the reality of poverty
mbarara, uganda

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## Abbreviations and Acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Chronic Poverty Research Centre</td>
<td>CPRC</td>
</tr>
<tr>
<td>Civil Society Organizations</td>
<td>CSOs</td>
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<tr>
<td>Community Based Organisations</td>
<td>CBOs</td>
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<tr>
<td>Department for International Development</td>
<td>DFID</td>
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<tr>
<td>Development Index</td>
<td>HDI</td>
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<tr>
<td>Gross Domestic Product</td>
<td>GDP</td>
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<tr>
<td>International Development Association</td>
<td>IDA</td>
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<tr>
<td>International Financial Institutions</td>
<td>IFIs</td>
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<tr>
<td>International Monetary Fund</td>
<td>MF</td>
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<tr>
<td>Local Councils</td>
<td>LCs</td>
</tr>
<tr>
<td>Ministry of Finance, Planning and Economic Development</td>
<td>MFPED</td>
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<tr>
<td>National Agricultural Research Organisation</td>
<td>NARO</td>
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<tr>
<td>Non Governmental Organisations</td>
<td>NGOs</td>
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<tr>
<td>Participatory Poverty Assessment</td>
<td>PPAS</td>
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<tr>
<td>Poverty Action Plan</td>
<td>PAF</td>
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<tr>
<td>Poverty Eradication Action Plan</td>
<td>PEAP</td>
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<tr>
<td>Self-Help Organisations</td>
<td>SHOs</td>
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<tr>
<td>Sustainable Livelihoods</td>
<td>SL</td>
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<tr>
<td>Uganda Bureau of Statistics</td>
<td>UBOS</td>
</tr>
<tr>
<td>Uganda Joint Assistance Strategy</td>
<td>UJAS</td>
</tr>
<tr>
<td>Uganda National Household Survey</td>
<td>UNHS</td>
</tr>
<tr>
<td>Uganda Participatory Poverty Assessment Project</td>
<td>UPPAP</td>
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<tr>
<td>United Nations Development Program</td>
<td>UNDP</td>
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<td>World Bank</td>
<td>WB</td>
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Acknowledgement

In Kampala, much gratitude to Professor Emmanuel Tumusiime Mutebille, Governor of the Bank of Uganda for helping us receive a clearer understanding of the institutional context in Uganda.

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Moses Tukwasiibwe, from Mbarara University of Science and Technology, who efficiently and graciously organised our excellent field-trip.

Last but certainly not the least, we express our heartfelt gratitude to the people of Kashanyarazi in Mbarara, the local council and families in Rwanyamahembe village, visitors to Bwizibwera Primary Health Centre and traders at Bwizibwera market for graciously taking time out from their work and activities to talk to us and help us with our research.
Uganda is often considered to be a role model for poverty reduction by international donors. While many countries struggle to achieve positive results from donor-funded initiatives, Uganda has seemingly found the right approach for sustained development and set milestones in the adoption of structural adjustment and poverty reduction strategies. While experiencing continuous poverty reduction since implementation of the Poverty Eradication Action Plan (PEAP) in 1997, this positive trend showed some reversal after 2002, with statistics indicating a slight decrease in poverty reduction since then. The broad aim of this research project is to analyse the PEAP, its strengths and weaknesses, and the reasons for the change in trend since 2002. This project has specifically focused on the effects of the PEAP on poverty in the district of Mbarara, situated in south-west Uganda. The specific mission of this project was to analyse the reality of poverty in Mbarara district; both in urban and rural areas; to identify the reasons for poverty, and to give recommendations for areas of future research and institutional improvements to make poverty reduction programmes more effective.

The working definitions of poverty were adopted from those used by the Ugandan government and formed the guidelines for research. However the team did try to understand poverty and poverty reduction as defined by the poor themselves. Emphasis was laid on qualitative data, obtained mainly through primary research methods like interviews, discussion groups and observations, from three locations in Mbarara district namely Kashanyarazi (urban), Rwanyahembe and Bwizibera (rural). Research was centred around the three main topics, identified at the inception of the project. These topics were – the poor’s perception of poverty in Mbarara and what they considered were causes of and solutions for poverty, the direct impact of policy initiatives like ‘decentralisation’ and ‘good governance’ on the poor and whether the statistics used for planning and assessment of poverty reduction did actually reflect reality.

Considering the multidimensional realities of poverty, the team adopted the Sustainable Livelihoods Framework as a tool to structure research and analyse findings. Findings from field research were of two types. The first type of findings was where information collected on the ground corresponded to the findings of preliminary desk research. These were general issues like poor infrastructure, gender inequality and other such observations that have already been analysed or are being analysed by other researchers. The second type of findings, that the project focused more on, were the several key issues that had not been prominent in information from secondary sources but were given much importance by the poor. These are the findings that have been used to identify areas of future research and institutional adjustment.
The first set of findings were related to the PEAP and as to how much how much poverty reduction could be credited to it, and how much may have been a natural consequence of increased stability and security in Uganda. Part of this issue is the fact that increased security may be a direct consequence of the PEAP itself. Related to the issue of the PEAP is the issue of reliability of the statistics being used for its formulation and assessment.

The second set of findings is about the Decentralisation process in Uganda that was meant to have contributed to poverty reduction. Research indicates that decentralisation may have increased participation of the poor in Mbarara without actually empowering them. Additionally, decentralisation may be bringing the planning of limited resources closer to the people while reducing these resources because of increased corruption at various levels of local government.

The third set of findings are about the values assigned to Education, Size of Families and Family Planning by the poor, the reasons they assign these values and why there is a contradiction between the awareness of family planning and desire for small families versus the reality of continued large family sizes.

The fourth set of findings relates to the many problems faced by the poor when trying to access credit. It is not clear from initial research whether the poor do have access to proper micro-credit or not, and if they do - why it seems to increasing poverty instead of reducing it. Findings indicate that there may be problems with the way credit is given, the way it is used and the lack of regulation of this sector.

The fifth set of findings relates to the sustainability of Livelihood Strategies that the poor identified for themselves. Since most of Mbarara is rural and most people work in the agricultural sector, future research may be required to understand the sustainability of agriculture as a development strategy at the national level. Research is also required on how the poor can diversify income by moving into small businesses or doing value addition to agricultural produce - to combat the vulnerability inherent in the agricultural sector.

The final set of findings relates to the vulnerability of individuals to personal shocks that drive them into poverty because of a lack of access to support systems that may have protected them from this vulnerability. This is a crucial area of research in Mbarara because most of the poverty observed here had as much to do with these micro-factors as it did with larger macro-factors of national economy and governance.
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Part 1: INCEPTION REPORT
According to the World Bank (WB), Uganda is one of the poorest countries in the world. The per capita income in 2005 was about $300 a year, the average life expectancy at birth, 49 years, and a population growth of 3.2% a year, one of the highest in the world (WB, 2007). In the Human Development Index (HDI), Uganda is ranked 145 out of 177 countries [United Nations Development Program (UNDP), 2006]. In spite of these dismal indicators Uganda is considered a success story by donors as national poverty fell from 56% in 1992 to 34% in 2000. This has been attributed to a commitment by the current President, Yoweri Museveni, to eradicate poverty. In 1997, Uganda became the first African country to adopt a Poverty Eradication Action Plan (PEAP) which remains their central policy framework.

Other factors for the decrease in poverty (WB, 2004) has been attributed to the liberalisation and stabilisation of the economy, the privatisation of most state owned enterprises and the abolition of the country’s marketing boards and their monopolies in the sale of coffee, tea and cotton. These macro reform policies have been accompanied by an emphasis on institutional reform such as the reconstruction of public administration and decentralisation. Factors like favourable global market prices for coffee (Uganda’s main export) and the high influx of development aid have also contributed to poverty reduction. (Shaw & Mbabazi, 2004)

The PEAP is the Government’s key strategy document and international donors and development partners try to align their lending and programmes with the Uganda Joint Assistance Strategy (UJAS) which is based on it. It was revised in 2000 and 2004 and is now built on five major pillars.

- Economic Management
- Enhancing Production, Competitiveness and Incomes
- Security Conflict Resolution and Disaster Management
- Good Governance
- Human Development.

By 2000, the Uganda National Household Survey (UNHS) indicated a reduction in income poverty with the poverty head count index declining from 56% in 1992 to 44% in 1997 and to 35% in 2000 (IMF & IDA, 2001). However, poverty started increasing again after 2000; GDP growth is estimated to have declined from an average of 5.6% for the five years to 2004/05 to 5.3% in the years of 2005-2006. This decline has been attributed to amongst other things - prolonged drought in 2005/2006 which reduced agricultural growth by 2%, the effects of energy shortages on industrial production, high volatile world oil prices and corruption (WB, 2007). Whether this apparent increase in poverty is a short-term phenomenon in a long-term trend of decrease in poverty has yet to be seen. However, the contradiction remains of Uganda being portrayed as a success story of aid-driven reform while remaining one of the world’s poorest countries.
This project will focus on the ‘Reality of Poverty’ in Mbarara District in south-western Uganda where farming is the major economic activity. There are also a few private industries like milk-processing plants, hotels and bars, bakeries etc and some amount of small-scale trading and entrepreneurial activity in both urban and rural areas. Mbarara is a relatively wealthy district with most counties having poverty levels below 20% as compared to districts such as Masindi and Kasese with more than 50% poverty incidence (Emwanu et al, 2004). This district in particular has recorded a good 6.5% per annum annual growth rate over the recent past (Shaw & Mbabazi, 2004).

**Theoretical Framework**

Noor Al Shoala

In addressing the Reality of Poverty, the ways in which poverty has been defined within the Ugandan context must be examined. Poverty is defined by the Ministry of Finance, Planning and Economic Development (MFPED) as “a lack of the means to satisfy basic material and social needs, as well as a feeling of powerlessness” (MFPED, 2000 & 2002 cited in CPRC, 2005:16). The PEAP recognizes poverty as a multidimensional phenomenon that goes beyond financial deprivation and includes “powerlessness in the sense of insecurity, helplessness against corruption in public service delivery, general exploitation by service providers, vulnerability to natural and economic shocks, and isolation from the larger society.” (Okidi & Kempaka cited in CPRC, 2005:16)
These characteristics do paint a picture of the different dimensions of poverty in general as described by the poor themselves. The main dimensions of poverty identified by the poor include a “persistent lack of basic necessities of life and means of production, lack of social support networks, and feelings of negativity, resignation, frustration and powerlessness” (CPRC, 2005:19).

As strongly described by one Ugandan, poverty is “when you have nothing and cannot get anything and there is no means to get anything.” (ibid)

When examining the Ugandan experience of poverty, one must also take into account the individual’s behaviour as having a role to play in making the individual poor, which is not to say that the poor are to blame for being poor, but that the actions undertaken by individuals that perpetuate poverty must be examined. By looking at poverty carriers (not only poverty indicators), which refers to those activities performed by the individual which perpetuate poverty (such as alcoholism), we form a better understanding of poverty (Munene et al, 2005:9).

When researching the reality of poverty, the different aspects of poverty, discussed above, must be taken into account. The Sustainable Livelihoods (SL) Framework allows us to take account of the multitude of variables that shape the reality of the poor by recognizing that “households construct their livelihoods both on the basis of the assets which are available to them and within a broader socio-economic and physical context” (Rakodi, 2002: 8).

Any framework is “an oversimplification of a complex reality and should be treated merely as a guide or lens through which to view the world” (ibid). So the SL framework will not be completely reflective of the reality of poverty, but will be a starting point through which to illustrate and examine the different components and relationships that play a role in the lives of the poor. This includes the assets which are or are not available to the poor, the insecurities and vulnerabilities of individuals in the face of a changing environment, and the policies and institutions that shape the way in which people interact (ibid).
The livelihoods approach draws on years of research on peasant agriculture; therefore it was initially conceptualized as an approach for rural areas. However, as research on urban poverty increased, it was found that many of the concepts in the livelihoods approach were appropriate for addressing urban poverty and were therefore adopted and adapted in work on urban poverty (ibid). Therefore, the SL framework is an appropriate tool for our research work in both urban and rural Mbarara.

**Mission Scope and Objectives**

Shahana Dastidar

As consultants to the Department for International Development (DFID) and UNDP, the primary purpose of our mission is to gain an improved understanding of the ‘Reality of Poverty’ in Mbarara with an attempt to understand the type of factors that may be affecting poverty reduction and the apparent recent reversal of Uganda’s early success in this area.

The team’s research will centre on identifying those issues related to poverty reduction that seem to be the most important from first-hand observation and data collection. Since the topic ‘Reality of Poverty’ is so broad, the recommendations will try to identify key areas that either contradict existing perceptions or indicate a rather obvious need for more research or institutional strengthening/adjustment. The idea of institution here includes organizations and agencies as well as policy frameworks like the PEAP.
The first part of the study will be to research and generate qualitative data about poverty in Mbarara. This data will be used to get insight from various stakeholders, especially the poor, on what they perceive to be the key factors affecting poverty. These can be activities that individuals undertake/are forced to undertake that make them poor or keep them in poverty, “poverty carriers”. They can also be those livelihood assets that help them escape poverty. These various poverty carriers and livelihood assets will then be analysed using the SL framework to generate recommendations.

The second part of the study will be to understand how policy initiatives like the PEAP and Decentralisation affect poverty in Mbarara. According to the SL Framework, a household’s livelihood strategy, and consequent level of well being, depends on the assets it has access to, the factors that mediate their access (gender relations, how markets operate etc.), and contextual factors (such as macro policies or shocks) (Lawson et al, 2003). Drawing on Sen’s freedoms approach (Sen, 1999) the study will expand the range of ‘assets’ to include political and security assets that are affected by government policy.

The third part of the study will be to make an effort to correlate quantitative data like statistics (from secondary sources) with the qualitative data collected to improve the team’s understanding of the ‘reality of poverty’. Since quantitative data is used for formulating both strategy and policy, this relationship is extremely important and may contribute to an understanding of the reasons for policy failure or success. However it is not within the project scope to try and conclusively verify existing statistics (or generate new ones).

To sum up, the team’s research and analysis will focus on these three areas to research the ‘Reality of Poverty’ in Mbarara. The resulting data and analysis will be then used to make recommendations towards improving poverty reduction strategies.

Methodology
Eric Lampertz

According to mission objectives, research is based on three key questions:

Q1: What do the poor in Mbarara perceive as poverty? What do they consider as factors (poverty carriers) that cause or keep them in poverty?

Secondary information can distort perceptions of poverty and its causes, often biased by the views of individuals generating the information. The objective here is to understand the reality of poverty as defined by the poor themselves. Therefore first-hand information will be collected on livelihood assets, coping strategies and changes in livelihoods over time.
**Q2:** What is the impact of policy initiatives like decentralisation and good governance on the poor in Mbarara?

Multilateral agencies often praise Uganda as a showcase for legitimacy and effectiveness of poverty reduction programmes. Evaluation and impact assessments of those programmes, if available, only focus on the macro-level. This study aims to analyse realities at the community/individual level and investigate how policy prescriptions at the national level have influenced livelihoods of poor households in Mbarara.

**Q3:** Do statistics reflect reality?

Statistical information may hide reality behind numbers and generalizations. As part of research, there will be an effort to identify the differences between statistical data and ground reality in Mbarara. Within the limited time available, the study will try to identify gaps in available information and areas for further research, rather than attempt an in-depth analysis.

**Research Strategy**

As already mentioned, the SL framework will be used to structure research. Secondary data used is mainly from government, donor and university reports, policy papers, statistics from the Uganda Bureau of Statistics (UBOS) and multilateral agencies, etc. The collection process for Primary Data will take into account the extent and quality of secondary data and specifically target areas with low availability of information (Table N°1).

Besides identifying information gaps, the study will try to understand the local people’s views on poverty, compare it to definitions from official policy, and compare those with first-hand observation. The time component is important in methodology as livelihoods are constantly changing. So research will try to identify changes over time, reasons for these changes, and their impact on poverty.

**Target Groups**

As time constraints do not allow for quantified research, selection of informants is very important. Selection criteria for this study will be based on locality, with distinction between urban and rural context; profession, with distinction between farming and non-agricultural activities; as well as gender and age.
### Table N°1: Availability of information and form of research

<table>
<thead>
<tr>
<th>Component of sustainable livelihood</th>
<th>Available information</th>
<th>Main research method</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vulnerability Context</td>
<td>Low</td>
<td>Discussion groups, interviews.</td>
<td>Primary</td>
</tr>
<tr>
<td>Livelihoods Assets</td>
<td>High</td>
<td>Desk research, interviews, discussion groups, ranking observations.</td>
<td>Primary Secondary</td>
</tr>
<tr>
<td>Transforming structures and processes</td>
<td>High</td>
<td>Desk research, interviews, discussion groups, ranking observations.</td>
<td>Primary Secondary</td>
</tr>
<tr>
<td>Livelihood strategies</td>
<td>Low</td>
<td>Discussion groups, interviews.</td>
<td>Primary</td>
</tr>
<tr>
<td>Livelihood outcomes</td>
<td>High</td>
<td>Desk research, interviews, discussion groups, observations</td>
<td>Primary Secondary</td>
</tr>
</tbody>
</table>

Source: Own elaboration based on SL framework and research planning

### Main research methods

- Desk research with data collected from national census, university/academic publications, policy papers, reports from international agencies and NGOs, and other resources.

- Interviews with local individuals' communities. Specific attention will be paid to topics where little secondary data is available or where existing data is of poor quality. Semi-structured interviews with qualitative outputs will be used instead of more structured methods like questionnaires/ forms or quantitative data from sample surveys. Interviews will be loosely structured around research topics in conformity with the SL framework. (Table N°2)

- Discussion groups will be organised as a faster way of gathering information from a larger number of people over a short period of time. It is also believed that people may feel more confident to speak out when part of a group of their peers. As with interviews, these will be loosely structured and conducted through experienced local facilitators to overcome language barriers.

- Within discussion groups, a ranking exercise will be undertaken to identify participants' development priorities in comparison to official policies.

- Observations (as in transect walks) may be used to verify secondary data on livelihood assets, and any apparent variations from statistical data.
Research topics

A list of research topics is listed below in Table N°2. For a more detailed list of topics/questions around which interviews and discussions were structured, please refer to Annexure N°1.

### Table N°2: Research topics and relation to components of SL Framework

<table>
<thead>
<tr>
<th>Component of sustainable livelihood</th>
<th>Main research topics</th>
<th>Mostly related to research question*</th>
</tr>
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<tbody>
<tr>
<td>Vulnerability Context</td>
<td>Dependency on income from agricultural produce.</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>Predictability of fluctuations in revenue (agricultural and other).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Predictability of fluctuations in needs, with relation to income (e.g. cash availability when school fees need to be paid)</td>
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<tr>
<td></td>
<td>How do income-earning opportunities vary throughout the year? Are they agricultural or non-farm?</td>
<td></td>
</tr>
<tr>
<td>Livelihoods Assets</td>
<td>Availability of natural resources and right of access thereof.</td>
<td>Q1+3</td>
</tr>
<tr>
<td></td>
<td>Conflict over resources.</td>
<td></td>
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<tr>
<td></td>
<td>Availability and accessibility of existing knowledge.</td>
<td></td>
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<tr>
<td></td>
<td>Infrastructure and services.</td>
<td></td>
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<td></td>
<td>Financial institutions and culture of saving.</td>
<td></td>
</tr>
<tr>
<td>Transforming structures and processes</td>
<td>Constitutional setup.</td>
<td>Q2</td>
</tr>
<tr>
<td></td>
<td>Liberalization, privatization</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Good governance (transparency, accountability, management).</td>
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<td></td>
<td>Objectives and activities of national and local government.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Relation between government policy and output.</td>
<td></td>
</tr>
<tr>
<td>Livelihood strategies</td>
<td>Livelihood goals, and activities to achieve those.</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>Assets available to achieve livelihood goals.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Constraints undermining achievement of livelihood objectives.</td>
<td></td>
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<tr>
<td></td>
<td>Changes and reason of change of livelihood strategies over time.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>People’s tendency to anticipate long-term trends.</td>
<td></td>
</tr>
<tr>
<td>Livelihood outcomes</td>
<td>Awareness of citizens’ rights.</td>
<td>Q1+3</td>
</tr>
<tr>
<td></td>
<td>Political representation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Means to protect rights.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Means to protect assets.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own elaboration based on SL framework and research planning

Note: The three research questions are relevant for all of the five components of the sustainable livelihoods framework. The aim here is to highlight only the most important question-component correlation.
Institutional Landscape
Mariana Infante & Romina Rodríguez Pose

Outline of Institutional Context

The institutional analysis is fundamental for understanding how the institutional context affects the reality of poverty. For the purpose of this study institutions are defined as “the devising and realisation of rules, procedures, and organisational structures that will enable or constrain behaviour ... so as to accord with held values, achieve desired objectives...” (Alexander, 2005).

The most relevant formal institutions affecting poverty are the Central Government, the MFPED and Local Governments (LGs). The Central Government with a strong presidential figure has identified poverty eradication as the national priority through the policy framework of the PEAP. This is implemented by the MFPED by means of budget allocation directed towards poverty reduction. The PEAP is the backbone of an entire set of institutionalised policies like decentralisation and good governance.

The participatory process constitutes a major pillar of good governance and participation in policy-making and monitoring has been institutionalised through the Uganda Participatory Poverty Assessment Project (UPPAP). The UPPAP aims to undertake direct consultations with the poor to improve the PEAP and build participatory planning capacity at local level. The participatory process becomes viable through decentralisation, which transfers responsibilities closer to local communities to improve pro-poor governance and delivery of social services by empowering citizens at all levels to be masters of their own development (Craig & Porter, 2006).

In this context, LGs in the form of hierarchical Local Councils (LCs) have acquired much importance. These pyramid-structured entities are meant to introduce democratically elected committees to enhance accountability of civil servants (ibid). However the LC’s may not promote local political accountability and participation as the political system does not create incentives for elected officials to represent the interest of their constituents, particularly the poor (Piron & Norton, 2004:30). Also, limited financial resources presents serious challenges as local community priorities may not meet those of the Central Government, where the resources come from.

The Poverty Action Plan (PAF) is the mechanism through which money is allocated to different regions. This seems not to be efficient enough to reduce poverty and inequality, as corruption, time lags and poor quality of services threaten the efficiency of the PEAP as a whole (Ssewanyana et al, 2004).

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1 Therefore, to influence the design and implementation of poverty reduction strategies
International Financial Institutions (IFIs) and external donors are also important actors as the PEAP relies heavily on foreign aid for funding. Their relevance is both financial and political as they are “...powerful not just because Uganda is extremely aid-dependant but also because they developed sophisticated relationships with President Museveni, ministries and other government institutions, and civil society organisations” (Piron & Norton, 2004:38).

Civil Society Organizations (CSOs) include NGOs as well as Community Based Organisations (CBOs). These have become important institutions as they have been involved in the PEAP revision processes, monitoring, evaluation and implementation (Isooba, 2005).2

**Specification of Key Actors**

This has been carried out through a Stakeholder Analysis for which ten stakeholders have been identified (Table N°3). The analysis has been done under the assumption that the findings and recommendations of this research will have some influence and importance for changing poverty reduction programmes. Research on the “Reality of Poverty” is focused towards understanding and improving existing strategies within the PEAP framework for poverty reduction in Mbarara. The research project will be submitted to the MFPED, which according to the findings and recommendations may adjust/ formulate poverty reduction strategies within the PEAP. In this sense, the outcome of the research will indirectly affect poverty in Mbarara.

![Figure N°3: Research impact on Poverty Reduction](image)

Source: Own elaboration based on literature review and collected data

Note: * Within the PEAP framework

The analysis of the actors involved has been done under the assumption that the MFPED will take into account the findings and recommendations resulting from the research. Additionally, it has based on the combination of the level of influence and importance of the research and its potential results on poverty reduction.

President Museveni may be interested in the research, being from Mbarara. But he has had no direct influence on research itself though he does have major influence on

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2 CSOs are involved through the Participatory Poverty Assessment (PPAS) under the UPPAP
Poverty Reduction Programmes. For MFPED, the report on “Reality of Poverty” represents an input for policy design. MFPED has significant influence, being the institution in charge of materializing policies. On the other hand, while it has high importance on poverty reduction as national policy, their impact on poverty reduction in Mbarara will depend on the allocation of resources for this district according to their national priorities.

Therefore LGs in Mbarara have higher importance since the project is focused on tackling poverty in their region. Their influence is significant for research as facilitators of information and contacts but their level of influence depends on the level of LC.

Within civil society stakeholders, the poor and CBOs/SHOs (Self-Help Organisations) have high interest in changing poverty reduction plans. However, while their influence on the research is high (as providers of primary data), their influence in policy making is limited.

NGOs tend to be self-appointed and not necessarily representative of the poor ((Piron and Norton, 2004:25). While they are not a research priority for gathering information, they influence poverty reduction programmes through the participatory mechanisms of the PEAP. As a result, they have medium importance and influence on the project.

Private Sector stakeholders are affected differently according to if they are big enterprises or small businesses. While big firms can have an important role in generating employment and have considerable importance on reducing poverty to improve their markets, the Mbarara market may have only marginal importance to their business. On the other hand, small businesses are mostly carried on by poor people so they have similar interests and influence on the project as analysed for the poor.

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3 Through the increase in consumption that a reduction of poverty would imply
DFID/UNDP has high influence as they are funding the research and the importance of the project to them relates to their institutional mission.

Table N°3 - Stakeholders: Poverty Reduction in Mbarara based on "Reality of Poverty" Research

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Interests in the project</th>
<th>What can the Stakeholder provide?</th>
<th>Potential Impact</th>
<th>Relative Importance</th>
<th>Relative Influence</th>
<th>Stakeholder level</th>
</tr>
</thead>
<tbody>
<tr>
<td>President Museveni (PM)</td>
<td>Low interest on the research itself but particular interest on poverty reduction in Mbarara as it is his birth region (improve Popularity)</td>
<td>Political backing for policy-making. Bias on the allocation of resources in Mbarara.</td>
<td>+/-</td>
<td>2,5</td>
<td>3</td>
<td>Secondary</td>
</tr>
<tr>
<td>MFPED* (M)</td>
<td>Interest on the Research as an input for policy design. Responsibility for Poverty Reduction in general.</td>
<td>Information about PEAP, statistics, processes. Implementation of policies according to recommendations.</td>
<td>+/-</td>
<td>3</td>
<td>4</td>
<td>Primary</td>
</tr>
<tr>
<td>Local Councils (LCs)**</td>
<td>To make public the local needs. To influence upper level of policy-making.</td>
<td>Information at a local level. Contacts and access to other stakeholders.</td>
<td>+/-</td>
<td>4</td>
<td>3,5</td>
<td>Primary</td>
</tr>
<tr>
<td>Poors (P)</td>
<td>To make known their problems in order to be able to influence on policy-making. To access to better living conditions and develop capabilities.</td>
<td>Identifications of problems from an inside point of view. Direct setting of priorities</td>
<td>+</td>
<td>5</td>
<td>3,5</td>
<td>Primary</td>
</tr>
<tr>
<td>CBOs/SHOs</td>
<td>To influence in the policy-making according with the community priorities</td>
<td>Information about needs and priorities of the community/groups</td>
<td>+</td>
<td>4</td>
<td>3</td>
<td>Primary</td>
</tr>
<tr>
<td>NGOs</td>
<td>To influence in the policy-making according with their internal aims (environmental, water supply, human rights)</td>
<td>Information, technical and financial assistance according to their area.</td>
<td>+/-</td>
<td>2,5</td>
<td>2,5</td>
<td>Secondary</td>
</tr>
<tr>
<td>Private sector-Small Business (SB)</td>
<td>To improve their livelihoods</td>
<td>Information about livelihood activities and identification of major problems.</td>
<td>+</td>
<td>4</td>
<td>3</td>
<td>Secondary</td>
</tr>
<tr>
<td>Private sector-Big Enterprises (BE)</td>
<td>To have a healthy and prosperous economy. To improve markets</td>
<td>Employment and investment</td>
<td>+/-</td>
<td>1,5</td>
<td>1,5</td>
<td>Secondary</td>
</tr>
<tr>
<td>IFIs and other Donors (OD)</td>
<td>To pursue their institutional mission.</td>
<td>Research Financial Resources.</td>
<td>+/-</td>
<td>3</td>
<td>4</td>
<td>Primary</td>
</tr>
<tr>
<td>IFIs and other Donors (OD)</td>
<td>To improve the PEAP, thus, to have a successful model for replicate in other countries.</td>
<td>Indirect support for policies recommended by the Research through financing the PEAP</td>
<td>+/-</td>
<td>1,5</td>
<td>3</td>
<td>Secondary</td>
</tr>
</tbody>
</table>

Source: Own elaboration based on literature review.
* Within the MFPED the Ugandan Bureau of Statistics
** Although there are differences in the importance and influence according with the level of Local Councils (from LC5 to LC1), we will analyse them as a whole

Other international stakeholders have no particular influence on the research itself but indirectly through their financial role on the poverty reduction programme and the national budget. Even though they are interested in reducing poverty, targeting Mbarara may not be within their priorities.
Figure N°5 - Stakeholders Analysis

Source: Own elaboration based on literature review
Part 2: RECOMMENDATIONS REPORT
Analysis of Findings within the SL Framework

To study the reality of poverty in Mbarara through the Sustainable Livelihood (SL) Framework, the team’s research has focused on three areas: Assets, Transforming Structures and Processes, and Livelihood Strategies (included during field-research). These aspects were chosen because, together, they give a complete picture of the capabilities and vulnerabilities of the poor, as well as their livelihood outcomes. Project findings are separated into two sections: General findings and Key Findings.

General Findings

These are important findings but have been documented and analysed already. Since these findings are part of existing analyses that still match reality, they have not been indicated for future research unless part of another key finding.

Livelihood Assets

**Human Capital**
- High levels of employment in agriculture and/or casual labour
- Lack of schools and health services in poorest areas, especially rural areas
- Alcoholism affecting human capital

**Social Capital**
- Strong social networks
- Prevalence of organised formal/ informal groups like SHOs

**Natural Capital**
- Access to agricultural land
- Fertile soils and favourable, though unstable, weather conditions
- Limited access to water

**Physical Capital**
- Condition of services (roads etc.)

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4 These three aspects were chosen because by looking at them one is able to get a sense of both how capable and how vulnerable the poor are, thereby determining the overall livelihood outcomes and giving us a better picture of the reality of poverty.
5 Details of field-research conducted has been described in Annexure 2
6 Complete details of the field-trip findings and their analysis within the SL has been described in Annexure 3
• Limited access to affordable energy (electricity, firewood)
• Poor sanitation

Financial Capital
• Existence of large microfinance sector
• Low usage of financial services
• Use of SHOs for savings and credit

Transforming structures & processes
• General reduction in poverty
• Prevalence of corruption
• Traditionally large families
• Polygamy
• Gender inequality

Key Findings analysed within the SL Framework to identify Areas for Future Research

These are findings that were striking in their unexpectedness or emphasis by the poor. These have been elaborated into questions for further research.

The PEAP- Statistics vs. Reality

The PEAP falls under Transforming Structures within the SL framework and plays an important role in determining access to various types of Capital, Livelihood Strategies, and Decision-making bodies, thereby affecting the reality of poverty. Most people interviewed have felt an improvement in their lives especially due to better access to Human capital like health services and education. It is essential to analyze these improvements in people’s lives and understand how much these improvements are because of the PEAP and how much a result of the stable macroeconomic conditions preceding the PEAP.

As stated by Professor Emmanuel Mutebille (Governor, Bank of Uganda), despite full stabilization of the economy by 1992, poverty was still rampant in 1995. Therefore poverty reduction after 1997 may have been a result of the PEAP. However, people have also indicated a clear improvement in political stability and general security (lower levels of crime/ violence). So,
• How much of poverty reduction can be credited to the PEAP and how much is a natural consequence of increased stability and security?

• Is increased security a direct consequence of the PEAP itself?

If the PEAP is truly the mechanism through which poverty was reduced, one must consider the poverty increase in the 2002 statistics. None of the people asked pointed to 2002 as a significantly “bad” year whereas almost all indicated a steady improvement in their lives over the past decade. In that case, one can consider Professor Mutebille’s explanation of the 2002 figures. The increase in poverty could be attributed to reduced coffee prices and since none of the people interviewed were involved in coffee production, they were not affected.

Secondly, Professor Mutebille also indicated that 2002 could have been a “blip” or statistical error. As Mbarara in south-western Uganda is generally better off than the North and the sample size of population surveyed was too small, the ‘blip’ theory cannot be verified. However, since poverty statistics are measured by monetary income or expenditure, statistics may not fully represent the reality of households in Uganda which has a significant amount of subsistence agriculture and non-monetary trade (barter). Therefore,

• Do statistics paint a true picture of poverty in Uganda and can thus be reliably used for planning?

• Do the figures take into account all the factors affecting livelihoods of the poor?

Decentralisation as poverty reduction strategy

Decentralisation as a poverty reduction strategy has not been completely effective. It has contributed to a reduction in poverty by improving access to health services and schools; and by addressing the “lack of voice”. People in general feel they have more channels through which to voice their concerns which are part of Transforming Structures that affects Assets. However dissatisfaction was expressed about these concerns being actually addressed through policy-making or planning by Local or Central Government. So,

• Does an increase in participation through decentralisation indicate actual empowerment of poor communities?

People in Mbarara discuss the “Decentralisation of Corruption”. It is believed that Local Councils (LC) may not promote accountability and participation because corrupt local leaders have no incentive to do so. Lack of faith in local leaders seems
widespread and the common view is that corruption at each level of the LC pyramid further reduces the limited resources meant for the community.

- **Does decentralisation bring the process of planning limited resources closer to the people? Or does it reduce these limited resources due to increased corruption?**

Cultural Values – Education, Size of Families and Family Planning

Families in Mbarara place a high value on Education\(^7\), maybe because it is seen as key to employment and a stable income. In this sense, Education is more than just Human Capital in Livelihood Assets but a Livelihood Strategy. The value on Education may also be because of the Transforming Processes of culture or government campaigns. To verify these reasons, an area for research could be

- **Why do the poor place a high value on Education as a means of escaping poverty?**

On the other hand, ‘school fees’\(^8\) were indicated as a major problem with more children and the desire to send them all to school causing a greater financial burden. This was a reason that, when asked about the main factors causing poverty, most people mentioned “large size of family”\(^9\). Not only is it difficult to educate more children, large families mean greater sub-division of inherited agricultural land. Plots productive enough for one person become unprofitable when divided between many heirs - affecting Livelihood assets in terms of Natural Capital and sustainability of agriculture as Livelihood strategy.

However, while families indicated a clear concern for managing family size\(^10\), they continue to have many children, even though awareness of contraception and family planning seems to be high. Therefore,

- **Why is there a contradiction between the awareness of family planning and desire for small families versus the reality of continued large family sizes?**

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\(^7\) When asked about how they think they can get out of poverty, education is highlighted as one of the most popular livelihood strategies

\(^8\) It is important to highlight that there are no school fees for public schools in Uganda. When people refer to school fees, they are talking about all the other costs of education like uniforms, textbooks, and contribution to the school building fund, sports facilities, mid-day lunch etc.

\(^9\) Most of the families interviewed present an average of 4 to 5 children, with a few cases of 7 or 8 children, of school-going age.

\(^10\) They even asked the research team about how western people managed to have only 1 or 2 children per family.
This might be due to numerous factors, all part of Transforming Structures and Processes:

- Implementation problems: Most interviewees claimed to have tried some type of contraception. However, side effects from incompatible methods may have discouraged them from trying others.
- Cultural reasons: Many families keep having children until they have a boy. Also, many children are seen as social security, it is assumed that children will take care of their parents when they get old.
- Religious reasons, for both Christians and Muslims, also determine family planning and size of family.

This analysis highlighted three key factors: awareness of problems caused by large families, particularly education costs, the high value put on education and the acknowledgement of family-planning methods. These interrelated factors present an interesting area of research that should be explored to find solutions responsive to the Ugandan cultural framework, especially in the context of gender relations in Mbarara.

Box No.1 - WOMEN AND FAMILY PLANNING

There are a few successful stories of family planning. One of the women in the Focus group discussion in Kashanyarazi said she uses the contraceptive injection which she receives for free in the health centre, which implies an institutional support from the government in contraception affairs.

In some cases, even where contraception is accessible and affordable there are other problems. A man in Kashanyarazi told us that after their third child, he and his wife decided to start using family planning methods. His wife took the Pill for a while but stopped using it after presenting serious side effects. General sickness and frigidity discouraged them to continue with the Pill. They decided to have seven children before trying any other method again. After their seventh child, they have been using contraception for three years successfully.

In the rural area of Rwanyamahembe, the women need permission to visit the health centre which is quite far away from their home. Since they may not always get permission and physical access to health centres is difficult, methods of family planning have been locally developed. One woman interviewed has been wearing a contraceptive belt for about three years, containing herbs and traditional-medicine substances. She assured us that it works, as she has not got pregnant since she is using it.
Financial Assets: Access to credit

One of the most interesting findings concerns the role of Micro-credit as an instrument to empower the poor and reduce poverty. In the development field, access to credit, particularly micro-credit, is seen as a way of solving poverty issues by improving Livelihood Assets in terms of Financial Capital. But in Mbarara, evidence seems to indicate that it is, instead, causing poverty. Most people interviewed declared that credit generates more problems than solutions, i.e., increasing their Vulnerability. There was also a general perception that poor people who wanted to access credit frequently failed to do so, limiting their Livelihood strategy.

Problems identified with credit were numerous:

- Unfavourable credit conditions, like overly high interest rates and too short a period of time before loan repayment was expected to begin.
- Requirements to receive loans too hard to meet and, frequently, gender biased (Box No.2). People have to pay transport costs for institution officers to their villages to verify land titles, a cost many cannot afford.

Box No. 2 - WOMEN AND CREDIT

Women’s access to credit is blocked by the fact that they do not have collateral, as the land and other assets belong to their husbands. In some cases, there is an agreement between wife and husband to ask for a credit that is used by women to set up a small business. Many people, including men, think that women are more likely to repay their loans as they work harder than men.

Juliette Mugabirwe – Textile Trader

Juliette is a shitenge (traditional Ugandan fabric) seller in the weekly market in Bwizibwera. Her business is based on buying shitenge in the Democratic Republic of Congo (because the local shitenge is of low quality) and selling it in Mbarara’s markets. It is a risky business as it implies high transport costs, unreliable supply, and often she has to bribe police officers when crossing the border. However, she has a reasonable income from her business that allows her to contribute with her husband to the maintenance of the house.

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11 The idea of micro-credit is to provide access to loans to the unemployed, to poor entrepreneurs and to others living in poverty who are not considered bankable. The underlying idea is to enable extremely impoverished people (who usually lack collateral, steady employment or a verifiable credit history) to meet even the most minimal qualifications to gain access to traditional credit) to engage in self-employment projects that allow them to generate an income and, in many cases, begin to build wealth and exit poverty.

12 People have declared that in some cases, they have to start paying back only a week after receiving the loan, leaving them no time to plan investment or realise profit from it.
and send their six children to school. They have been able to use their profits to buy a plot, build a house and enlarge their farmed land. Nevertheless, she hopes to have more capital to shift from shitenge to a more secure business in the future.

Juliette was able to start her small business with credit from the Village Bank. However, in order to ask for the start-up loan she had to agree with her husband to use their house as collateral. This was because she had no legal title to the land. Even though it was her who used and paid back the loan, in legal terms, it is her husband who had access to the credit.

- Loss of assets through property confiscation or forced sale (frequently family agricultural land)
- Broken family bonds as debtors run away abandoning families or ruining other family members who signed as guarantors
- Evictions and imprisonment
- Incurring fresh debt to repay previous ones creating a vicious cycle

On the other hand, when asked about how they think they can improve their situation, a very common answer was “through access to initial capital”. Most people expect to use initial capital to start income-generating activities and hence escape poverty. Therefore access to credit may directly affect income-diversification and consequently Livelihood Strategy.

Box No. 3 - PEOPLE’S OWN SOLUTIONS

While lack of initial capital is identified by most of the people as a major problem, access to credit seems to present foremost difficulties. Some of them think that if they had at least six months of grace, they could have their business set up before start paying back. Some others propose to receive ‘credit’ in kind. They do not want to receive cash but machines and tools, things with which they can start working straight away.

Self-Help Organizations (SHO) seems to be the best solution to get initial capital. They are seen as very helpful and a less stressful way to access finance sources. Most of the people are members of a SHO. They are organized as savings groups among the people themselves where they contribute with small amounts of money every week/month and every certain period of time they collect a larger amount with which they usually pay debts, school fees, clothes and blankets or invest on their small business.
This study identified some possible causes transforming micro-credit into a poverty carrier instead of Financial Capital or Livelihood Strategy. First, there seems to be a lack of understanding as debtors use credit to pay non-recoverable expenses such as school costs, medical bills or wedding expenses. The use of credit for non-investment purposes presents difficulties for repayment. Secondly, it is not clear which institutions - Banks, Micro Finance Institutions (MFI) or individual money-lenders give credit or micro-credit. Therefore the areas of research are -

- Why isn't Micro-credit alleviating poverty in Mbarara? Is the problem with the Micro-credit model itself? Or is it because Micro-credit in Mbarara is not truly Micro-credit and pro-poor?
- Is Micro-credit not alleviating poverty because of a lack of understanding of credit or a lack of planning capabilities/entrepreneurial skills?

Additionally, evidence suggests that better regulation and institutional adjustment of the financial sector must be carried out to reduce the vulnerability of the poor.

- Can better regulation make Micro-credit non-exploitative and more effective for poverty reduction? If so, what type of regulations?

**Sustainability of Livelihood Strategies**

When people were asked for strategies to improve their economic situation, most answers were related to the creation of small businesses such as a small shop or second-hand clothes. What was noticed about these proposals was the desire for a stable income that reduced the vulnerability of agriculture. Despite this and taking into account that initial capital was the main constraint in fulfilling their wish, voluntarily selling farmland for money was not an option mentioned by interviewees.

There are important implications of this. First, agriculture remains the most important economic activity that may coexist with other type of income-generating activities. Secondly, other activities like small commerce are still dependent on income from agriculture which may not reduce income vulnerability to the desired extent. Lastly, if that is the goal of the majority of the people interviewed, it would mean higher competition in practical terms. Without a dynamic source of income generating economic growth like industry or services, small commercial activities will not be sustainable in an environment of high competition.

- How sustainable is agriculture as a development strategy at the national level?
- Can moving away from subsistence agriculture/sale of primary agriculture produce to small businesses or processing/sale of value-added agricultural products reduce the vulnerability in this sector?

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13 The main reasons to ask for credits are: to pay children’s school fees, to start income generating activities (small shops, to sell second-hand clothes, to produce bricks etc.), to improve their farms (buy cows, to produce in large scale), to improve their houses, to pay for their marriage ceremonies.
Vulnerability

The general observation of poverty in Mbarara is the insecurity and impermanence of people’s conditions. The gap between not being poor and being poor is extremely small and there were numerous examples of people falling into poverty due to personal misfortunes like accidents, death, illness, unemployment etc. These factors lead to the loss of livelihood assets and dramatically increase Vulnerability.

Since access to support systems may help prevent this quick fall into poverty, it can be deduced that there are a large number of people in Mbarara without access to support systems (savings, insurance, social networks, government programs etc.) that protect against shocks at the individual level. Since the incidence of this type of poverty (related to micro rather than macro factors) is so high, it is important for any poverty reduction program to ask –

- How do shocks at the micro-level cause impoverishment?
- How can policies and strategies create support systems that act as a buffer against these shocks and hence against poverty?

Conclusion

From an analysis of findings within the SL Framework, this report has identified certain key areas for future research in Mbarara. These are

- Effectiveness of PEAP
- Do statistics reflect reality?
- Decentralisation and its effect on participation and corruption
- Cultural values assigned to education, family size and family planning
- Credit
- Sustainability of agriculture and small enterprises as livelihood strategies
- Vulnerability of individuals to personal misfortune

Of these, the areas requiring institutional strengthening/adjustment as a priority for poverty reduction in Mbarara are

- Reliability of statistics because these are used to formulate strategies and policies for poverty reduction
• Decentralisation as a policy initiative because it needs adjustment with regards to participation and corruption for it to become effective for poverty reduction

• Credit and micro-credit needs institutional strengthening so that the poor have access to capital, knowledge of how to use it and a regulation system protects them from exploitation by creditors

• Vulnerability and support systems because along with macro-factors like economic growth, good governance etc., micro-factors like personal misfortune and lack of support systems that help overcome these misfortunes is a leading cause of poverty
Annexure 1

List of Topics and Questions prepared for interviews and focus group discussions

1. Property – Where do they live? Do they own or rent their house? Do they own land elsewhere?
2. What is their monthly income? (in Ugandan shillings)
   - 0 - 20,000
   - 21,000 - 40,000
   - 41,000 - 60,000
   - 61,000 and above
3. What are their sources of income? Who is the main breadwinner in the family? Do children contribute to income generation as well?
4. How is the income allocated? What proportion is spent on Food, Fuel, Non-Perishables, Savings, Repayments, Fees, Licenses, Health etc.?
5. Do they have bank accounts? Are they a member of an SHO savings scheme?
6. Do they have access to credit? Do they need credit? Are the terms of credit good? Where do they access credit from? Banks, Individuals, micro-finance institutions? Do they receive credit at shops/ market?
7. What assets do they have that are used for income generation? Agricultural land, livestock, boda-boda, tools, machinery, carts. What assets do they want or need for the future? How do they plan to get them? How do they plan to use them?
8. What are their main problems of life and livelihood? Access to infrastructure like water, sanitation, fuel, roads to markets, Seasonal changes, Volatile prices, License fees, Eviction, Corruption, Crime/ Instability, Personal misfortune like illness, accidents, theft
9. What are the main problems faced by families? Alcoholism, Disease (HIV), Debt, Prison, Abandonment/ Loss of breadwinner, Widowhood
10. Where do they receive support from? Unions, Cooperatives, SHO’s, CBO’s, the Government, NGO’s, their family, the neighbours. Do they send or receive remittances? Do they get financial help for weddings/ death/ unemployment/ illness
11. How much education does each member of the family have? To what level? What kind (vocational?) Who gets priority and why? Do they think it important or necessary?
12. What are the common illnesses and diseases? Where do they access treatment from? Home (self-medication), Traditional Healers, Primary Health Centres, Hospitals (government or private)? Are they satisfied with the consultations? Are they satisfied with the access (physical, financial)? Can they access/ afford the...
medicines? Does the government run any preventive health programmes – vaccinations, aid awareness etc. Do they benefit?

13. How many children do they have? How many do they want or what size of family do they consider ideal? Why? What are the family planning methods they are aware of? Do they use any of them? Are cultural factors and gender relations an influence on family planning decisions?

14. Do they vote? Are they aware about their local government? Do they participate in Local Government planning or decision making? Do they think their government is effective? Accountable? Corruption?

15. What do they consider as poverty and how do they think poverty can be reduced OR How can they reduce their own poverty? What are their aspirations for themselves? What are their aspirations for their children?
Annexure 2
Details of Fieldwork

Kashanyarazi Cell, Mbarara City (May 8, 2007)
1. Focus Group discussion in Kashanyarazi Church with approximately 18-20 people (number fluctuated as people left/ joined after the discussion started) of both genders between the ages of 20-55
2. Interview with two single-parent families living in Kashanyarazi slum

Rwanyamahembe Village (May 9, 2007)
1. Interview with two local leaders from the Rwanyamahembe Local Council in Rwanyamahembe Primary School which is also the office for the local Savings centre
2. Interview with one land-owning farmer family
3. Group Discussion with seven landless farm-workers (related to each other)
Bwizibwera Village (May 10, 2007)

1. Focus Group Discussion in Bwizibwera Primary Health Centre with 16-19 people of both genders between the ages of 17-55 (number fluctuated as people left/joined after the discussion started)
2. Interview with female Fabric-Seller at Bwizibwera Weekly Market
3. Interview with male Vegetable-Seller at Bwizibwera Weekly Market
4. Interview with female Vegetable-Seller at Bwizibwera Weekly Market
5. Interview with male Traditional Healer at Bwizibwera Weekly Market

Kashanyarazi Church Focus Group

Nuwabaine          Mugerwa Isaac          Niimusima Jovak
Sanyu Scolastic    Byakatonda F.        Allen Natukunda
Twenomugisha       Baryamujra Gerazius    Bamyoya David
Mackline            Qona Matoca           Bahemuka I.
Nanshamba Sliuia    Munemogila Aliica     Byamurama Davis
Muewguzi Abel       Shalla Nabakoza       Mugumya Peace
Tumusima Jerad      Kiohairwe Prisca     Gumisiriza Edviriah
Kamugisha John      Buringa Amos          Twijukye Annet
Ninsima Caleb       ArinItwe Oscar       Nakidde Monic
Nakandi Monic       Kwdireba Bazil       Tumyakunga Fred
Najjembe Sliuia     Kamanura William

Kashanyarazi Interviewees

Katushabe Topista – Goat meat seller
Sister of Katushabe Topista – Casual labourer

Rwanyamahembe Interviewees

Sub-county chief – Mugivi Asas
Murungi Scovia – Land-owning Farmer
Discussion Group with Landless Farm Labour
Bwizibwera Primary Health Centre Focus Group

Katushabe Tumuine Patrick Tushewereirwe Annette
Kyomugisha Muhuzya Mor'decai Tushewereirwe Lois
Peace Byaruhamga James Kyomuhendo Stella
Kyohirwe Turiho Charles Kyomugasho Oliva
Cortazi Twebaze Albina
Musinguzi Boaz Tumuhairwe Hadija

Bwizibwera Market Interviewees

Silvanus Rwomushana - Vegetable Seller
Kyoshabire Charity - Vegetable Seller
Juliette Mugabinwe - Fabric Seller
John Turwomwe - Traditional Healer
Annexure 3
Details of General Findings within the SL Framework

Figure N°1: Sustainable Livelihoods Framework

Most of our findings were in the components of Livelihood Assets (the different types of Capital) and in the Transforming Structures and Processes.

Human Capital

Human capital represents the skills, knowledge, ability to labour and good health that together enable people to pursue different livelihood strategies and achieve their livelihood objectives.

Decentralization has improved people’s access to health services and schools, thereby strengthening human capital. Responses have shown that people are keen on educating their children, resorting at times to loans/credit in order to do so. Although cost-sharing has allowed many to enroll their children in primary education, achieving higher level education is still a problem. Education seems to be the key in the pursuit of higher and more stable incomes, if not for themselves, but for their children.

In terms of employment, many were involved in agricultural or casual labour. The problem as presented by the people is that these jobs are highly vulnerable to shocks, such as weather changes, and are therefore unstable. Many also voiced the concern that illness would cut off any available source of income or deplete any of the available savings.
Health services have in general become more accessible. Responses show that most people have immunized their children. There is also an awareness of family planning, although use of family planning methods is still limited due to a number of reasons which require further investigation. Although there is increased access to health services, there still remains the issue of access to drugs. These drugs are unavailable, it is believed, not due to a lack of the drug itself, but due to the corruption of doctors and hospital staff.

**Social Capital**

In the context of the SL framework, social capital is taken to mean the social resources upon which people draw in pursuit of their livelihood objectives. These are developed through: networks and connectedness (vertical- patron/client, horizontal- between people with shared interests), membership of more formalized groups, relationships of trust, reciprocity, and exchanges.

The social networks tend to be very strong, especially in slums. Many said that within their zones or parishes people helped each other out in times of hardship, especially when faced with a death in the family. People contribute money to the family in which the death has occurred to help with burial expenses.

Also, people with shared interests join together in both formal and informal ways. We spoke to the National Slum Dwellers Association, a group with both male and female members that refer to themselves as “savers”. They are basically a group of people who are in charge of a revolving fund. Many people have said that they are a part of some SHO and that these organizations have a positive impact of their lives. However, it seems that in most cases the money received from SHOs/revolving funds is usually used in meeting basic needs and not in the pursuit of greater income-generating activities.

**Natural Capital**

Natural capital is the term used for the natural resource stocks from which resource flows and services useful for livelihoods are derived.

Most people have access either through ownership or by renting to land. This land in most cases is used to cultivate crops, which are used both for consumption and are sold in markets. This particular resource (land) poses two main problems: for those who own the land, this plot keeps being divided into smaller and smaller pieces as it is distributed amongst family members. Another main problem is soil erosion. Some effort has been shown by NGOs in disseminating information about soil preservation and new farming technologies, yet this has had a limited impact.

Access to water still remains to be a problem. Many rely on water from wells, which is poor in quality and could cause diseases especially malaria. Some areas have access to tanks or communal taps.

Poor sanitation services are also destroying natural resources and causing disease. Although most families have access to pit latrines, they are shared by a large number of people. In Bwizibwera, 35% did not even have access to pit latrines.
The environment in general is not protected. Instead, people’s conditions push them to use the environment in whatever ways that could possibly help them in their everyday lives.

**Physical Capital**

Financial capital denotes the financial resources that people use to achieve their livelihood objectives. The definition used here is not economically robust in that it includes flows as well as stocks and it can contribute to consumption as well as production.

Although there is greater access to roads and transport services, the affordability of these services is questionable. It seems that public transport, usually in the form of boda-bodas, is only used in times of need (for example to go to the hospital). People transport their goods from rural areas to the market using their bicycles, which shows that the quantity of goods produced is limited.

Many hope to improve the conditions of their shelters. Most of the shelters visited were typical mud huts with straw rooftops. The main complaint was overcrowding, with as many as eight to nine people in one hut. In addition, as mentioned previously, access to adequate water supply and sanitation is still limited.

Most people don’t have access to affordable energy. Firewood, coal, kerosene lamps, and candles are all used to help people with their daily needs. Access to firewood is a growing problem, with women having to walk greater distances to obtain firewood. Charcoal poses major health problems.

Both access to information and to initial physical capital in the form of producer goods is lacking and was listed as a top priority by most people in order to escape poverty. People preferred obtaining initial physical capital, such as a boda-boda, to start small businesses to credit.

**Financial Capital**

Financial capital denotes the financial resources that people use to achieve their livelihood objectives. The definition used here is not economically robust in that it includes flows as well as stocks and it can contribute to consumption as well as production.

Most inflows of money were dependent on self-employment in agriculture or other forms of casual labour. The problem with this form of financial capital is that it is highly unstable and vulnerable to various shocks. Although people do at times save money it is usually for the purpose of guarding against shocks.

Most do have access to some form of financial services (banks or individual money-lenders) yet there is limited use of these services. People are sceptical of the positive effects of credit. Credit/loans remain too risky an option for the poor.
Transforming Structures and Processes
Transforming structures and processes within the livelihoods framework are the institutions, organizations, policies and legislation that shape livelihoods. Their importance cannot be overemphasized. They operate at all levels, from the household to the international arena, and in all spheres, from the most private to the most public. They effectively determine: access (to various types of capital, to livelihood strategies and decision-making bodies and sources of influence), terms of exchange between different types of capital; and returns, economic and otherwise, to any given livelihood strategy.

Structures
Structures in the framework are the hardware—the organizations, both private and public—that set and implement policy and legislation, deliver services, purchase, trade and perform all manner of other functions that affect livelihoods.

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<td>Executive agencies</td>
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<td>Judicial bodies</td>
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Since 1997 with the onset of the PEAP, there has been significant focus by various structures on poverty alleviation, thereby affecting the reality of poverty. The people we interviewed in slums and villages voiced two opinions that at times appear to be contradictory. On the one hand, people acknowledge that the government has been responsible for numerous changes that have indeed improved their lives. Some positive aspects of decentralization have been greater access to health services and schools. Furthermore, decentralization has addressed the issue of “lack of voice”. People in general feel they have greater channels through which to voice their concerns, whether or not these concerns are actually tackled is a different matter.

On the other hand, there lies the issue of corruption. The political, judicial, and executive bodies are present and are making strides in addressing the issue of poverty, reflected in decreasing poverty figures; however, the problem of corruption still remains. People still feel that the government is corrupt and therefore much of the resources, like drugs in the hospital, do not filter down to those who need it most. Therefore, these structures, in terms of enhancing livelihood strategies, are limited in their ability to do so, among other reasons, due to corruption, as viewed by the poor.

As for the private sector, the presence of commercial enterprises and corporations was for the most part not seen or felt. Civil societies and membership organizations did play a role in enhancing the livelihood strategies of the poor. The most prominent form
of such groups were SHOs, which the poor gave positive feedback on in terms of their ability to alleviate poverty and increase choice. Most members of SHOs were active participants in some form of a revolving fund. The revolving fund in most cases was used to help in meeting basic needs. Although some people did state that the fund helped them increase their assets.

NGOs play a significant role in shaping livelihoods. We met with ACTogether, an NGO affiliated with Slum Dwellers International, which began work in Kampala during September, 2006. At the moment, ACTogether is doing renumeration, which is a process whereby the NGO helps people gather information about themselves, in Kisenyi slum. Other NGOs, such as the National Agricultural Research Organisation (NARO), does research on better farming methods and advanced farming technologies. The information they gather is disseminated to the people, which helps increase their livelihood strategies. Therefore, the presence of NGOs has had positive results in some areas, although much more can be done.

Processes

If structures can be thought of as hardware, processes can be thought of as software. They determine the way in which structures-and individuals-operate and interact. And like software, they are both crucial and complex: not only are there many types of processes operating at a variety of different levels, but there is also overlap and conflict between them.

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In terms of policies, the government’s main policy of growth through agriculture is one that requires great consideration. In most cases, nations have sought to develop through the process of industrialization. Industrialization, it seemed, was the only way through which developing countries could reach the ranks of the developed. However, the model for development sought after by the Ugandan government hails agriculture as the way towards growth. The logic behind this policy is that most people live in rural areas and therefore depend on agriculture for their livelihoods.

In reality the potential for growth through agriculture seems limited on the ground. On the one hand, since people are still having large families, land keeps being divided amongst family members, thereby decreasing the available land per individual for cultivation. Furthermore, the soil has been continuously depleted, decreasing returns. Unless new farming technologies are introduced on a wide scale, the hope of development through agriculture seems limited.
Furthermore, in terms of regulation, the people voiced the opinion that the regulation mechanisms, such as licenses, limit the livelihood strategies of the poor. For families with little or no income, the informal sector has become a safety net which can be relied on in times of need. Small activities that yield little gains have strong effects on the lives of the poor. Therefore, government regulation is viewed in this situation as being more of a hindrance rather than a support mechanism. As for redistribution, it was voiced more than once that the process of decentralization, although it has its benefits, has allowed for the “decentralization of corruption”. Therefore, many resources do not “trickle-down” to the poor, and are instead redistributed somewhere within the decentralization ladder.

People have in general greater access to markets. LGs have stressed that the construction of feeder roads is one of their top priorities. However, transportation to markets is still a problem, limiting the access of people to markets. Another important role played by institutions is regulating access to assets, which is an important issue especially for the poor. The main problem in this domain is access to land titles. Many of the families interviewed have land agreements but have yet to secure land titles. This is a major hindrance in that it limits access to financial services, especially credit. Many therefore resort to individual money lenders who, as a condition, ask that the land be signed away as collateral.

As is usually the case, culture plays a role both in increasing and decreasing livelihood strategies. For example, it is noted that in the South the general attitude and culture is one that places a high value on education. For that reason, many people enroll their children in school, even if at times that means taking loans.

On the other hand, both alcoholism and polygamy can be viewed as being part of the culture since they are societal norms. Women have in various settings complained that the men throw their incomes away on alcohol. Also, for those who are Muslim, both women, and people who have been born into polygamous families, have said that polygamy has limited their livelihood strategies by limiting access to income.

Gender plays a significant role in determining livelihood strategies. First, surprisingly it was noted that most people have said that they do not have a gender bias in terms of education. Many have stated that priority in terms of education was for the individual who excels in school. Local leaders have stated that some schools have greater female enrollment. Since this information is noted through interviews and not through observation, further investigation is required.

Secondly, most women do not own assets, especially land; therefore their access to financial services is limited. Women, in general, are unable to get credit from financial institutions without male support. Ironically, most people tend to believe that women are more capable of repaying loans and the most successful cases have been when a husband and wife take a loan together and the wife takes charge of it.
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