 The Ugandan Context

In 1995, Uganda started a process of developing a comprehensive and sustainable development strategy with an overall objective of reducing abject poverty and meeting other newly established Millennium Development Goals (MDGs).<sup>5</sup> This resulted in the formulation of the first Poverty Eradication Action Plan (PEAP) in 1997, which aimed at reducing absolute poverty incidence to 10% by 2017. The PEAP revised edition of the year 2000 indicated that Uganda had achieved some progress in sectors such as Education, Health, Agriculture and Water and Sanitation.<sup>6</sup>

Uganda is optimistic that she will continue to boost her economic growth by: (i) creating an environment that is conducive for private investment and industrialisation, export diversification and competitiveness; (ii) accelerating agricultural growth and rural incomes by providing public goods and (iii) consolidating national security and empowering women (PEAP 2004/05-07/08). The Ugandan economy is estimated to have grown by 6.5% in the financial year 2006-07.

Despite all these efforts and hopes, poverty remains a very huge problem in Uganda. Uganda is still one of the poorest countries in the world, with a per capita income of Ushs 680,210 (about 400 US dollars) and a skewed distribution of income. Results from the 2005/06

<sup>1</sup> See Hardwick, Langmead and Khan; p. 656.

<sup>2</sup> See World Bank 2000/2001 World Development Report, p. 23.

<sup>3</sup> Quoted by Schumacher in his *Small is beautiful*; p. 331.

<sup>4</sup> See the Pastoral constitution, no. 4.

<sup>5</sup> The other MDGs include: offering primary education for all boys and girls, gender equality and empowerment of women, reduction of child mortality by three quarters, combating HIV/AIDS, malaria and other diseases, providing clean drinking water and uplifting 100 million slum dwellers above the poverty line, and encouraging more aid, fair trade and less debt.

<sup>6</sup> (PEAP: 2005).

Household Survey indicate that 31.1% of Ugandans live in abject poverty; 34.2% of the rural population are said to be poor while 13.7% of the urban population are poor. The Uganda Bureau of Statistics (UBOS) insists that Ugandans are challenged by poor medical facilities, rapid population growth, high mortality rates, limited access to land, corruption, poor governance, price instability, high unemployment rates, debt burdens, political instability and lack of market for their products (2007 Statistical Abstract).

The current PEAP highlights the many dimensions of poverty that exist in Uganda today. It puts emphasis on the importance of eradicating income poverty and of reducing the wide income gaps. Low incomes limit people's ability to access the basic necessities of life. The PEAP also recognises illiteracy as one of the most serious constraints that affect the lives of poor people and hence the urgent need of providing education to all Ugandans. Health is another central concern for the poor that the government must address. There is a need to improve sanitation in most parts of the country, to immunise children against killer diseases, to control malaria and HIV/AIDS, and to reduce all mortality rates.

Also, security is considered as one of the key factors necessary for reducing abject poverty and achieving all the other MDGs. Unfortunately, a persistent and chronic lack of security in Uganda for the last twenty years has exacerbated already alarming levels of poverty in the country. Hopefully the ongoing peace negotiations between the Lord's Resistance Army rebels and the Government of Uganda will culminate in sustainable peace for Northern Uganda. The post conflict reconstruction of Northern Uganda is being addressed through Northern Uganda Social Action Fund (NUSAF), which aims at empowering communities in the region by enhancing their capacity to systematically identify, prioritise, and plan their own value systems.

Poverty in Uganda, like anywhere else, is closely related to the inadequacy of productive employment opportunities. According to UBOS 2007 statistical abstract, the national unemployment rate is 1.9% with urban unemployment rate of 6.9%. There are so many graduates who cannot get jobs and so many employed people who are in actual fact underemployed although national statistical figures tend to hide or underestimate such absurd realities. The 2005/06 labour market indicators

revealed that almost 70% of Uganda's 10,882,000 labour force was self-employed in agriculture. However, it is characteristic of self-employed farmers to work only for their subsistence living.

Regrettably, most poverty reduction action plans in Uganda focus on rural areas and tend to neglect the plight of the urban poor. Slum poverty is usually overshadowed by the modern structures that are characteristic of urban centres. We have already noted that the unemployment problem is more acute in urban areas than in rural areas. This is an indication that urban life is not all roses as some people usually mistake it to be. The most recent PEAP report indicates that access to water in Uganda's urban centres has fallen from 90% in 1990 to 80% in 2008 due to the rapid expansion of urban places at a rate higher than that at which water is being extended. The report also indicates that piped sewage services are accessible to only 8% of the urban population.<sup>7</sup> Urban poverty like rural poverty must be alleviated; the welfare of the 12.4% of Uganda's current population (now estimated at 29.2 millions)<sup>8</sup> that lives in urban areas should not be sidelined.

<sup>7</sup> In this report, all the references that are made to the PEAP are based on the 2004/05–07/08 summary version, pp. 20-40.

<sup>8</sup> UBOS: Uganda's population reproductive health indicators, fact sheet; November 2007.

## 2 Objectives of the Kampala Basic Needs Basket Survey

In order to participate in the process of alleviating the plight of Uganda's urban poor, JPILJPC carried out its first Basic Needs Basket Survey within the slums of Kampala.

The main objectives of the Basic Needs Basket Survey were: (i) to study the socio-economic factors that are associated with the problem of poverty within the slums of Kampala; (ii) to study the consumer behaviour of the sampled households; and (iii) to draw policy conclusions from the findings of the survey in order to advocate for the rights of the urban poor; (iv) to educate poor people on how to draw an appropriate scale of preference, and to empower them so that they can join the fight against poverty. In order to meet these major goals, we had to estimate the following:

- The average monthly expenditure for a household that lives in an informal settlement area around Kampala city;
- Poverty lines for the sampled informal settlement areas;
- Poverty incidences and gaps for all the sampled informal settlement areas; and
- How factors such as the educational level and gender of the household head influence the welfare of the household.

## 3 Research Methodology

### 3.1 The Study Area and Sampling Procedure

Given the Centre's financial and personnel abilities, six settlement areas were carefully sampled for its first Basic Needs Basket Survey around Kampala city. The six sampled areas include: Nsambya, Kisenyi, Katanga, Namuwongo, Bwayiise and Kamwokya. From each of these settlement areas, one village was sampled. The following villages were selected for the survey: Gogonya II zone from Nsambya, Muzane zone from Kisenyi, Kimwanyi zone from Katanga, Kansavu zone from Namuwongo, Lufula zone from Bwayiise and Kifumbira zone from Kamwokya. From each of the sampled villages 20 households were selected with the assistance of the local council leadership. By household is meant "all the people who live under one roof and who take, or are subject to others taking for them, joint financial decisions."<sup>9</sup> A household head is the member under whose guidance the major decisions of the household are undertaken.

### 3.2 Data Collection

Before the actual period of carrying out the survey, the two main researchers (Avuni and Kyaligonza) contacted the local council leaders of the sampled villages in order to identify the households that would be research units. Two research assistants (Mr Hilary and Ms Jacqueline) were employed during the data collection stage to help the two main researchers interpret the questionnaire to some of the respondents who could speak Luganda but not English. A supplementary way of getting

<sup>9</sup> See Lipsey; pp. 67-68.

primary data was through observing the sanitation of the sampled areas. Secondary data was gathered through reading the most recent household survey reports that have been conducted within and around Kampala and other relevant reports and documents from the Uganda Bureau of Statistics. We borrowed a leaf from the Nairobi Basic Needs Basket Survey reports to design our interview guide and to develop the model that we used to analyse the research findings.

### 3.3 Research Tools

The interview guide was designed in such a way that it would enable us to get information about three major categories of welfare indicators: (i) the particulars of the household head (age, gender, education level, occupation and monthly income); (ii) household size and composition; and, (iii) household monthly expenditures on food and non-food items.

In order to establish the household monthly expenditure on food items, the researchers compiled a “food basket” – a list of food items that are frequently consumed in the informal settlements of Kampala and are deemed nutritionally adequate. The food basket that constituted part of our questionnaire included the following food items:

bread, milk, sugar, tea/coffee, maize flour, cassava and millet flour, rice, beans, groundnuts, potatoes, Matooke (bananas), cassava, meat, fish, eggs, onions, tomatoes, vegetables, cooking oil, fruits, iodized salt, drinks and hotel meals.

It should also be noted that any welfare analysis that seeks to yield valid results must investigate household expenditures on the two major categories of welfare indicators, namely, food and basic non-food items. These two major categories of welfare indicators constitute what is usually referred to as the Basic Needs Basket; every household must balance its monthly expenditure between food items and non-food items. It is indeed true that some non-food items are as indispensable as food itself and so even the poorest of the poor must squeeze their meager budgets and ensure that they have bought both food and some unavoidable non-food items for their households. The basic non-food items that constituted part of our research guide included the following items:

medical care, clothing and footwear, education, house rent, water, fuel (paraffin, charcoal, firewood), transport/fare, communication (airtime or public phone use), security, toiletries (bathing soap, toothpaste and brushes, body lotion), laundry soap, barber/saloon, house upkeep (brooms, dusters), house equipment.

In order to come up with sufficient information about consumer behaviour, we asked the respondents how much their households spent on leisure and how much they saved in the previous month – January.

## Data Analysis and Key Findings

### 4.1 Measuring Poverty: Establishing the Poverty Lines

During our survey, we were more concerned with absolute poverty statistics than with relative poverty since most of the households that live in the settlement areas that we visited are poor by national standards. We did not pay much attention to the highly rich urban dwellers that live in the sampled areas. To determine how many people cannot afford the basic necessities of life, we used the Cost of Basic Needs method (CBN). We first established two monetary poverty lines (food poverty line and the absolute poverty line) for the six settlement areas that were included in our study. The poverty lines were determined and based on the expenditures required to purchase a food basket and the basic non-food items that are necessary for a household to maintain a minimum standard of living within the informal settlements of Kampala. Using the CBN method of measuring poverty, the average monthly expenditures on food and on the basic needs basket are referred to as the food poverty line and the absolute poverty line respectively. We used the expenditure approach because even before carrying out the survey we already knew that most people tend to conceal their income for the fear of being exposed to tax collectors or if they suspect that they are being selected as potential beneficiaries of some social charity.

### 4.2 Poverty Incidence versus Poverty Gap Measures

The head count ratio (poverty incidence) is the proportion of people with consumption expenditure below a minimum standard of living deemed necessary for living a healthy life in the context of a given society

i.e. the percentage number of households that live below the established poverty line. For example, if out of P households that were interviewed in Katanga Q are poor, then the poverty incidence would be  $(Q/P) \times 100\%$ . The poverty incidence measure, however, does not tell us how poor the poor people are; this limitation is what the poverty gap ratio seeks to overcome. The poverty gap ratio (extent of poverty) captures the expenditure deficit of the poor people in a given area. It is obtained by adding up all the deficits of the poor and dividing this total by the number of poor people in a given area to get an average figure. It is a measure of the minimum amount of resources that would be required to uplift the poor people from their economic misery. To illustrate this, assume the poverty gap of Katanga was 50%, the absolute poverty line was Ushs 100,000 and the number of poor people in Katanga was 10. This would mean that every poor household in Katanga would require an average amount of 50,000 additional Ugandan shillings per month to reach the absolute poverty line (50,000 is 50% of the absolute poverty line). Thus,  $Ushs\ 50,000 \times 10 = Ushs\ 500,000$  would be required per month to enable the ten poor households of Katanga to reach the minimum standard of living.

# 5 Research Findings

## 5.1 Establishing the Poverty Lines

From the findings of our survey (see table 1 below) we established that on average, a household of six members spent Ushs 160,700 on food and a total of Ushs 361,700 on its basic needs basket (food plus non-food items) during the month of January. Thus, during our analysis, Ushs 160,700 and Ushs 361,700 were established as the food poverty line and the absolute poverty line respectively. This absolute poverty line is close to the Ushs 333,700 Kampala monthly household consumption expenditure that was reported by the Uganda Bureau of Statistics towards the end of the year 2006.<sup>10</sup> The difference between these two absolute poverty lines can be attributed to the general increase in prices between December 2006 and January 2008.

**Table 1: Mean Expenditures: Food and Non-Food Monthly Expenditures**

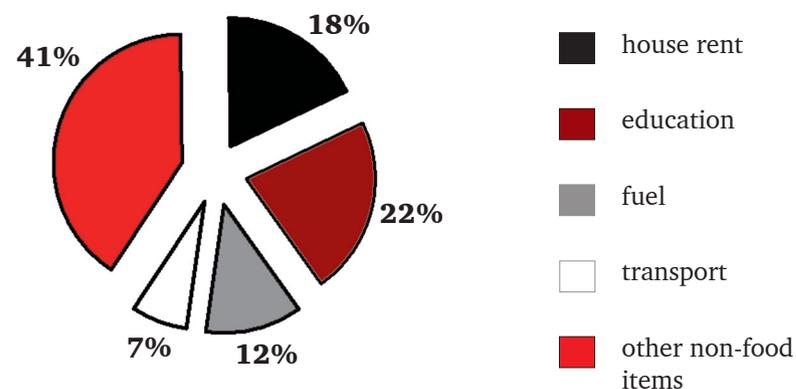
Location	Mean expenditure (Ushs)			Percentage shares	
	Food	Non-food	Total	Food	Non-food
Nsambya	160,700	212,400	373,100	43.1	56.9
Kisenyi	139,000	169,200	308,200	45.1	54.9
Katanga	155,200	221,400	376,600	41.2	58.8
Kamwokya	250,000	302,900	552,900	45.2	54.8
Namuwongo	122,550	124,650	247,200	49.6	50.4
Bwayiise	137,000	175,650	312,650	43.8	56.2
<b>Overall Averages</b>	<b>160,700</b>	<b>210,000</b>	<b>361,700</b>	<b>44.7</b>	<b>55.3</b>

<sup>10</sup> UBOS, statistical abstract 2007.

## 5.2 Budget Shares for Food and Non-food Items

From Table 1 we notice that an average household spent a larger proportion of its budget on non-food items (55.3%) than on food items (44.7%). This is contrary to the popular economic belief which asserts that poor people allocate large shares of their disposable income on food items. It is highly likely that most households make hard choices of skipping some of their meals or eating cheap, if not inferior, food in order to meet unavoidable expenses such as house rent and medical care. In fact most of the interviewees reported that they depend on cheap food staffs such as Matooke, beans and maize flour, and consider food items such as meat, fish, eggs and fruits as luxuries. At least 50% of the respondents reported that they take tea for their lunch and so sugar is a very 'essential' food item. Big days such as Christmas and Idi are probably the only days when some people ever balance their diet, if at all. Indeed, we were not surprised to see cases of malnourished children in all the six informal settlements.

**Chart 1: Household Monthly Expenditure on Non-Food Items**



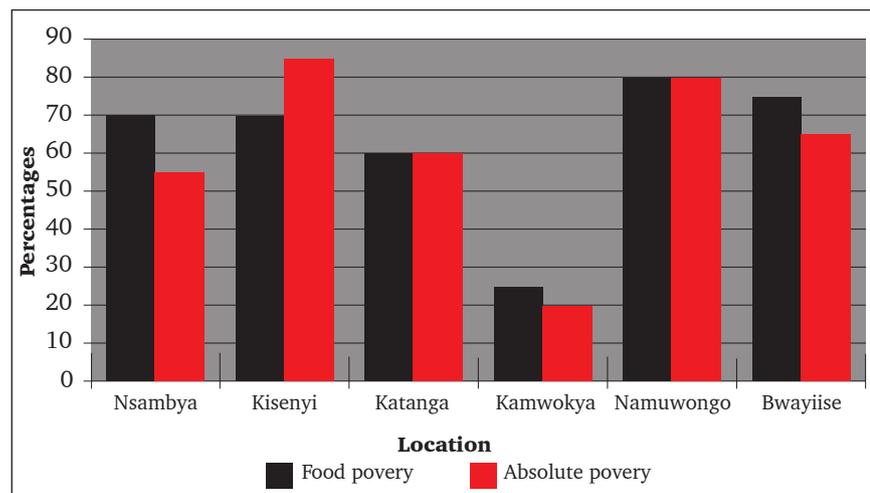
From the above pie chart we notice that education, house rent, fuel and transport take large proportions of poor people's non-food budgets. On average a household allocates 22% of its non-food items' budget to education despite the fact that the Government of Uganda is providing free primary and secondary education. House rent and fuel take 18% and 12% respectively while transport takes 7%. Although items such as clothing and medical care are essential, most of the respondents considered

them to be a luxury. Most slum dwellers cannot afford the high costs that are charged by good hospitals such as Nsambya, Rubaga, Mulago and Mengo. Generally, poor people seek medical attention only when they are very sick, unlike the rich who go to hospitals or clinics for monthly check-ups. It is also true that most poor urban dwellers wear second hand-clothes and their children walk on the streets half naked.

During the analysis of the research findings, we found out that costs for different non-food items vary from one location to another. For example, house rent is on average highest in Kamwokya and lowest in Namuwongo<sup>11</sup> although the durability of the houses is not that significantly different. Also, the people of Kamwokya spend a lot on transport while those of Kisenyi face very low transport costs. The obvious explanation for the difference in transport costs is that Kisenyi, unlike Kamwokya, is located just a stone's throw from the city centre. However, some of the respondents, especially in Bwayiise, Namuwongo and Nsambya, attributed their low monthly transport costs to the numerous times they trek to the city centre instead of giving their only coin to the taxi operators.

### Poverty Incidence

**Graph 1: Food Poverty Incidence and Absolute Poverty Incidence**



<sup>11</sup> Ref. Table 2 in the appendix.

Food Poverty Incidence: Using the estimated food poverty line of Ushs 160,700, Namuwongo reported the highest incidence of food poverty (see Graph 1 below); 80% of the 20 households that were interviewed in Namuwongo live below the food poverty line. Namuwongo was followed by Bwayiise where 75% of the interviewed households live below the food poverty line. Kamwokya reported the lowest incidence of food poverty; only 25% of the 20 households that were interviewed in Kamwokya live below the food poverty line. The overall analysis of the research findings revealed that 63.3% of the 120 households that were interviewed live below the food poverty line. Food is very expensive in Kampala and the reasons for this are quite obvious. It is almost impossible for anybody to practice agriculture in the informal settlements of Kampala; most of the food items that are consumed within and around Kampala city are 'imported' from the rural areas and so their prices are increased by transport costs. At the beginning of this year, transport costs went up in Uganda due to the fuel shortage that accompanied the controversial Kenyan presidential elections that were held in December 2007.<sup>12</sup> Given their low incomes, most informal settlement households found themselves languishing below the minimum food requirement. Also, the demand for food in Kampala is high due to the large urban population therefore low income earners stand to lose the market competition due to their weak haggling power.

### 5.3 Absolute Poverty Incidence

Using the estimated absolute poverty line of Ushs 361,700, Kisenyi reported the highest incidence of absolute poverty (see Graph 1); 85% of the 20 households that were interviewed in Kisenyi live below the absolute poverty line. Kisenyi was closely followed by Namuwongo where 80% of the interviewed households live below the absolute poverty line. Once again Kamwokya reported the lowest incidence of absolute poverty; only 20% of the 20 households that were interviewed in Kamwokya live below the absolute poverty line; the people of Kamwokya seem to be doing well. The overall analysis of the research findings revealed that 60.8% of the 120 households that were interviewed live below the absolute poverty line.

<sup>12</sup> See UBOS: Consumer price index January 2008 – press release.

The reason why the food poverty incidence is higher than the absolute poverty incidence can be attributed to what we observed when we were comparing household budgetary allocations between food and non-food items. We noted that on average a household spends 55.3% of its budget on non-food items and 44.7% on food items. The implication of this is that most households make hard choices of skipping some of their meals or they eat cheap food in order to meet unavoidable expenses such as house rent. Some people are food insecure but they do not fall under the absolute poverty line because certain non-food items must be bought irrespective of whether or not the household has enough food to eat. For example, someone would rather eat one meal in a day as long as he or she can pay house rent and at least be assured of where to lay his or her head. Such a person is likely to be food insecure and yet live above the absolute poverty line.

### Poverty Gaps

**Table 3: Food Poverty Gap and Absolute Poverty Gap**

Location	Food poverty gap	Absolute poverty gap
Nsambya	30.4	33.0
Kisenyi	30.6	27.6
Katanga	39.8	33.0
Kamwokya	34.8	32.5
Namuwongo	42.3	45.5
Bwayiise	34.3	38.7
Averages	35.4	35.1

## 5.4 Food Poverty Gap

Table 3 summarises the food and absolute poverty gaps for the six informal settlement areas that we visited. Namuwongo reported the highest food poverty gap of 42.3% while Nsambya reported the lowest food poverty gap of 30.4%. The overall food poverty gap was estimated at 35.4%. The implication of this is that 4,321,200 additional Ugandan shillings would be required per month to uplift the 76 households (63.3% of 120) from their food poverty.<sup>13</sup>

<sup>13</sup> You may refer back to the illustration in our discussion about poverty gap measures.

## 5.5 Absolute Poverty Gap

Namuwongo reported the highest absolute poverty gap of 45.5% while Kisenyi reported the lowest absolute poverty gap (27.6%). The overall absolute poverty gap was estimated at 35.1%. Thus, 9,249,900 additional Ugandan shillings would be required per month to uplift the 73 households (60.8% of 120) from their absolute poverty. Covering the absolute poverty gap would be a more comprehensive approach to fight poverty but a very deep food poverty analysis ought to be done since we have already indicated that there are some households that ironically live above the absolute poverty line and yet they are food insecure.

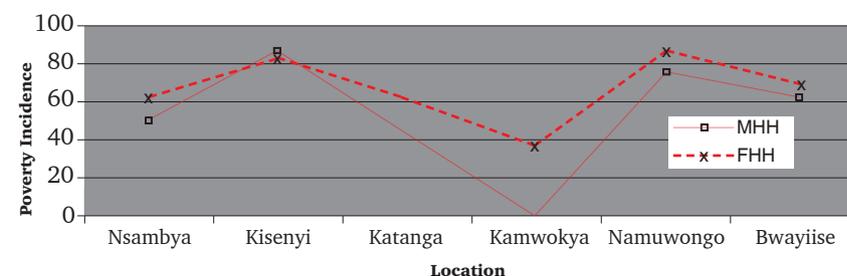
### The key correlates of poverty

In this section we give a brief analysis of the relationship between the welfare of the household and the age, gender and educational level of the Household Head (HHH). We will also say a word about the relationship between a household's size and its welfare.

## 5.6 Absolute Poverty and the HHH's Age

Average HHH age was estimated at 37 years. 68.3% of the household heads were above 30 years old; no household head was below the age of 20 years. During the analysis of the research findings, we did not establish any connection between the age of the household head and the household's welfare except for the four households headed by people who are 65+ years old. All the four households headed by elderly people live below the absolute poverty line. We attributed the poverty of these four households to their breadwinners' failing physical strength and the poor social security system of Uganda.

**Graph 2: Gender and Absolute Poverty Incidence**



The majority of the households that we visited were headed by females; 63 of the 120 households that we visited were headed by females compared to 57 that were headed by males. As illustrated in Table 3, absolute poverty incidence is higher among Female Headed Households (FHH) than among the Male Headed Households (MHH). This is true for all the informal settlements except Kisenyi. From the general analysis of the research findings we established that, when analysed separately, 67.4% of the FHH live below the absolute poverty line while 53.2% of the MHH live below the absolute poverty line.<sup>13</sup> We can attribute this disparity to cultural and social factors: most of the female household heads reported that they were either widows or single mothers. Such women are usually associated with bad luck, witchcraft or violence and so they can hardly enjoy the same status and respect as other women let alone men. It is also true that some of the casual jobs that are available to the people who live in the informal settlements of Kampala cannot be given to women; for example, heavy lifting and boda boda cycling.<sup>13</sup> Indeed women workers account for only 30% of Uganda's labour force (PEAP 2004/05-07/08). This segregation partly accounts for the income disparity that exists between men and women and the consequent welfare disparity between FHH and MHH in the informal settlements of Kampala.

### 5.7 Absolute Poverty and the HHH's Level of Education

All things being equal, the most lucrative jobs in any economy are taken by people with high academic qualifications. Education enables HHHs to get good paying jobs and therefore to sustain their households above the poverty line. It is expected that the higher the level of education of the household head the lower should be the pinch of poverty in his or her household. Education increases people's abilities and skills to achieve high standards of living. However, this strong relationship could not be established during the analysis of our research findings since most of the HHHs that were sampled reported low education levels. Out of

<sup>14</sup> See Table 4 in the appendix.

<sup>15</sup> Moreover, women's wages are significantly lower than those of men; employers prefer men to women because women interrupt work by their reproductive role.

the 120 household heads 12 did not go to school, 50 finished primary education, 45 went to O'level, 10 went to A'level and only 3 finished tertiary education. Education had no explicit influence on the welfare of the households; most household heads reported that they did not use their education qualifications to get their jobs: 35 household heads were casual workers, 30 were petty traders, 20 were crafts persons and the rest were shop attendants, security guards or taxi drivers etc. However, it is still likely that even in those informal employments, people with higher education levels are more advantaged than their counterparts. Those who have gone to school can at least communicate in English and relate with people of a different origin with a certain level of freedom. Indeed our research findings indicated that 9 out of the 13 households that were under the care of someone who had completed A' level were living above the absolute poverty line.

### 5.8 Absolute Poverty and Household Size

An average size of 6 persons per household was established during the analysis of the research findings. As expected, households of a smaller size tend to be better off than those of higher sizes. Big households often are forced to over-utilise their meager resources. We also paid particular attention to the composition of the households; an average household reported a total number of 4 children. This implies that most households are faced with the so-called dependency problem. In most households, only one person (the household head) works – the rest of the members (some of whom are adults) depend on the household head's sweat: only 29 out of the 120 households that we sampled reported that at least one other household member works and supplements the efforts of the household head.

### 5.9 Do Poor People Save?

It is generally held that poor people have a high Marginal Propensity to Consume (MPC) and a very low Marginal Propensity to Save (MPS). Since their incomes are very low, they cannot meet all their basic needs. Thus, a very high proportion of any additional income that they earn is

spent immediately. Only a very small percentage of poor people's income is saved, if at all. From the findings of our survey we established that average monthly household savings is as low as Ushs 19,600.55 out of the 120 respondents clearly stated that their households do not and cannot save or invest. This inability to save hinders poor people from buying durable assets and equipment for their households.

### **5.10 Do the Poor have a Right to Leisure?**

The most embarrassing question to ask during the survey was the one concerning household monthly expenditure on leisure; most of the respondents just laughed it off and called it a luxury for the rich. Leisure is not considered as a human right by most poor people. Only 25% of the respondents reported that their households have a tradition of 'going out' for leisure on a monthly basis. On average, a household spends Ushs 4,100 per month on leisure. Sadly enough, some people have resorted to drinking joints as the only places where they can recreate with their friends.

### **5.11 Key Findings through Observations and by Listening to the Untold Story**

A supplementary way of getting primary data during any survey is through observations. The researcher must be keen on what he or she sees while in the field. During our survey, we made general observations about the availability of sanitary services in the informal settlements of Kampala. We observed that most of the households in the informal settlements buy water from public taps and bore-holes while some resort to fetching free water from open wells. The safety of all these sources of water is something that we were skeptical about during the survey. Most of the wells we saw were filthy and some of the public taps were in dirty environments. All this puts the people at risk of being infected by diseases such as cholera. Sanitation was severely lacking in all of the informal settlements that we visited. We observed that most people live in mud or wooden houses and they use public pit latrines. The drainage systems are very poor because of the haphazard way in which the

houses there have been built and also the way people dump garbage and human excreta.

A word about the untold story of our survey is quite inevitable here. We paid particular attention to the way people responded to the question we asked them about their household monthly income. Although a majority of the respondents (74%) disclosed to us their household monthly incomes, none of the income figures each of them reported corresponded with the monthly expenditure figures that he or she reported. In fact, all the reported expenditures were way above the reported incomes. We attributed this discrepancy to two major factors: (i) most people might have deliberately hidden their incomes for fear of taxation, and (ii) it is possible that some people earn additional incomes from illegal sources that should never be disclosed to 'strangers.'

Finally, we noticed a very high level of under employment within the informal settlements. Almost everywhere we went we met groups of men drinking alcohol as early as ten o'clock in the morning – one wonders how such people meet their other basic needs.

## Conclusions and Policy Recommendations

Like most contemporary economies, Uganda is a mixed economy. Mixed economies combine the creative forces of capitalism with the protective controls of socialism. Mixed economic activity is a blend of the government sector and the private sector. Each of these two sectors must play its role in order for the economy to function properly. Needless to say, the fight against poverty in Uganda will be won if, and only if, it is waged by both the government sector and the private sector.

As mentioned earlier in our introduction, **the Government of Uganda** is aware of its role in the fight against poverty. We have already mentioned some of the strategies and policies that have been employed by the government sector in order to reduce the incidence of poverty in Uganda. However, despite all the achievements that have so far been realised, the Government of Uganda still has a lot to do especially for the urban poor before it can proudly declare that it has achieved the MDGs.

Increasing household incomes is one of the surest ways of alleviating material poverty. The government sector has the ability to create employment opportunities for the people. More employment opportunities should be created by encouraging private investors who are willing to employ the citizens of Uganda. There should be a way of creating more job opportunities in the informal sector so as to employ 'illiterate' Ugandans who can no longer go to school because of their age. Improving the informal sector will reduce urban unemployment and poverty.

It is also important to ensure that Uganda's education system is geared towards producing people who have practical skills and not mere theory. It is easier to plan for a labour force that consists of job creators than that of job seekers. The Government of Uganda has been encourag-

ing school-going children to 'specialise' in science subjects so that they can acquire skills that will help them to create and not to seek jobs. This is good enough but the emphasis should not be put only on very sophisticated technical skills since Uganda is still a developing country that cannot afford the requirements for running an advanced scientific curriculum. Training students in local practical skills and in business entrepreneurship might assist them to get jobs as the country continues to develop; surely, development is a gradual process.

A complementary way of alleviating poverty is through increasing household real incomes by providing essential services at subsidised prices. Welfare economists have always emphasised that it is the role of the government to collect taxes and to use that revenue for the provision of public goods and services such as road networks, schools, water, sewage systems, energy supply, security organs and hospitals that will enable private individuals to meet their own basic needs. Subsidising basic necessities such as education, medical care, fuel and housing assists poor people to at least overcome their food poverty. We should emphasise that the distribution of these services ought to be fair in order to reduce the income disparities that are caused by the unequal distribution of the means of production and also to reduce the rate of rural-urban migration that is currently on the increase.

When public services, such as good roads and electricity, have been provided even in the rural areas, most unemployed urban dwellers will prefer going back to the rural areas to staying idle in the slums. Urban-rural migration will decongest the city and reduce urban poverty. The development of Uganda will indeed come from the rural areas since Uganda is an agro-based economy.

There is a need for the government to set up more agro-based industries especially in the rural areas in order to commercialise her agricultural sector and to boost her foreign earnings by exporting processed products.

Moreover, the government should go the extra mile and ensure that prices of basic necessities are not increased haphazardly by private individuals otherwise inflation will continue to eat up the poor people's meager incomes. Kampala continues to face high food prices and yet the prices are sometimes increased without any sufficient justification. The

government must play its role of ‘interfering’ with the market forces of demand and supply whenever either of these two tends to manipulate the other for selfish interests. By controlling inflation, the government increases people’s real incomes.

We now turn to the role of **the Ugandan private sector**. One of the reasons Uganda may take long to achieve development is the growing mentality among some Ugandans who think that the government will do almost everything for them. The state is “regarded as an institution of supply service which, like a magician, should give to all from inexhaustible financial resources and, if possible, take from nobody.”<sup>16</sup> Of course there are so many Ugandans that try to play their role as development partners but some still have a long way to go. Some members of the private sector have formed development associations in order to set up small scale income generating projects.

This is a good way of fighting poverty that should be encouraged. Group formation strengthens the private sector to bargain for fairer wages or to secure loans from financial institutions. The formation of development associations is something that would also, for example, enable slum dwellers to manage their garbage and to improve their own sanitation as best as they can before they seek help from the government. It is also the role of private people’s associations to assist anti-corruption organs in the fight against corruption which is now characteristic of some political leaders and to ensure that those leaders play their role.

The private sector consists of individual households that have and must fulfill certain obligations. Each household uses available resources to satisfy its needs. Usually the resources are not enough for the household’s insatiable wants.

The household cannot but forgo certain things in order for it to live within its means. There is a need for each household to work in order to expand its resources but also to be rational enough and differentiate its needs from its wants. Most people hardly know the difference between their wants and their real needs. This is true especially among urban dwellers since they are usually influenced by so-called modernity. The fact however, is that household needs are indispensable while wants are

more or less luxurious. Surely food is a necessity while cosmetics and perfumes are not. In order for a household to make rational economic decisions, it should be able to know its monthly income and then set its priorities right. Any rational household must construct what economists refer to as a scale of preference. It is indeed reasonable for households to meet their most pressing needs first before they can indulge themselves in contingent transactions, otherwise poverty is here to stay.

Finally, a word about the **role of Justice and Peace institutions** in the development process of Uganda is paramount here. True development<sup>17</sup> cannot be achieved unless people are reminded of or helped to fulfill their ethical obligations as they carry out their economic activities. Justice and Peace organisations have a duty to educate both the government sector and the private sector about the ethics of production and of consumption.

The government sector needs to be constantly reminded that the end of its economic activity “must be the service of man, and indeed of the whole man, viewed in terms of his material needs and the demands of his intellectual, moral, spiritual, and religious life.”<sup>18</sup> Governments should be made up of wise leaders who will suggest ways how scarce resources can be used to meet human ends. By human ends is meant both material and spiritual human needs; surely, true development means something far more than mere economic growth.

It is the duty of the Justice and Peace organisations in Uganda to ensure that the government does not aim at modernising or urbanising the economy instead of targeting the most authentic end of true human development. By aiming at modernisation, governments end up distributing national resources unevenly between rural and urban areas. This is what attracts people to urban centres and culminates in unnecessary urban congestion, unemployment, crime and poverty.

Notwithstanding its presumed preferential option for the underprivileged, the state cannot and should not do everything for the people. The task of the government is to do for the people what they cannot do for themselves but leave to them what they can do by their own capabilities.

<sup>16</sup> Peschke goes into the details of this argument on page 40 of his *Social Economy in the Light of Christian Faith*.

<sup>17</sup> Development here means peace; something more than mere economic growth as discussed by Pope Paul VI in his encyclical *Populorum Progressio*.

<sup>18</sup> See Vatican II council Pastoral Constitution, *Gaudium et Spes* No. 64.

ties.<sup>19</sup> 'Private' individuals therefore must be reminded that they ought to work for their daily bread but also to guard themselves against the culture of consumerism that is eating up most contemporary societies. If all human activities were carried out justly, the end would be nothing but **peace** – our new name for **development**.

## Appendix

**Table 2: Household Monthly Expenditure on Non-Food Items**

Location	Average expenditures on				
	House rent	education	fuel	Transport	Other non-food items
Nsambya	39,850	83,000	23,550	12,400	
Kisenyi	37,100	27,700	27,800	6,800	
Katanga	28,250	27,150	23,000	21,150	
Kamwokya	62,750	74,600	39,000	23,900	
Namuwongo	26,650	23,800	17,900	9,050	
Bwayiise	28,250	39,900	21,100	9,950	
<b>Averages</b>	<b>37,150</b>	<b>46,050</b>	<b>25,400</b>	<b>13,850</b>	
<b>Percentages of non-food budget</b>	<b>18</b>	<b>22</b>	<b>12</b>	<b>7</b>	<b>41</b>

**Table 4: Gender and Absolute Poverty Incidence**

Location	Male headed households (MHH)		Female headed households (FHH)	
	Total no of MHH	Poverty incidence (as % of MHH)	Total no of FHH	Poverty incidence (as % of FHH)
Nsambya	12	50.0	8	62.5
Kisenyi	9	88.9	11	81.8
Katanga	7	42.9	13	69.2
Kamwokya	9	0.0	11	36.4
Namuwongo	12	75.0	8	87.5
Bwayiise	8	62.5	12	66.7
<b>Overall</b>	<b>57</b>	<b>53.2</b>	<b>63</b>	<b>67.4</b>

<sup>19</sup> Refer to the principle of subsidiarity as presented by Pope Pius XI in the encyclical letter *Quadragesimo Anno* No. 203 and also by Pope John Paul II in the encyclical letter *Centesimus Annus* Nos. 852-854.

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