Measurement of income poverty in Uganda

James Muwonge
Director, Socioeconomic Surveys
Uganda Bureau of Statistics

A presentation at the Expert Group Meeting on Poverty
Ankara, Turkey 19-20 November 2014
OUTLINE

- Background
- Resources for the Survey programme
- Construction of consumption aggregate
- Comparability over time
- Data Sources
- Concluding remarks
About UBOS

- The Uganda Bureau of Statistics was established by an Act of Parliament in 1998 as a coordinating, monitoring and supervisory body for the National Statistical System (NSS).

- The Bureau executes its mandate by conducting surveys and censuses, Providing technical support to Ministries Departments and Agencies (MDAs) and also relies on administrative data to meet data requirements.
The driving forces:

- **Uganda National Development Plan**
  - It is revised every 5 years. It has a set of indicators for monitoring its progress, of which income poverty is one of them
  - Most of these indicators are constructed based on the household surveys conducted by the Uganda Bureau of Statistics

- **International Development Frameworks**
Background (contd.)

- Quantitative approaches (through household surveys) and qualitative approaches (through Uganda participatory poverty assessments) accepted as poverty monitoring approaches used in monitoring the National Development Plan (NDP) indicators.

- NDP recognizes that poverty is multidimensional, however, money metric approach to poverty analysis still dominates.
Resources for the Census /Survey programme

➢ The long term survey programme lists the censuses and surveys to be undertaken over a 10 year period
  ● Makes it possible to follow a release calendar for the census and surveys programme if the resources are programmed in advance and adequate preparations made
  ● Increases coordination of data collection activities across the National Statistical System
Constructing the Consumption aggregate

Food, beverage and tobacco:

- Data collected according to three broad sources, that is, consumed out of purchases, home produces and received in-kind/free
  - Gathers information both on quantity, prices and values

- Note:
  - Items recorded in all forms in which they are sold/produce/received
  - Prices and values of consumption out of home produce are valued at farm prices
  - Most items reported in non-standard units
Constructing the Consumption aggregate Cont’d

- Maintained similar recall periods since 1993/94 survey
  - 7-day for food, beverage and tobacco;
  - 30-day for non-durables and frequently consumed goods/services;
  - 365-day for semi- and durable goods/services
Constructing the Consumption aggregate Cont’d

- Accounting for inter-temporal prices differences between surveys
  - The consumption aggregate is adjusted for inflation using the monthly all-items consumer price index (CPI) for the survey period
Constructing the Consumption aggregate cont’d

- Consumption expenditure per adult equivalent is used as a measure of welfare
  - While the surveys collect information both on consumption expenditures and income, the latter is not used in income poverty analysis.
    - However, this information has been useful in providing reasons for the observed poverty trends.
Poverty Line

Poverty lines

- Official poverty line:
  - Cost of basic needs
  - Food basket of 1993 including staples and non-staple foods for the poorest 50%
  - Same food poverty line for the entire country
Comparability over time

- Samples design has remained the same
  - Two stage
    - First stage: Enumeration areas
    - Second stage: Households
  - Samples continue to be geographically stratified to ensure reliable representation at national, rural/urban and regional level

- Monitoring progress in income poverty based on cross-section households surveys

- Geographical coverage – national, regional and rural/urban
DATA

- A total of 9 household surveys conducted by the Bureau since 1990 and contain the relevant data needed for income poverty analysis
Data (contd.)

- Quality of data collection has improved over time
- In-country capacity to carry out poverty analysis increasing
- Independency in poverty analysis – without political/donor influence
- Acceptability of poverty analysis results by government
- Availability of Data to users
Concluding remarks

- Strong Govt. commitment towards poverty monitoring
- Uganda has massive data at household level which has greatly stimulated poverty analysis and monitoring progress towards MGD & NDP targets
- Decentralized planning and data collection remains a key challenge given the fact that household surveys provides estimates up to regional level
Concluding (contd.)

- The multi dimensional measure of poverty important for better understanding of the different facts of poverty
- The perceived poverty levels Vs realized poverty levels (from household survey data)
END

THANK YOU