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# Can the Implementation of Social Protection Policies and Programme Reducing Households and Community Vulnerability to Poverty in Uganda?

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## Abstract

The existence of disconnected and overlapping research findings on who are the vulnerable groups in post-conflict communities of Uganda continues to mingle around the mind of scholarly researchers, policy and decision makers. Most of these groups have had specific research studies conducted and strategic policies designed to address the findings. This article tries to provide an approach to understanding of the concept of vulnerability from social protection perspective. In this regards, the paper looks at and reviews available text on who are vulnerable group in Ugandan context and then focus on more general issues of poverty and vulnerability at household and community level. It further examines the causes of household and community vulnerability to poverty and suggests what social protection interventions provided by the state and non-state actors in reducing their vulnerability to poverty can do. The vulnerable communities reviewed are those households and communities members emerging from inter-intra-conflicts in northern and eastern Uganda. The article begins with an overview of poverty trends and distribution and identifies who are the vulnerable poor in the context of Uganda. For this paper, we define or identify vulnerable households as those persons living in one roof of a home and are always susceptible to shocks and risks such as limited access to education, health facilities, shelter, safe and clean drinking waters, while the paper identifies vulnerable communities as those communities with no or existing poor social infrastructures such as medical facilities, bad roads and old building school structures.

**Keywords:** poverty, vulnerability, vulnerable households and communities

## Introduction

Uganda is an agricultural based economy where agriculture contributes about 43%, industry 18% and services 39% of the National Gross Domestic Product (GDP). In 1997, the Government of Uganda (GoU) made a firm commitment to reduce poverty and improve the welfare of all Ugandans through the introduction and subsequent implementation of the Poverty Eradication Action Plan (PEAP). Among the four pillars of the PEAP (revised in 2000) include ensuring Good Governance and Security as well as increasing the ability of the poor to raise their incomes. Under this pillar, the PEAP identified conflict resolution and effective support to conflict-afflicted areas as essential priorities and a necessary part of poverty eradication. Although enormous progress has been made in reducing nationwide poverty, slashing the incidence of poverty from 56% of the population in 1992 to 31% in 2005 largely as a result of increases in national growth, northern and eastern Uganda has however, failed to benefit equally from this growth (GoU, 2002). Poverty remains firmly entrenched and deep rooted in the country's rural areas. A greater proportion of the population living under poverty line is located in the post-conflict districts of the north and eastern Uganda.

They mainly practice small-scale of similar agricultural crops (sorghum, maize, millet, cassava, sweet potatoes, beans, soya-beans, cabbages, onions, tomatoes and the rejuvenated cotton and coffee growing). The cotton, coffee and to some extent maize and millet is considered as cash crops by sections of farmers and the rest of the crops are grown in subsistence scale to meet the daily home consumption. Inferring food production in the country from the consumption data (given the subsistence nature of Uganda's agriculture and the limited imports and exports of food) Appleton and Ssewanyana (2003) conclude that food crop production may have not kept pace with population growth between 1999 and 2000 as well as in the years of 2002 and 2003. This finding therefore confirms and indicates on the outcomes of the Uganda Participatory Poverty Assessment Project (UPPAP) report of 2002. Food consumption per capita fell by 3% in nominal terms between the year 1999 and 2000 and between 2002 and 2003 respectively. The consumption of the home produced food also fell to around 20% per capita during the same period 1999/2000 and 2002/2003. The median income from crop farming reported in the same years of survey (2002/2003) was also lower than that for the 1999/2000 survey in nominal terms. The limited progress in the crop sub-sector in the country could be attributed to low utilization of productivity enhancing technologies and poor land management practices (Nkonya et al., 2003; Pender et al. 2004; Obwona and Ssewanyana, 2004). Furthermore, the planned agricultural transformation specifically among the rural communities in Uganda has not been widely implemented mainly due to resource constraints as

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exemplified by the share of the national budget on agriculture and in other public expenditure having been limited to not more than 4% of the national budget for the preceding consecutive years.

As a result of the conflict, households and communities emerging from the conflicts situations have benefited from post-conflict socio-economic recovery and rehabilitation programmes being provided by the state and non-state international actors. These recovery programmes have to a greater extent enabled the households in various communities to practice small-scale agricultural production which some households do on less than one hectare due to lack or limited access to modern agricultural production technology. These programmes such as expanding social programmes (ESP) are directly meant to tackle household and community poverty and vulnerability considered to be deep and widespread among vulnerable indigenous and poor household living in rural communities (ESP, 2012). As a result of their weak asset base, civil conflicts, low technology adoption, limited accessibility to land and labour constraints, the majority of rural households in various communities are highly susceptible to shocks and risks generated by shocks and risks (such as long periods of drought or loss of household head death), (Lwanga-Ntale et al 2008). This weak resilience has hindered the ability of small-scale farmers to walk out of poverty and to be able to mitigate the consequences faced by households in communities to overcome their vulnerability to poverty. Despite these structural impediments, the state with support of development partners are now implementing quantifiable programmes in form of social protection to address household and community vulnerability to poverty (RoU, 2013).

The decline in relative and absolute poverty among households and communities is attributed to the successful joint partnerships in the implementation of social protection policies and programmes. The success and benefit seemingly extends to all strata of the social protection cash transfer (Niño-Zarazúa, Miguel, et al, (2009) beneficiaries especially among the unfortunate poor households living in rural communities. The introduction of cash transfer schemes under social protection for the vulnerable people such as elderly persons, child mothers, child headed households, orphans, widow women and other vulnerable groups is currently strengthening and empowering those vulnerable households in communities to engage in small scale farming. This social protection interventions among the post-conflict communities is now enabling the 'former' poor to contribute towards rapid post-conflict social and economic recovery, rehabilitation and growth within their communities and the broader economy (MFPED, 2012), whilst, at the household level, it has led to improved food and income security as well as asset accumulation (cash, livestock and durable goods-radios, mobile phones, bicycles and motor-cycles) as a result of channeling their benefits to agriculture.

Further, this decline in monetary poverty has been driven by the sustained country wide economic and consumption growth in the country. The consumption per capita as adjusted for household demographic composition, grew at an annual rate of about 3% between the year 1992 and 1993 and 2009/10. This was not a temporary phenomenon as estimated permanent consumption rose too in the same quarter of the period. Trends in estimated permanent consumption show increases for all groups between 2002/03 and 2009/10 at an annualized rate of 2 percent. This strong household consumption growth was the key ingredient to shared growth and hence the high elasticity of poverty reduction to growth of 1.4% over the same period. Using adult equivalents scales in place of household size, this poverty line makes adjustments for household demographic compositions a reality in measuring the trends of poverty decline and increased household consumption as adjusted in per capita in Uganda. Therefore, household and community vulnerability to poverty is based on this poverty line that is shown as a steep decline in poverty rate from 56 percent in 1992/93 to 31% in the year 2005 and to 24% in the year 2009/10. On face value, these poverty rates appear consistently lower than poverty rates based on the international poverty line of \$1.25 per day per person, adjusted for relative prices as presented in annex, figure 1 of the paper.

### **Review and analysis approach**

Despite recent economic and social advancement, Uganda continues to grapple with the problem associated with vulnerability and poverty, particularly in the context of post-conflict rural areas of north-eastern Uganda. Poverty and vulnerability can be analysed in terms of spatial and social aspects. The paper defines and refer to 'social' aspect as vulnerable groups while the 'spatial' is referred to mean geographical location of the vulnerable poor communities. The two, however, are inseparable. In the Ugandan context, disaggregating the various categories of 'vulnerable groups' can serve as an entry point for understanding the multiplicity of the effect of poverty and vulnerability, as the vulnerable communities experience different forms of drawbacks especially in post-conflict setting. According to the official statistics derived from the Uganda National Panel Survey 2011/2012 (UBOS) survey we categorise vulnerable communities as those individuals and households members who experienced more than one violent conflict in the last five years. These individuals include among others; child headed households, child mothers, orphaned children, helpless elderly persons, and windowed women who both live and or found in communities affected by various disasters (MFPED 2004;

Although considerable efforts have been made in reducing poverty from 56% of the population in 1992 to 31% in 2005 (RoU, 2014), the issue of vulnerability is still at large especially in post-conflict northern and

eastern rural areas of Uganda (GoU, 2002). A greater proportion of the population living under poverty line is located in northern and eastern Uganda. The statistical abstract of 2010 shows in absolute terms the persons living in poverty increased from 2.9 million in 2002/03 to 3.3 million in 2005/06 (UBOS, 2010). This is largely attributed to the insecurity experienced in the region for the last two and half decades. While insecurity caused by five phases of rebel insurgency may be the most important factor explaining this phenomenon, there are several broader exclusion social, political and economic inequalities that accounts for the regional inequalities (MFPED, 2003). One of the main reasons underlying these inequalities is the increasing levels of inadequate provision of social and economic infrastructures such as health, clean and safe drinking water as well as the nature and type of education received in post-conflict communities. Poverty and vulnerabilities at household and community levels is being championed by the existing weather conditions (floods and long spells of dry seasons) as well as a result of land grabbing and lack of alternative social and economic choices especially during and after conflict situations. In order to tackle the widespread concern of poverty and vulnerability and for establishing who are the vulnerable communities in conflict setting, there is need to clearly understand the concept of 'poverty and vulnerability' and identifying who are the most vulnerable to poverty and vulnerability in the Ugandan context.

The analysis in this article is based on the review of the available data set rounds of the nationally representative survey data collected by the Uganda Bureau of Statistics (UBoS, 2010). These are cross-sectional data spanning from a ten year period of 2002/3 to 2012/13 with an interval of three-four years in-between surveys. The two surveys were conducted over the period of 12 months. Following results from previous studies Carter, M. et.al, (2004) conducted in examining poverty and vulnerability status in developing countries (Carter, M and Barrett, 2006), and Foster-Greer-Thorbecke (FGT) model, poverty and vulnerability is selected as the preferred measure that evaluates the effects and the role of social protection interventions in helping vulnerable households to escape poverty and it is also considered as a proxy for socio-economic development (Ouma S, 1995).

#### **Brief outcome analysis of the data**

The current poverty situation in the country is the outcome of social, cultural, economic and historical political factors. First, the economic structure reflects a chronic failure to achieve productivity increases in a context of a growing population. This failure became increasingly evident in the late 1980s and early 1990s, leading to severe structural problems. Secondly, the numerous inter-intra civil wars and violent conflicts that the country experienced to some extent continues to exist which has left a horrific legacy, further impoverishing communities and leaving a number of specific problems and challenges. Therefore, the need for social protection in Uganda is motivated by two factors: poverty and vulnerability. Poverty describes a low level of income or consumption, while vulnerability refers to the risk of falling back into poverty. The extent of poverty headcount numbers, severity and trends of income poverty and vulnerability in Uganda indicates the extent of the need for social protection; unfortunately, poverty also restricts the tax base as they would be payers are poor and hence limits the potential of formal social protection measures to be extended to all poor communities.

The paper further attempts to define vulnerability using both the Carter-Barrett and the Calvo-Dercon chronic poverty measures. In both cases, vulnerability is defined as the fraction of total chronic poverty revealed by the full stochastic simulation that is created by either manmade or natural disaster risk or shocks. That is, vulnerability is the difference between chronic poverty between the stochastic and the non-stochastic simulations, normalised by the chronic poverty in the stochastic simulation (Michael, C et.al 2007). The total chronic poverty in the simulation analysis is the result of vulnerability under both the Carter-Barrett and the Calvo-Dercon measures. Social protection policies would have an enormous impact on chronic poverty in this case. This wide increment in chronic poverty created by vulnerability is the results from the three forces namely (1) the realised shocks sometimes push individuals below the income poverty line, (2) the increased chronic poverty also results when realised negative shocks knock individuals below the Micawber frontier, rendering infeasible a pathway from poverty, and indeed spelling ruin in the language of Calvo and Dercon (2005), and thirdly, the prospect that ruin can occur has a discouraging effect on asset accumulation strategies, shifting the Micawber frontier beyond the reach of some individuals, driving yet additional increases in the measured (multiple equilibrium) chronic poverty.

The state efforts of halving poverty and vulnerability and in indentifying who are the vulnerable communities and the challenges they face to walk out poverty and vulnerability is being supported by international and national non-state development and bi-multi-lateral actors. With such support from development partners, social protection policy is viewed as the best alternative of addressing community vulnerabilities associated with being or becoming poor. It takes the shape of public investment that focuses on human capital that facilitates risk taking endeavours and also that will enable the poor to cope with and or mitigate a defined set of risks and shocks Calvo and Dercon (2006). In nutshell, social protection is considered and recognised as a good forwarding looking measure that should help policy and decision makers to tackle

poverty and vulnerability (Ibid.). Further, the 2014/15 Uganda National Development Plan (NDP) as well takes social protection as a strategic component for achieving national development goals and objectives that takes care of pro-poor inclusive, growths and equitable development (NDP, 2010/11–2014/15) by addressing household and community vulnerability to poverty.

### Measures of Chronic Poverty and Vulnerability

The theoretical analysis in the prior section has used dynamic economic theory to elucidate the multiple dimensions of chronic and persistent poverty, and to demonstrate how vulnerability to economic shocks further increases chronic poverty. Building on those ideas and insights, this section puts forward two types of chronic poverty measures. The first measure generalises a suggestion in Carter and Barrett (2006) and uses information on the Micawber frontier to create an asset-based chronic poverty measure. The second uses the asset dynamics implied by the theoretical work by Christopher B, et.al (2007) (cited as BCI) on the economics of poverty traps. Building on the dynamic model of Buera (2005) that explicitly incorporates the intrinsic capacity or ability differences of individuals, BCI show that there are two types of chronic poverty: (a) Intrinsic chronic poverty suffered by those of relatively low skill and possibilities who are inevitably trapped in a poor, low level equilibrium trap (given the structure of wages and opportunity in their economy); and (b) Multiple equilibrium chronic poverty suffered by a middle-ability group that has the potential to be non-poor in their extant economy, but whose histories have placed them below the minimum asset threshold needed to initiate and sustain the accumulation needed to escape poverty.

The BCI model creates a forward-looking income stream that can then be used to calculate any of the income-based chronic poverty measures as discussed by Calvo and Dercon (2006). Both the asset and income-based measures can be utilised to create explicit chronic poverty and vulnerability measures, where vulnerability is understood as the increase in the chronic poverty measure induced by risk and shocks. Using Foster-Greer-Thorbecke (FGT) class of poverty measures put forward in this article, paper restricts its analysis on the FGT model to measure poverty as presented below:

$$P(\gamma) = \frac{1}{M} \sum_{i=1}^N I_i \left( \frac{Z - f_i}{Z} \right)^\gamma$$

Where  $M$  is the total population size (poor and non-poor)  $i$ , indexes individual observations,  $z$  is the scalar-valued poverty line,  $f_i$  is the flow-based measure of welfare (income or expenditures) as measured retrospectively at the time of the survey,  $I$  is an indicator variable taking value one if  $f_i < z$  and zero otherwise, and  $\gamma$  is a parameter reflecting the weight placed on the severity of poverty. Setting  $\gamma = 0$  yields the headcount poverty ratio  $P(0)$  (the share of a population falling below the poverty line). The higher order measures,  $P(1)$  and  $P(2)$ , yield the poverty gap measure (the money metric measure of the average financial transfer needed to bring all poor households up to the poverty line) and the squared poverty gap (an indicator of severity poverty that is sensitive to the distribution of wellbeing amongst the poor).

### Vulnerability as increased chronic poverty

While there is debate over the influence of social protection to address household poverty and how best to conceptualise and measure vulnerability, Calvo and Dercon (2005) Ligon and Schechter (2003), argue consider one natural approach would be to define vulnerability first as the increase in chronic poverty that results when individuals are exposed to shocks. The conceptualization and the linking of vulnerability to increases in chronic poverty, captures the sense of drastic and irreversible harm that Dercon in 2003 identified as the common thread that unites and links various concepts of social protection in tackling and reducing household vulnerability to poverty (Dercon, S., 2003). In addition, the ability to define vulnerability in terms of increased chronic poverty in this discussion provides the decision makers with a compelling policy focus that indicates the fraction of chronic poverty stricken households that can be remediated through social protection programmes. Further, if social protection is recognised and implemented on large scale by governments and other development partners, the concern of household and community vulnerability to poverty will no more be a stabling block to inclusive growths and development. This is because, the former marginalised and isolated poor households are able to recognised and appreciate their efforts in bettering their social and economic wellbeing. Therefore, the core government and development partner's intervention programmes, have the potential to significantly contribute to the Ugandan national vision of 2040 of a "transformed Ugandan society, from a peasant to a modern and prosperous country within 30 years" National Development Plan (NDP, 2010/11-2014/15:1).

If social protection trajectory policies and intervention programmes in Uganda are effectively and efficiently implemented, would lead to the reduction in income inequalities. The available data indicates that, inequality in national income is increasing with the Gini-coefficient rising from 0.408 in 2005/6 to 0.411 in 2009/10 (Ssewanyana, et.al, 2012:17). Moreover, nationally, the incomes of poorest households showed no improvement at all between the 2005/6 and 2009/10. This implies that whilst the overall number of households

in poverty is decreasing, the very poorest are still faced with challenges of overcoming vulnerability and have still failed to improve on their welfare over the past five years. However, national poverty significantly declined from 24.5 percent in 2009/10 to 19.7 percent in 2012/13, driven mainly by improvements in the distribution of income rather than the increase in the average living standards (UNDP, 2014). Despite progress in welfare improvement at national level, poverty reduction remained unchanged in post-conflict districts of Northern and Eastern Uganda; and growing in urban areas. In terms of income distribution, the rising inequality since 2002/3 was interrupted significantly by improvements in the distribution of incomes between 2009/10 to 2012/13. Indeed, the growth in this period benefitted the poor.

Accordingly, the slow progress in poverty reduction continues to be experienced mostly by communities in post-conflict areas and the wide income gap tends towards higher inequality undermines the rise in the average living standards. The failure to identify who are the vulnerable poor and the lack of decisive transparent strategies for empowering the post-conflict rural communities worsens their social coping settings to sustain the interventions and initiative supplied by social protection actors in tackling poverty and vulnerability. Even though growth in the central and western region is significant, the total population number of Ugandans living below the poverty line declined from 7.5 million to 6.7 million over the same period. This reduction in poverty is however not occurring across all regions of the country. There has been variation in poverty reduction since the last ten (10) or so years. The poverty levels are marginally lower in the central region with 18 percent; followed by 19 percent in the northern region; 22 percent in the eastern region; and 24 percent in the west. Conversely, the post-conflict sub-regions of north and eastern Uganda remain the poorest parts of the entire country. However this gap is being narrowed down due to the return of relative peace since the signing of the hostility peace agreement between the LRA rebels and GoU in 2006. Although the eastern sub-region is still witnessing slowest progress in reducing income poverty at community and household level though engaged in productive activities. The slow reduction in income poverty is attributed to mainly the adverse weather conditions (floods and long spells of dry seasons), high dependency ratio and growing population pressures that are now resulting into low land productivity and mainstream socio-economic exclusion. However, the entire sub-region as a whole is seeing significant progress as a result in the introduction and implementation of social protection policies and programmes which has seen development partners channeling their efforts to empowering communities emerging from the inter-intra conflicts which dimensions now seen improvements in household social welfare, improvement in shelter, access to education, clean and safe drinking water with health facilities also being attended to.

#### **Analysis of the changes in income and poverty status in Uganda**

Table 1 in page 8 presents insights into poverty movements between 2009/10 and 2010/11 using the official absolute poverty line obtained from the Uganda National Household Survey data. The results reveal that there are significant changes in poverty movements even within one year. These results confirm that while there seem to have been limited changes in the distribution of income, it is evident that more households slipped into than moved out of poverty. A greater proportion of poor households slipped into poverty as a percentage of overall poverty – of the poor in both waves, 53.7 percent slipped into poverty (representing the new poor in 2010/11), nationally. Similar patterns are observed across geographical regions with the exception of the northern region where only 38.4 percent of the poor slipped into poverty. Put differently, the majority poor households residing in the northern region were chronically poor. It is further noted that the households that were poor in 2009/10, 46.3 percent were no longer poor in 2010/11 and of those that were non-poor in 2009/10 nearly 18.8 percent of slipped into poverty in 2010/11. Based on the official absolute poverty line, 13 in every 100 Ugandan households remained poor in both years. This figure is slightly higher than that reported during 2005/6-2009/10 of 10 in every 100 households (Ssewanyana et.al, 2012) but lower than 19 percent in 1992-1999 (Lawson et al. 2006). Put differently, there was an increase of 3 percentage points for households living in chronic poverty. As reported in previous poverty dynamics, the incidence of chronic poverty remains higher in rural areas (14.6 percent) and in the northern region (24.0 percent).

Regardless of geographical location, transient poverty was more prevalent relative to chronic poverty during the review period. This finding holds true for the northern region signifying a turnaround in the region that was marked more with chronic than transient poverty as reported in Ssewanyana and Kasirye (2012) and Lawson et al. (2006). Overall the transient poor households were a bigger proportion of the overall population than chronic poor regardless of location. In both waves, nearly 25.6 percent of the households were poor in one year during the reference panel period compared to 13 percent who were chronically poor. To sum up, Ugandan households were vulnerable to income poverty between 2009/10 to 2010/11. Ravallion (2003) argues that such high levels of vulnerability to poverty calls for effective social protection systems. With such systems in place, he argues households could be protected against risk of income loss, among others. According to Ssewanyana and Kasirye (2012) the observed households in Uganda opt for coping strategies that might be detrimental to their well-being.

In terms of persons, nearly 4.3 million persons in about 691,734 households were living in chronic poverty. On the other hand, about 26.6 percent of the population was in transient poverty, translating into 7.5 million persons. Next we consider the overall contribution to total poverty. The northern region remains a home for the majority of the chronically poor households (refer to annex Table 1–Panel B of the article). This finding is consistent with the previous studies on poverty dynamics on Uganda (Ssewanyana et.al, 2012). Notably, recent panel data reveal that the chronically poor households are becoming more concentrated in the northern region with two-fifth of such households compared to about one third in 1992-1999 as reported by Lawson et al. (2006). The eastern region contributed 30.3 percent of the overall chronically poor households - a contribution to overall chronic poverty that is far higher than its share of the total population (of 24.9 percent). These findings seem to suggest that chronic poverty is concentrated in the least developed regions in Uganda. Yet, on the other hand, chronically poor households are not restricted to least developed regions, but also to the so called advantaged regions– the central and western regions. For instance, the central region is a home to about 7 percent of the total chronic poverty.

This finding suggests further that, being a more developed region does not necessarily mean total eradication of extreme poverty among community inhabitants. These findings seem to call for more targeted anti-poverty interventions that should be linked to inclusive social protection policies. Yet, we note that targeting interventions to say, chronically vulnerable households resident in the central region is more complicated relative to targeting the same group in the post-conflict north and eastern region where chronic poverty is more widespread. We extend the analysis to examine whether there are significant differences in the living standards between the original and split off households. It is evident that the latter were more likely to have moved out than slipped into poverty during the panel period. The reverse is true for the former category.

Further, the paper notes that, the chronically poor households had average per adult equivalent consumption over the panel period that was about 1.5 times below the absolute poverty line. In addition, the per capita consumption growth among the identified chronically poor households in various communities recorded a real decline of 6.9 percent. Indeed, this decline is significantly higher than the national average of 3.6 percent. In terms of expenditure shares, the chronically poor households' share on food in total household expenditure remained constant at 60 percent well above the national average of 46.5 percent in 2010/11. This implies that increases in the cost of living might have a greater impact on their food intake – given the fact that inflation was driven by higher-than-average inflation of the items that are mainly consumed by poorer households (Okidi et.al, 2010). Consistent with the discussion, expenditure share on education increased regardless of poverty trajectory. The paper further note an increase in expenditure on health by 0.8 percentage points and 1.5 percentage points among those households that remained chronically poverty and those that moved out of poverty respectively. Broadly speaking, household private spending on education and health increased, in nominal terms, by nearly 47 percent and 3.2 percent respectively. The poor quality of public health and education facilities could partly explain the increasing private spending. The other possible explanation could be due to increase in the cost of education and health during the panel period as already alluded to. Households living in chronic poverty spent a higher share of their total expenditure on drinks and tobacco, a share that is well above the national average.

While establishing the possibility of different types of poverty that other scholars used, their analysis ignored the reality of the social and economic shocks that threaten the household wellbeing of less well-off people generally. In the existence of asset thresholds and poverty traps, economic shocks take on particular significance. Carter et al, (2007), identifies three types of shocks that could generate risks that might have a major impact on the household decisions choices on the existing assets. The first type is income shocks where households receive more or less than the expected amount of income from their assets at any one point in time. Second, the marginal utility of income is also subject to shocks. Households, for instance, may suffer a severe illness, creating new needs for cash that can effectively drive up the marginal utility of consumption. And the third, assets themselves are subject to shocks. Domestic livestock may die, businesses may fail to flourish, or productive equipment may unexpectedly break or be stolen. All the three types of shocks have the capacity to derail households from accumulating assets and creating conducive paths for addressing poverty and vulnerability.

## Conclusion

As in any area of social and economic interventions, looking forward into the future is fraught with difficulties. The information that can be gleaned from the chronic poverty measures suggested here is probably most valuable over a medium-term time horizon when the structure of the economy is relatively stable. But even within these limits, the capacity of the asset-based chronic poverty measures to provide information on intrinsically and chronically poor households in communities and the multiple-equilibrium chronically poor is potentially quite valuable from a policy perspective. Moreover, while empirical calculation of the vulnerability measures discussed in this article is likely fraught with difficulty, the theoretical analysis put forward makes clear that households and community vulnerability to economic shocks is potentially an important part of chronic

poverty. This is especially true in economies where large numbers of agents find themselves in the multiple equilibrium categories, facing a positive but finite Micawber frontier. The theory reviewed here suggests that the provision of social protection measures will lower the Micawber frontier for average individuals, crowding-in private accumulation and rendering feasible new pathways from poverty for at least some households in various communities. While there is still much to find out about whether social protection can in practice really have these twin effects on reducing chronic poverty, further efforts to more sharply conceptualise and measure chronic poverty will move us in the direction of being able to explore these ideas and pilot new social protection programmes to help the vulnerable households and communities emerging from conflict scenarios.

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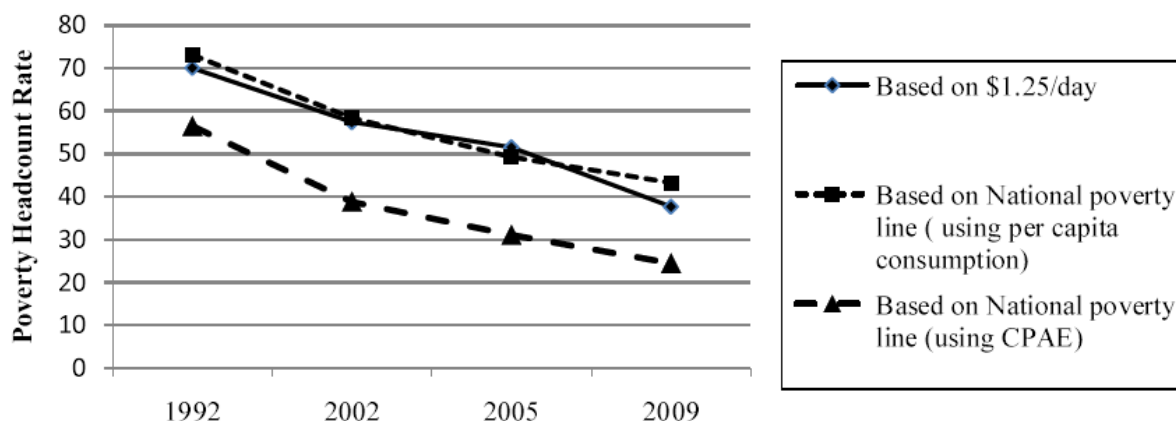
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## Annexes

Figure 1: A comparison of poverty rates, national poverty line versus international poverty line



Source: Authors interpretation and analysis using the UNHS 2002/03–2009/10 & 1HS 1992/93,

**Table 1: Poverty trajectory by location and region in Uganda**

	<b>Chronic</b>	<b>Moved out</b>	<b>Slipped into</b>	<b>Never poor</b>	<b>All</b>
<b>Panel A: Poverty trajectory (%)</b>					
All	13.0	11.2	14.3	61.6	100.0
Rural	14.6	12.1	16.5	65.8	100.0
Urban	4.2	6.7	2.8	86.3	100.0
Central region	3.3	8.6	6.5	81.6	100.0
Easter region	16.0	9.5	20.8	53.7	100.0
Northern region	24.0	15.4	14.9	45.7	100.0
Western region	10.6	11.9	15.7	61.8	100.0
<b>Panel B: Contribution to poverty trajectory</b>					
All	100.0	100.0	100.0	100.0	100.0
Rural	94.7	90.3	96.9	77.3	83.8
Urban	5.3	9.7	3.1	22.7	16.2
Central	6.9	20.9	12.3	36.0	27.1
Eastern	30.7	21.2	36.3	21.8	24.9
Northern	41.4	30.8	23.4	16.6	22.4
Western	21.0	27.2	28.0	25.6	25.5
<b>Panel C: Average Consumption for panel period</b>					
Mean welfare	19,201	36,136	33,403	83,190	62,520
Standard deviation	4,656	12,172	9,183	74,817	64,603
Coefficient of variation	2.10	2.89	1.65	4.83	4.68

**Source:** Authors computation and analysis from Uganda National Household Survey data