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Escaping Poverty and Becoming Poor in 36 Villages of Central and Western Uganda

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Abstract

Twenty-four percent of households in 36 village communities of Central and Western Uganda have escaped from poverty over the past 25 years, but another 15 percent have simultaneously fallen into poverty. A roughly equal number of households escaped from poverty in the first period (ten to 25 years ago) as in the second period (the last ten years). However, almost twice as many people fell into poverty during the second period as in the first period. Progress in poverty reduction has slowed down as a result. Multiple causes are associated with descent into poverty and these causes vary significantly between villages in the two different regions. For nearly two-thirds of all households in both regions, however, ill health and health-related costs were a principal reason for descent into poverty. Escaping poverty is also associated with diverse causes, which vary across the two regions. Compared to increases in urban employment, however, land-related reasons have been more important for escaping poverty in both regions.

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According to the most commonly cited estimates, poverty in Uganda declined from 56 percent in 1992 to 35 percent in 2000, and a combination of economic growth and recovery from civil war damage are widely regarded to be responsible for this accomplishment (Appleton 2001a; Collier and Reinikka 2001; GoU 2001). However, reduced poverty in the 1990s may have gone hand-in hand with increased inequality (Appleton 2001b; Deininger and Okidi 2003; Hickey 2003). The degree to which different segments of the population can take advantage of and benefit from further growth-induced opportunities is in doubt (Okidi and Mugambe 2002; Mijumbi and Okidi 2001; Ssewanyana et al. 2004), and the extent to which "sustained growth can facilitate an escape from poverty – even in the longer term – for those left behind is debatable" (CPRC 2004: 67).

What needs to be done now for the one-third of the population left behind in poverty? A different set of strategies will most likely be required (Brock et al. 2002; Lwanga-Ntale and McClean 2003), but it is not entirely clear what these strategies should be. Some insights have been provided by panel data studies and participatory poverty assessments carried out in the past (GoU 2002a; Lawson et al. 2003). Additional knowledge of a disaggregated nature is required, however, for identifying poverty-reducing and poverty-creating *processes* at work within different regions of the country (Jayne et al. 2003; Johnson 2002; Woodhouse 2003).

The present study was designed in order to identify these processes and fill some of the remaining gaps in poverty knowledge in Uganda. It utilizes the Stages-of-Progress methodology that was developed and applied earlier in two parts of India and one region of Kenya (Krishna 2004; Krishna et al. 2004; Krishna, *forthcoming*). Before applying this methodology extensively in two regions of Uganda, a feasibility study and pilot test was first carried out in February 2004 in Rakai District. Following refinements and adaptations, the Stages-of-Progress methodology (described in detail in Section 2.3) was implemented in the Western and Central Regions of Uganda.

A total of 36 village communities were studied – six villages in each of six districts, with three districts selected in each of the two regions, Central and Western. Data was collected for all 2,631 households who are currently resident in these 36 villages, as discussed below in Section 2.

1.0 Key Findings

1.1 *Escaping poverty is associated with one set of factors, while falling into poverty is associated with another and different set of factors.* A total of 24 percent of these 2,631 households have escaped from poverty over the past 25 years. Simultaneously, however, another 15 percent of households have fallen into poverty in these villages. While escaping poverty is responsive to one set of factors, falling into poverty is associated with another and different set of factors. Two different sets of policy responses are required in each region: one set to help promote households' escape from poverty, and another set to prevent descent into poverty.

1.2 *Factors associated with falling into poverty include illness, high health care costs, death of income earners, crop disease, and land exhaustion, and they also include large family size, marriage expenses,*

and land division. These factors of descent are discussed in more detail in Section 4.1. Very few among these factors are directly affected by growth in the national economy.

1.3 *Factors associated with escaping poverty are, in order of incidence, diversification of income sources, land improvement, gains from small businesses, and obtaining a private sector job*. These factors are discussed in more detail in Section 4.2. Growth in industry and the urban sectors as reflected in private sector or government jobs have not been the major removers of poverty in these villages. The direct impact on poverty of these factors relative to others has also declined over time. Because jobs have not been more significant, education also does not have a strong association with escaping poverty.

1.4 P*athways into and out of poverty are not the same in the two regions*. While ill health and high healthcare expenses are commonly and increasingly associated with descents in both the Western and the Central region, some other factors associated with descent are different between these regions. For example, land division is a major factor associated with descent into poverty in Western but not in Central Uganda.

1.5 *Net poverty reduction has slowed down in Uganda, not because fewer households are escaping from poverty, but rather, because more households are falling into poverty*. This study looked at processes associated with movement into and out of poverty in two separate time periods: a first period, from 10 years ago to 25 years ago, and a second period, from the present time to 10 years ago. Overall, poverty in both regions has fallen from 47 percent 25 years ago, to 37 percent ten years ago, to 35 percent at the present time. Escapes from poverty have been as frequent in the first period as in the second period. However, descents into poverty have nearly doubled in the second period compared to the first period. Growth in the national economy has picked up in the second period; however, the simultaneously increasing pace of descents has resulted in net poverty reduction slowing down in the second time period.

1.6 *Pathways into and out of poverty have also changed over time*. Descent and escape in the second time period are responsive to factors that are significantly different from those observed in the first time period. Ill health and death of income earners are associated with descent in both regions in the second time period, but these factors were not significant for descent in the first time period. Factors associated with escaping poverty are also different in the second time period. Regular monitoring of factors associated with descent and with escape in each region will be required in order to keep policy interventions more current and relevant. A method for performing such exercises on a continuous basis is presented in Section 2.3.

2.0 Methodology

A total of 36 villages were studied: six villages in each of three districts in the West and Central regions of Uganda. A total of 2,631 households are resident in these villages, and following the participatory, community-based methodology (described in section 2.3 below), the poverty status of each household was ascertained for the present time, for 25 years ago, and for an interim period, 10 years ago. The trajectory of each household was compiled in this manner, and reasons associated with these trajectories were examined for a random sample comprised of 40 percent of all households. Members of 1,068 households were

individually interviewed by trained researchers to verify and elaborate upon information collected at a community meeting regarding these factors.

2.1 *Consultation with Local Government and Site Selection*

Three districts were selected within each region - Central and Western - with the intent of covering a range of diversity. In the Central region, we selected Mukono, Luwero, and Ssembabule, while in the Western region, we selected Bushenyi, Kabale, and Ntungamo (Rwabwoogo 2002).

We conducted initial visits to District Headquarters in all six to meet with administrative and political leaders, explain the objectives and methods of the study, and to seek their assistance and support. These leaders helped select 25 experienced Research Assistants (RAs), most of whom are employed with the Community Development Departments of these districts. These Community Development Officers and Community Development Assistants have considerable prior experience working among village communities, and they were untroubled by the prospect of spending days on end investigating poverty within quite remote rural areas; rather, they were quite enthused by the potential for finding better solutions.

Villages for study were also selected at this time in consultation with district officials. In each district, six villages were selected: two located near the district town center, two located near a main road but not near the district town center, and two located relatively far away from either a main road or the district town center and are therefore relatively remote and hard to access (Table 1). The selected villages represent quite well the considerable diversity that exists within the two selected regions; they are not, however, "representative" in the statistical sense of this term.

Table 1. Districts and Villages

	Villages located close to district town centers	Villages located close to major roads	Remotely located villages
CENTRAL REGION			
Luwero	Busika B, Bukimu	Yandwe, Kasala	Kyabalere, Lwanda
Mukono	Ajjija Malongwe, Kasawo	Kayanja, Katega	Ntonto. Kitovu
Ssembabule	Katimba, Mitete	Kikoma, Mabindo	Kyamabogo, Kawanda
WESTERN REGION			
Bushenyi	Kyeitembe, Katooma Central	Runyinya, Kyabuzigye	Ruhandagazi, Rwenkuriijo
Kabale	Mulago, Karubanda	Kashaki B, Kabarisa I	Bugarama, Nyamurindira
Ntumgamo	Kashasha, Kanyakungwe	Kabahambi, Kikoni	Kitinda, Kitsyama

2.2 Training of Research Assistants

The 25 RAs took part in a 10-day training exercise during which the methodology was explained and practiced in detail, a spirit of teamwork was fostered, and tasks were clearly understood and rehearsed together. Training included two complete rehearsals of all steps of the Stages-of-Progress methodology (described below). Villages located close to the training center were selected for these training rehearsals.

The RAs were divided into four teams, with two teams assigned to each of the two regions. Members of each team were fluent in the local language of the region (Luganda for Central and Ruyankole and Rukiga for Western region) and also in English. With the four teams working simultaneously and supervised closely by the authors, data was collected over a total period of 28 days. Each team spent on average two full days in each village that it studied. The first day was used for a community meeting and for collecting village level information, while the second day was used to complete household interviews, which helped to verify, validate and complement the information that was collected at the community meetings on the first day. Additional time was required in larger villages.

2.3 *Stages-of-Progress Methodology*

The Stages-of-Progress approach to examining poverty dynamics uses the household as the unit of study. In each village, data was collected through a community meeting and follow-up household interviews, as discussed below.

The dates for these community meetings in each village were determined in advance through prior consultations with the Local Council (LC1) chairperson of the village. Members of each village community attended in large numbers when the trained teams went into these villages. Males and females were equally represented in most cases, and older villagers were also present in significant numbers. Community meetings were conducted at a location within the village that was relatively free of disruptions, and therefore at some distance from markets, schools and trading centers. As the issues to be discussed were sometimes sensitive, deliberate efforts were made to encourage free, frank and open discussions. A key aspect of introducing the study to community members was making clear that project staff did not represent any government or NGO program, and emphasizing that no "beneficiaries" were to be selected; that is, no immediate material benefits (or losses) would be brought into the community as a result of the study. Members therefore were less likely to deliberately misrepresent any household's poverty status with the hope of attaining material gains.

The community meetings began with the research teams asking community groups to define the local terms that people apply to those whose conditions connoted a clear and commonly understood state of poverty. In this study, the term *Omworo* came up most often in the West, while in the Central region the terms *Omwavu Lunkupe* or *Omwavu Lukyolo* were most often used.

Once the ice was broken in this manner, and once community members' attention was focused on discussing poverty and its local characteristics, the research team would implement the remaining steps of the Stages-of-Progress Methodology. The next, and most important, step consisted of defining the stages of progress.

The community groups were asked to delineate the locally applicable stages of progress that poor households typically followed while making their ways out of poverty in their village. What does a household in your village usually do, we asked the assembled villagers, when it climbs out gradually from a state of acute poverty? Which expenditures are the very first ones to be made? "Food," was the invariable answer. Which expenditures follow immediately after? "Some clothes," we were invariably told. As more money flows in, what does this household do in the third stage, in the fourth stage, and so on?

Lively discussions ensued among villagers in this study, but the answers they provided - particularly about the first four stages of progress - were invariant across all villages in both regions. Each stage as reported by the community group was recorded on a large flip chart for everyone to see, and this process was continued until the community meeting had defined a progression of stages up to a point where a household was clearly very well off in the community's estimation. No more than 11 or 12 stages were defined in any village.

Table 2 presents the typical Stages-of-Progress reported in these 36 villages. It is particularly important to highlight that the first four stages were exactly the same in all 36 villages. Later stages of progress beyond the first four were also relatively invariant, with some minor discrepancies in how different village communities ordered these later stages.[2]

After agreeing on the Stages of Progress, in the third step the community group identified two cutoff points on this progression of stages. The first cutoff point denotes the stage at which a household is no longer regarded as poor.[3] The second cutoff point denotes the prosperity line. Once a household has crossed beyond this cutoff, it is regarded as having left poverty quite far behind.

Table 2. Stages of Progress

1.	Food for the family	
2.	Some clothes for the family	
3.	Send children to school	
4.	Repair the existing shelter (Roof with iron sheets)	*Poverty Cutoff*
5.	Buy small animals like goat, chicken, sheep, rabbits	
6.	Buy a small piece of land	
7.	Buy a bicycle for transportation	
8.	Buy more land	*Prosperity Cutoff*
9.	Build permanent house	
10.	Start operating a business of few farm products	
11.	Buy a car/ build commercial property	

As Table 2 shows, the first cutoff in this study was made after Stage 4. Basic needs had been met, including food, clothing, shelter, and basic education, and the household could now begin to make small investments in housing, in small animals, or in a tiny plot of land.[4] The

[2] Commonly shared Stages-of-Progress were also reported when similar investigations were carried out in India and Kenya. It is hardly surprising that communities within a region should, in fact, report a common set of aspirations, represented by the locally defined Stages of Progress.

[3] It is equivalent to the concept of poverty line commonly used in most poverty studies. Instead of being defined by some distant outsiders, however, the poverty cutoff is determined by the villagers themselves.

[4] In a few villages of the Central region, the first cutoff line was drawn after an additional stage. Community groups in these villages added "household utilities," i.e., a basic few pots and pans, as an additional stage after

second cutoff, which was drawn after Stage 8, corresponds to a household's capacity to make even more significant investments.[5]

The fourth step of the Stages-of-Progress methodology was to develop a complete list of all households in the village, and to display the list clearly for all to see. In this study, this list was generated during the community meeting in some villages, and in other villages it was obtained beforehand through consultations with the LCI chairperson. In each case, the list of households was verified with the assembled community members.

Next, researchers worked with the community assembly to identify a clearly understood and commonly remembered milestone to denote the time period of 25 years ago, and another such milestone to denote ten years ago. Establishing these milestones provided community members with a specific reference point, which they remember clearly, rather than referring to some particular year, which may have little meaning for many. During the pilot test and training exercises in Uganda, the communities chose the coming to power of Obote II (in 1980) as the milestone for 25 years ago, while they regarded the Constituent Assembly elections (held in 1994) as the appropriate milestone for ten years ago.

The sixth step involved locating each household's specific location along the Stages of Progress for each of the two milestones and also for the present time. Referring constantly to the Stages of Progress and to the household lists, the community members were asked, for example, "At what stage on the Stages-of-Progress was Nsubuga's household at the time the Obote II regime came into power (i.e., 25 years ago)? What stage did these household members occupy at the time of the Constituent Assembly elections (i.e., 10 years ago)? At what stage are they now?" Community members in all 36 villages participated enthusiastically in the discussions, and there was often considerable debate about the status of some particular household. The discussion continued until this information had been obtained for every household presently resident in the village.[6]

Meetings often lasted up to five hours to this point. Next, the research teams took a short break to categorize all village households in the following manner.

Present-day households constituted the unit of analysis for this exercise.[7] When asking about conditions at the present time we inquired about present-day households' members,

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Sending Children to School and before Repairing the Existing Shelter. The poverty cutoff in these five villages was drawn after Stage 5 consequently. But this additional stage did hardly anything to change the identity of households identified as poor. We redid the categorization of households (explained below) after re-drawing the poverty cutoff after Stage 5 instead of Stage 4. Only 3 of 494 households in these villages were assigned to a different category.

[5] In villages of the Central region it was quite common for the community to say that at this stage the household could be characterized as *"oyo avudeyo,"* meaning that it was now quite a distance away from poverty.

[6] Villagers were usually not reticent to speak about either their own or other households' situations along the Stages of Progress. The researchers needed to make clear first that these exercises would in no way convey any immediate material benefits or confer program eligibility upon any one, nor indeed, that anyone would be harmed in any way. While explaining the purpose of these exercises, the researchers also stressed that confidentiality would be maintained regarding respondents' names and material status.

[7] Some such assumption has to be made while comparing households across two different time periods. While some studies consider households of the previous time period as their units of analysis, the Stages of Progress method does the reverse, considering households of the present time as its units of analysis. This method fails

and when asking about conditions in the previous time period we asked about conditions faced by these same members 25 years ago. In case of younger households, we asked about conditions in their parents' household 25 years ago.

Category A:	poor 25 years ago and poor today	(Remained Poor)
Category B:	poor 25 years ago but not poor today	(Escaped Poverty)
Category C:	not poor 25 years ago but poor today	(Became Poor)
Category D:	not poor 25 years ago and not poor today	(Remained Not Poor)

Once the categorization was complete, a random sample of 40 percent of households in each category was selected, and in-depth discussions were held with the community group regarding the reasons associated with each household in the sample – for moving into or out of poverty, as the case may be, or for staying poor or not poor. A comparative framework was adopted for these inquiries. After completing this step, the community meeting was concluded.

Interviews with individual members of the selected households followed the next day. These interviews were conducted to verify, validate and complement the information provided by the community group. Household members were interviewed in the privacy of their homes. The stages and reasons provided by the community group were verified separately with each household in the sample. Additional household-level information was also obtained at this time, including information on demographic features and assets owned. Rarely was a single reason responsible for descent or escape, and multiple reasons were usually associated with each household's trajectory. Up to five reasons were recorded for each selected household.

3. Results: Escape and Descent by Region and Time Period

This investigation revealed that on average in these 36 villages, 45 percent of all households lived in poverty 25 years ago, 37 percent were poor ten years ago, and 35 percent are poor at the present time. Overall, poverty has fallen consistently over this period, and the average figure at present for these 36 villages – 35 percent in poverty – is the same as the average figure for the entire country (Deininger and Okidi 2003; Lawson et al. 2003), suggesting that these villages are not dissimilar in terms of poverty from other areas in the country. Table 3 below provides these figures.

3.1 *Escaping Poverty and Becoming Poor*

The upper half of Table 3 shows that of the total of 2,631 households resident in these 36 villages, 20.4 percent were poor 25 years ago and they are also poor today, and 40.6 percent were not poor 25 years ago and they are not poor today. Twenty four percent of households escaped poverty during this time, and another 15 percent simultaneously fell into poverty, making for a net poverty reduction of 9.0 percent over the 25-year period. While the large

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to capture households of 25 years ago from which no single member survives in the community, and some bias is likely to arise on this account. A corresponding but opposite bias (on account of household attrition) affects studies that consider previous period households instead. Local inquiries revealed that the extent of bias was likely to be quite small in the present study. Permanent migration of entire households out of these villages has been relatively small. As reported in the community meetings, less than 6% of households in all have migrated permanently out of these villages over the entire 25-year period.

numbers escaping poverty, 24 percent, are heartening to observe, the substantial numbers who fell into poverty during the same period give cause for concern.

Table 3. Trends in Household Poverty in 36 Villages

Comparing the present time with 25 years ago (percentage of households)						
REGION	**(A_{25}) Remained poor over the past 25 years**	**(B_{25}) Escaped poverty over the past 25 years**	**(C_{25}) Became poor over the past 25 years**	**(D_{25}) Remained not poor over the past 25 years**	**Poor 25 years ago**	**Poor today**
All 36 Villages	20.4	24.0	15.0	40.6	44.4	35.4
Central (18 villages)	12.8	28.6	14.5	44.0	41.4	27.3
Western (18 Villages)	28.9	18.8	15.5	36.8	47.7	44.4

Comparing the present time with 10 years ago (percentage of households)						
REGION	**(A_{10}) Remained poor over the past 10 years**	**(B_{10}) Escaped poverty over the past 10 years**	**(C_{10}) Became poor over the past 10 years**	**(D_{10}) Remained not poor over the past 10 years**	**Poor 10 years ago**	**Poor today**
All 36 Villages	22.9	14.1	12.5	50.5	37.0	35.4
Central (18 villages)	15.1	17.2	12.2	55.1	32.3	27.3
Western (18 Villages)	32.8	10.4	11.6	44.3	42.4	44.4

The lower half of Table 3 shows that in both periods, households have simultaneously both escaped poverty and fallen into poverty. While 14 percent of households escaped from poverty in the past ten year period, 12.5 percent of households fell into poverty during this time.

3.2. External Validity

It is useful to examine the relationship that the four categories utilized in this methodology have with some other indicators of poverty, more often utilized within academic discourse. Land ownership, for instance, is closely associated with the categories of poverty utilized here. Households classified under Category A (remained poor over 25 years) possess, on average, just 1.19 acres of land. Households of Category B (escaped poverty) and Category D (remained not poor) possess2.09 and 2.48 acres on average, and households of Category C (became poor) possess 1.58 acres.

Ownership of other assets is also similarly distributed among these four separate categories. Household were asked about ownership in respect of ten different types of assets, including animals, radios, household furniture, and so on. Households of Category A possess, on

average, 3.3 of these ten assets, while households of Categories B, C, and D possess, respectively, 5.4, 3.8 and 5.8 assets on average. There is, in fact, a monotonically increasing relationship between a household's present stage and its average number of assets (Table 4).

Table 4. Stages-of-Progress and Relative Material Wealth

Household's Stage at the present time	*Average Number of Household Assets (out of 10)*
1	2.46
2	3.08
3	3.58
4	4.08
5	4.94
6	5.24
7	5.55
8	5.71
9	6.42
10	6.72
11	7.31
12	8.01

Other visible characteristics – housing type, cattle ownership, education levels – also align neatly with a household's position on the Stages of Progress. How well any household is doing in terms of material achievement is thus reflected quite by well by its recorded stage.. These findings further substantiate the ability of community members to rank household poverty using the Stages-of-Progress method.

Community members in these villages were quite certain that those households that they had identified as poor in terms of the Stages of Progress were indeed the ones who are poor in their villages. Such households consider themselves to be poor, and they are also considered as poor by other people in their village. Their strategies for a better life are built around these everyday understandings of poverty that they share with fellow villagers, and it is these understandings and the strategies to which they give rise that underpin households' efforts to deal with poverty as they know it (Chambers 1995).

Assessments of the positions of different households on the Stages of Progress ten years ago and 25 years ago are much harder to verify in terms of evidence related to asset ownership. No recorded evidence is available to support any such assessments. What we relied on, instead, is oral evidence as affirmed by the assembled community group and as confirmed in each case by the household concerned. Recall can be quite imperfect for an earlier period, thus the methodology relied on retracing *large* steps, which are better remembered, rather than smaller distinctions that are more easily forgotten. Each movement upward along the Stages of Progress represents a significant improvement in material and social status. People remember, for instance, whether their household possessed a bicycle or a radio set at the time when the Constituent Assembly elections were held, whether they lived in a house that had iron sheets or plain thatch, and whether they could afford to send their children to

school or not. By seeking recall data in terms of these clear, conspicuous and sizeable referents, the Stages of Progress method adds reliability to recall.

Members of particular households remember quite well where they were located along this clearly understood hierarchy of stages, and these recollections are verified by others who have lived together with them for long periods of time. One limitation of this methodology is thus that it cannot be used in communities that have not lived together for such long periods of time.

3.3 Escape and Descent during the First and Second Time Periods

Dividing the data into two time periods – with the first period running from 10 years ago to 25 years ago, and the second period from 10 years ago to the present time – shows that a total of 13 percent of households escaped from poverty during the first time period (11.9 percent + 1.1 percent), while a total of 12.2 percent escaped poverty during the second time period. Thus, a roughly equal proportion of households have escaped from poverty during these two separate time periods (Table 5).

Table 5. Escape and Descent Over Two Time Periods

	CAT. 25	CAT. 10	Poverty Status in Three Time Periods	Percent of Households			
				Central (18 villages)	Western (18 villages)	Total (36 villages)	Implication
1	A_{25}	A_{10}	Poor in all three periods	11.7	27.9	19.4	Chronic Poor
2	C_{25}	A_{10}	Fell into poverty in the earlier period, and remained poor	3.4	4.0	3.7	*Relatively few descents occurred in the earlier period. Most descents occurred in the later period.*
3	C_{25}	C_{10}	Fell into poverty in the later period	11.2	10.6	10.9	
4	D_{25}	B_{10}	Fell into poverty in the earlier period, and rose back in the later period	3.0	0.6	1.9	*About one-third of those who fell into poverty in the first period came back up again in the later period*
5	B_{25}	D_{10}	Escaped poverty in the earlier period, and remained not poor later	14.4	9.0	11.9	*Escapes have occurred equally in both periods*
6	B_{25}	B_{10}	Escaped poverty in the later period	14.2	9.8	12.2	
7	A_{25}	C_{10}	Escaped poverty in the earlier period, and fell back into poverty later	1.2	1.0	1.1	*Relatively few who escaped poverty fell back into poverty in the later period*
8	D_{25}	D_{10}	Not poor at any time	40.9	36.2	38.8	Chronic Non-Poor

When considering descent into poverty, however, we find that many more households *fell into* poverty during the second compared to the first time period. Only 5.6 percent of households fell into poverty in the first time period (Row 2 + Row 4 of Table 5, i.e., 3.7

percent + 1.9 percent), however, as many as 10.9 percent of all households in these villages have fallen into poverty during the second time period (Row 3 of Table 5).

The pace of economic growth in Uganda was faster in the second time period compared to the first time period, according to some estimates (e.g., Collier and Reinikka 2001), and it was expected that poverty reduction should also have been faster in the second time period. However, because descents have been almost twice as frequent in the second time period compared to the first time period, the pace of poverty reduction has slowed in the second period. Descending into poverty is responsive to reasons that are different from those which are associated with escape from poverty, as we will see below in Sections 4.1 and 4.2. These reasons for descent are not directly affected by growth in the national economy, and a different set of policies is required to more directly arrest the increasing pace of descent.[8]

Some comfort can be taken from observing that of all households that fell into poverty during the first period (5.6 percent) about one-third (1.9 percent) were able to overcome poverty during the second time period. The majority of these households, two-thirds, remained poor at the end of the second time period, however, indicating that falling into poverty is not merely a temporary inconvenience.

Some households that escaped from poverty during the first period have also fallen back into poverty in the second time period. Fortunately, such reversals have been experienced by relatively few households. Of 13.3 percent of households that escaped from poverty in the first time period (Row 5 + Row 7), less than one-tenth (1.1 percent) fell back into poverty during the second time period (Row 7).

3.4 Differences among Villages

The composite data for the 36 villages conceal substantial differences between the two regions, among districts, and even from village to village. Table 6 presents data for the two villages in each district that have, respectively, experienced the highest and the lowest net poverty reduction over the 25-year period.

Notice that the sign for net reduction is negative for the second village listed in each of these six districts. Household poverty was reduced overall in many villages in these districts, but it increased simultaneously in other villages of the same district, and often, even of the same sub county.

In as many as 16 of the 36 villages studied, household poverty has increased over the 25-year period.[9] Villages such as Kitinda (Ntumgamo district) where household poverty increased by 53 percent, Yandwe (Luwero district) where it increased by 38 percent, and Katooma Central (Bushenyi district) where it increased by 29 percent, are particularly worrying in this respect.

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[8] Poverty figures for Uganda are available starting only from the early 1990s, so it is not possible to directly compare our figures for 1980 with those derived from another method of estimation.

[9] We met with Uganda Bureau of Statistics (UBoS) officials to find whether other researchers had also come across similarly large downward trends in these or other villages. We did not, however, obtain any data that could help to validate (or contradict) our village-level findings.

Table 6. Differences Among Villages

Region/ District	Village	(A_{25}) Remained poor	(B_{25}) Escaped poverty	(C_{25}) Became poor	(D_{25}) Remained non-poor	Net change over 25 years
CENTRAL						
Luwero	Lwanda	13.0%	65.2%	4.3%	17.4%	60.9%
	Yandwe	14.1%	11.8%	49.4%	24.7%	-37.6%
Mukono	Kitovu	41.9%	37.8%	9.5%	10.8%	28.3%
	Malongwe Ajjijja	7.9%	11.9%	29.7%	50.5%	-19.8%
Ssembabule	Mabindo A	5.8%	51.9%	1.9%	40.4%	50.0%
	Mitete	3.7%	12.2%	13.4%	70.7%	-1.2%
WESTERN						
Bushenyi	Ruhandagazi	25.7%	37.8%	4.1%	32.4%	33.7%
	Katooma Central	7.1%	1.8%	30.4%	60.7%	-28.6%
Kabale	Mulago	40.9%	31.8%	4.5%	22.7%	27.3%
	Nyamurindira A	48.3%	9.0%	24.7%	18.0%	-15.7%
Ntumgamo	Kitsyama	2.2%	40.0%	11.1%	46.7%	28.9%
	Kitinda	2.0%	3.3%	57.1%	40.8%	-53.8%

Providing more effective assistance for those who have been left behind in poverty – and for those who have actually become poor over the past 10 or 25 years – will require addressing separately the reasons for escape and for descent. The data in Table 5 above show that many more households have fallen into poverty during the second time period, and it is necessary to have more effective measures in place that can arrest this rising pace of descents.

4.0 Factors Associated with Escape and with Descent

Previous studies of poverty dynamics provide important clues about some factors associated with decline and ascent in Uganda. Participatory poverty assessments conducted in 36 sites in 1998 and in 60 additional sites in 2002 suggest that alcoholism, large family size, ill health, and expenses on dowries and funerals can be important reasons for descending into poverty. Respondents to these surveys also indicated several other factors that are associated - in their view - with ascent out of poverty, including multiple income sources, access to employment, land and start-up capital, and higher education and skills (GoU 2002a; Lawson et al. 2003; Lwanga-Ntale and McClean 2003). Separately, Deininger and Okidi (2003) and Lawson

(2003) also found ill health to be significantly associated with descent. Bird and Shinyekwa (2003) found multiple correlated reasons associated with descent, including ill health and drunkenness.

Reasons for escape and descent identified by these studies served as a starting point for our investigations. Many of these factors were confirmed by the random sample of 1,068 households that were interviewed. However, some of these factors were not validated by the experiences and trajectories identified in this study. While previous studies have relied upon the collective opinion of villagers regarding factors associated with escape and descent, this study attempted to match factors and causes to the actual experiences of specific households. Thus, the methodology used in this study provided the opportunity to examine the relative *frequency, magnitude,* and *statistical significance* of these factors, while at the same time identifying additional factors and *processes of change* that are not so well recognized by previous studies.

4.1 *Factors Associated with Descent*

Eight factors are significantly associated with decline in a household's material circumstances. These eight factors are organized for convenient discussion into three separate clusters. Ill health, healthcare expenses, and death of income earners form the first and numerically most important cluster. The second cluster is related to social and behavioral factors, including family size, funeral and marriage expenses, alcoholism and laziness. The third cluster includes all land related factors, especially land division, crop disease, and land exhaustion.

Health and health-related expenses are the single most important reason associated with descending into poverty. More than 70 percent of households that fell into poverty (Category C) cited ill health and healthcare expenses as the most important part of the process leading to their descent. Deaths of income earners, which have occurred mostly on account of disease, are important in the case of another 35 percent of such households.

> Twenty-five years ago my welfare was good. My husband was still alive and we had enough land and animals. My husband was sick for ten years before he died and all the money we had was spent on medical charges. We even sold some animals and land to raise money for treatment. Our welfare became poor because we were left with small land and few animals. My children had dropped out of school because we could not pay school fees. Then my husband died and the small land we had left was shared among my sons. My welfare became even worse because I was left with a very small piece of land and I can't even get enough food to eat. Now I work as a casual laborer on other people's farms. (Female respondent, Kikoni Village, Ntungamo District, Western region)

> I lost my husband who had a government job as a pharmacist to sickness. I used to grow some crops for cash but now I am ever sick and the little I get from my garden I use for buying drugs. Some of my grandchildren are sickly and I may tell you some of my children died of AIDS. (Female respondent, Katega Village, Mukono District, Central region)

The impact of these health-related factors on descent has become even more deleterious during the second period (the last ten years) compared to the first period (10-25 years ago), as discussed in Section 4.3 below. Clearly, providing health care more effectively and more

affordably will be very important for avoiding future descents into poverty in both regions. This is not, however, all that will need to be done to prevent descents.

The second cluster of factors examined is related to social and behavioral factors, including family size, funeral and marriage expenses, alcoholism and laziness. These factors were examined because they are frequently brought up in poverty analyses.[10] Large family size was quite significant for descent in these 36 villages. In all, 39 percent of households that have fallen into poverty over the 25-year period mentioned large family size as a critical factor associated with this decline. This factor was also significant in regression analysis, presented below in Table 7. Drunkenness did not, however, appear to be associated preponderantly with households that have suffered a decline in their circumstances. Households that have improved their status provided evidence of drunkenness as much as households that have declined. Laziness was similarly not significant for this analysis.

The third cluster of significant factors are all land related. These factors are not mentioned very often in recent literature on poverty in Uganda or elsewhere. However, the results of this study show that crop disease, land exhaustion, and land division are all significantly associated with descent into poverty.

> My father died and I had to drop out of school because of lack of school fees. My father's land was divided among me and all my brothers, and the piece I inherited is too small for me to earn enough income from crops or animals. Furthermore, coffee has been affected by the wilt and further reduced my income. Now my family depends on casual labor and hiring land from other people to grow crops. (Male Respondent, Kikoni Village, Ntumgamo District, Western Region)

Crop disease was an important factor in the case of 19 percent of all households that have fallen into poverty. Another 8 percent of all Category C households mentioned land exhaustion as a factor critically associated with their experiences of falling into poverty. Division of land is also significantly associated with households' decline. Regionally disaggregated analysis (presented later) shows that this factor is more relevant to the Western experience, and not very relevant to households of Central villages.

Business loss is another factor significantly associated with descent. It was particularly relevant to the experience of households in the Central region, as we will see below in disaggregated analysis. The term, business losses, as used here is related most often with loss of income from commercial crops, and these losses arise, in turn, from price changes or due to crop disease and/or land exhaustion.

Logistic regression analysis helped to further confirm these findings. Annex A reports the full results of this analysis. For brevity and ease of interpretation, only the odds ratios associated with individual factors are reported below in Table 7. The analysis here is restricted only to Category C and Category D households, i.e., all those who were not poor

[10] For an interesting examination of "laziness" as a factor that is uncritically associated by some analysts with abiding poverty in rural Africa, see Whitehead (2000).

25 years ago. The intent is to discern why some previously non-poor households fell into poverty, while other non-poor households continued to remain not poor.[11]

Table 7: Odds Ratios for Falling Into Poverty
(Considering households that were not poor 25 years ago, i.e., Category C and Category D households)

Factor	Odds Ratio
Ill health	1.40
Healthcare expenses	2.60
Death of income earner	1.87
Large family size	2.61
Marriage expense	2.71
Drunkenness	*Not significant*
Laziness	*Not significant*
Business Loss	4.99
Land Division	2.07
Land Exhaustion	3.32
Crop Disease	1.35
Land Improvement	0.20
Diversification	0.04
Business gain	0.36
Job (government)	*Not significant*
Job (private)	0.31
Education	*Not significant*
Distance to market	*Not significant*
Distance to health center	1.22

Odds ratios reported in Table 7 should be interpreted in the following manner. For variables that are significant, an odds ratio greater than one indicates that the related factor tends to accelerate descent, while an odds ratio lower than 1 indicates that the related factor tends to avert or deter descents into poverty.

Consider, for instance, the odds ratios associated with each of the three health-related variables belonging to the first cluster, namely, ill health, healthcare expenses and death of income earner. These odds ratios are, respectively, 1.40, 2.60 and 1.87. What these odds ratios imply is that, everything else remaining equal, the odds of descent were enhanced by 40 percent (1.40 minus 1.00), on average, for households that experienced one or more episodes of ill health. Correspondingly, the odds of descent were 160 percent greater when high healthcare expenses were experienced, and they increased by 87 percent when the death of major income earner occurred. Notice that the variable, distance to health center, is also significant in the analysis. For residents of villages located more than five kilometers distant from a health center the likelihood of falling into poverty is greater by 22 percent on average.

[11] Table 8 below presents the complementary analysis of escaping from poverty. Category A and Category B households are considered here, to examine why some (but not other) previously poor households were able to escape from poverty.

Among the factors in the second cluster, only large family size and marriage expenses are associated with a significantly enhanced likelihood of descent into poverty. However, none of the other factors in the second cluster is significantly associated with descent. Drunkenness is not significant. Laziness is also not significant for this analysis, and it is unfortunate that people should ever consider it to be so.[12]

Four factors included within our third cluster are all significantly associated with descent. The likelihood of a household falling into poverty is enhanced by, on average, 399 percent, 232 percent, 107 percent, and 35 percent, respectively, when the household concerned experienced business loss, land exhaustion, land division, or crop disease.

Factors included within the first and third clusters are more easily amenable to policy interventions. Providing better, more affordable and more closely located healthcare will go a long way toward slowing down descents into poverty in villages of these regions. Similarly, improved agricultural research and extension will also help slow down descents related to crop diseases and land exhaustion. Factors in the second cluster are harder to tackle with the help of policy interventions alone. Reducing family size and marriage expenses and controlling impoverishment related to frequent land divisions will require changing social and behavioral patterns.

The numbers presented in Table 7 also show that some factors have worked in the opposite direction. Four significant factors – including diversification, business gain, land improvement, and private sector job attainment – have odds ratios lower than one, which indicates that the presence of these factors *reduces* the likelihood of falling into poverty. For instance, the likelihood of falling into poverty was lower by 96 percent (0.04 minus 1), on average, for a household that experienced diversification in this time. Similarly, the likelihood of falling into poverty was reduced, on average, by 80 percent, 64 percent, and 69 percent, respectively, when land improvement, business gain, and private sector job attainment formed part of a household's reported trajectory.

Recall that in this analysis we are comparing the experiences of Category C households (which were not poor previously and fell into poverty) with Category D households (not poor previously and not poor now). Positive factors, including diversification, business gain, land improvement, and private sector job attainment have been associated more often with Category D rather than Category B households. By preventing or offsetting the effects of factors which exert a downward pull, these positive factors enabled Category D households to retain their non-poor status.

Factors responsible for households' falling into poverty have to be considered alongside other factors which help households escape from or stave off poverty. While these two sets of factors are quite different from each other, individual households are simultaneously susceptible to factors belonging to both sets. Where any households ends up eventually is the net result, therefore, of both sets of factors. Examining reasons for ascent further confirms this result.

[12] It is a particularly elitist expression to impute the causes of poverty to the person of the poor. In *none* of the previous analyses – carried out in three different states of India and one part of Kenya – did laziness ever emerge to be significantly associated either with falling into poverty or with remaining poor.

4.2 *Factors Associated with Escape*

Examining the experiences of households that escaped from poverty shows that the same set of four positive factors – including land improvement, diversification of income sources, gain from business (mainly commercial crops), and obtaining a private sector job – is significantly associated with movements upward, out of poverty.

Among all households of Category B, i.e., those who escaped from poverty over the 25-year period, 27 percent cited diversification of income sources as a principally important factor. Households that were able to vary their sources of income were more likely to escape poverty than those who could not.

> "My husband died in the war in Luwero. I started brewing *waragi* and got a reasonable amount of money from it and was able to start up a small piggery project. The project is still paying me very much. I also generate some money from making and selling mats and baskets." (Female Respondent, Katega Village, Mukono District, Central region)

Land-related factors, especially improving productivity and diversifying into commercial crops, were comparatively much more important in both these regions of Uganda. Business gains were often associated with such land-related activities. These two factors were significantly associated with escape for 38 percent of Category B households.

> "After the war I worked so hard in agriculture. I grew a lot of coffee which had a market then and sold it. Now the most selling item is bananas, which make local brew and I am seriously doing that. The difference between other banana growers and me is that I make the beer myself instead of selling the bananas. Therefore, I earn more." (Make Respondent, Lwanda Village, Luweor District, Central Region)

Jobs in the private sector were a factor for ascent for many fewer Category B households - only nine percent in all. These findings indicate that contrary to conventional wisdom on this subject, employment creation is *not* always the major pathway out of poverty.

Table 8 reports the odds ratios from logistic regressions that compare the experiences of Category A households (those which have remained poor) and Category B households (those which have escaped from poverty). The full set of regression results is given in Annex B. The focus here is to examine why some previously poor households escaped from poverty, while other poor households continued to remain poor

Notice that the likelihood of escaping from poverty is substantially higher, on average, for households that have experienced land improvement, diversification, business gains, or obtained jobs in the government or private sector. These odds ratios imply, for instance, that for a household which was poor in the previous period the likelihood of escaping poverty increased by 5.5 times in cases where a job in the government was obtained by a household member. However, members of only 33 households in all were lucky enough to obtain a government job. Even though the likelihood of escaping poverty increased a great deal when this factor was present, this factor was present overall for only a small number of households. Private sector jobs similarly represent a substantially increased likelihood of

escaping from poverty. However, relatively few poor households (only 9 percent in all) have been able to find this pathway to escape.

Table 8: Odds Ratios for Escaping Poverty (Considering households that were poor 25 years ago, i.e., Category A and Category B households)

Factor	Odds Ratio
Land Improvement	4.7
Diversification	56.8
Business gain	9.5
Job (government)	5.5
Job (private)	3.6
Education	*n.s.*
Distance to market	*n.s.*
Ill health	0.13
Healthcare expenses	0.03
Death of income earner	0.04
Large family size	0.20
Marriage expense	0.08
Drunkenness	*n.s.*
Laziness	*n.s.*
Land Exhaustion	0.57
Crop Disease	0.17

Notice also that the factors previously found to be significantly associated with descent – including ill health, healthcare expenses, death of income earners, large family size, marriage expenses, land exhaustion and crop disease – are also significant in this analysis of escaping poverty. The presence of these factors has acted as a dampening effect upon the prospects for escape. Households of Category A (remained poor) have experienced these negative factors more often than have households of Category B (escaped poverty), and their non-escape is accounted for as much by the absence of positive factors as by the presence of negative factors.

Reasons for escape and reasons for descent are different from each other. However, both sets of reasons can potentially affect all households. Individual households in these 36 villages have experienced both positive and also negative factors. The net result of both sets of factors helps explain the particular trajectory that any particular household has experienced.

Dealing more successfully with poverty in the future will require addressing both positive and negative factors. Policies to address negative factors more effectively will be required alongside other policies promoting the positive factors. Since neither set of factors is static, however, ongoing studies are required that capture and report upon changes occurring in these factors.

4.3 *Changes in Escape and Descent over Time*

Factors of escape and descent are significantly different across the two separate regions. They have also changed somewhat from the first time period to the second.

More reasons for descent have begun to operate during the second time period, and the overall pace of poverty reduction has slowed down. Household poverty fell by nine percent during entire 25-year period. Reduction over the past ten years has been just 1.6 percent in all.

Factors associated with escape have changed from the first time period to the second. They differ also between villages of Western and Central region.

Table 9. Disaggregated Regression Analysis: Two Regions and Two Time Periods

	Odds Ratios (95% Wald confidence intervals in brackets)	
	CENTRAL REGION (18 villages)	**WESTERN REGION (18 villages)**
FIRST PERIOD (25 years ago to 10 years ago)		
Factors with negative effect		
Ill health	Not significant	Not significant
Healthcare expenses	0.79 (0.48-0.93)	Not significant
Death of income earner	Not significant	Not significant
Large family size	Not significant	Not significant
Marriage expense	Not significant	Not significant
Land division	Not significant	0.38 (0.21-0.66)
Land exhaustion	Not significant	Not significant
Crop Disease	0.37 (0.22-0.61)	Not significant
Business Loss	0.44 (0.22-0.87)	Not significant
Distance to health center	0.92 (0.85-0.97)	Not significant
Factors with positive effect		
Diversification	Not significant	Not significant
Job (private sector)	2.23 (1.30-3.84)	2.20 (1.21-4.03)
Land Improvement	Not significant	2.35 (1.39-4.00)
Business Gain	2.00 (1.34-2.98)	Not significant
SECOND PERIOD (10 years ago to present time)		
Factors with negative effect		
Ill health	0.40 (0.25-0.65)	0.57 (0.34-0.77)
Healthcare expenses	0.49 (0.29-0.63)	0.41 (0.26-0.65)
Death of income earner	0.45 (0.28-0.74)	0.56 (0.35-0.89)
Large family size	Not significant	0.35 (0.22-0.56)
Marriage expense	0.46 (0.21-0.84)	Not significant
Land division	Not significant	0.38 (0.23-0.63)
Land exhaustion	Not significant	0.30 (0.13-0.68)
Crop Disease	0.48 (0.29-0.77)	0.26 (0.12-0.56)
Business Loss	0.48 (0.25-0.91)	Not significant
Distance to health center	0.89 (0.84-0.95)	Not significant
Factors with positive effect		
Diversification	2.19 (1.46-3.14)	Not significant
Job (private sector)	Not significant	3.13 (1.75-5.58)
Land Improvement	1.58 (1.09-2.50)	1.72 (1.06-2.78)
Business Gain	Not significant	Not significant

Table 9 presents the disaggregated picture for the two regions and the two separate time periods. Four separate regression analyses were carried out, one each for each separate region and time period. Stage Change over the relevant period and region was the dependent variable for each analysis. Values of the dependent variable were calculated for the second period as a household's stage today *minus* its stage ten years ago. For the first time period the dependent variable was calculated as a household's stage ten years ago *minus* its stage 25 years ago. Interviewed households of all four categories are included within this analysis. A negative score for this dependent variable indicates that the household concerned has been on a downward trajectory, suffering a decline in its circumstances over the relevant period, while a positive score indicates an improvement in circumstances.[13]

To facilitate brevity and enable comparison, only odds ratios for statistically significant variables are reported.

4.3.1 *Variations in Reasons for Descent*

Factors that were significant for descent in the first time period have continued to remain significant during the second time period. However, several additional factors have also become significant for descent in the second time period. It should come as no surprise, therefore, that almost *twice* as many households fell into poverty during the second period as compared to the first.

None of the three factors in the first cluster – ill health, healthcare expenses, and death of income earner – was significant for descent in Western villages during the first period, and only one of these three factors, healthcare expenses, was significant during the earlier period in Central villages. During the past decade, all three of these factors have become significant for descent in both regions.

The second cluster of descent-related factors included large family size and marriage expenses. The figures in Table 8 show that none of these factors was significantly associated with descent in the first time period in either the Central or the Western region. During the second time period, however, large family size became a significant factor of descent in Western villages, while marriage expenses were significantly associated with descent in villages of Central region.

The third cluster includes land-related factors: land division, land exhaustion, crop disease, and business losses (mostly from commercial crops). Here the story is more mixed. Land division played a key role in decline in the Western region in both time periods, but was not significant for Central villages at either time. Land exhaustion became significant in the Western region in the last decade, but has not been an issue in the Central region in either

[13] Using stage change as the dependent variable enables a simultaneous examination of factors associated with both escape and descent, and it has the added advantage that results are not sensitive to the exact location of the poverty cutoff. The assumption implicit in this model is that the impact of any factor upon stage change does not vary depending upon a household's initial stage. In order to justify this assumption better, another regression model was also run, using Stage in the later period as the dependent variable and including initial Stage among the independent variables, however, the results did not change in terms of which variables gained significance.

time period. Crop disease has remained a significant factor of descent during both time periods in Central villages. In Western villages, however, this factor only became significant in the past decade. Business loss was a significant factor of descent during both time periods in Central villages, but it was not significant during any period in Western villages.

4.3.1 *Variations in Reasons for Ascent*

Factors related to ascent also differ across the two regions. In the Central region, these factors have changed considerably between the two time periods, whereas in the Western region, the same two factors were significant in both time periods.

In villages of Western region, jobs in the private sector and land improvement were associated with ascent during both time periods. Private sector jobs and business gains were significant for ascent in Central villages during the first time period. In the second time period, private sector jobs lost significance, while diversification of income sources gained significance in the Central region. In most cases, diversification in these villages has involved additional activities related to commercial crops, animals and retail trade. In relatively few cases, diversification has also involved taking up a position or a trade within the informal economy.[14]

Private sector jobs have lost the earlier significance that they had in Central villages. Even in general, the contribution made by private sector jobs has declined overall. Among all households in both regions that escaped from poverty over the entire 25-year period, private sector jobs were mentioned as an important factor in the case of only 58 households. Forty-two of these 58 households, 73 percent, escaped poverty during the first period, while only 27 percent did so during the second time period.

Business gains and business losses were most often related to land and commercial agriculture. Business loss, which was a factor of decline in Central but not in Western villages, reflects the risks that accompany such commercial enterprises. Many families in Central villages have fallen into poverty on account of failed ventures, while others have struck lucky from undertaking ventures of essentially the same kind.

Two other factors need to be discussed in relation to ascent. First, it is important to note that government anti-poverty programs were not significant in any of the 36 villages studied. In fact, only a handful of households of all categories identified government assistance as significant within their trajectories of the past 25 years.

Second, the role of education is also noteworthy. Even though it does not achieve significance in statistical analysis, education was, in fact, associated with quite a few cases of ascent from poverty. Nearly nine percent of all ascending households mentioned education as an important factor. In almost all of these cases, however, a job in the private sector or in government was another important factor. Education has contributed successfully to poverty reduction, but only in those cases where the educated have found jobs. Others who

[14] Diversification has also been indicated as a factor of ascent by Okidi and McKay (2003). Investigations conducted in other parts of the developing world similarly reveal the role that diversifying income sources has played for assisting households' escapes from poverty. See, for example, Ellis (2000), and Krishna (2004, 2004a).

got education but did not find jobs have remained poor, indicating that increasing education without enlarging opportunities does not constitute a reliable pathway out of poverty (Deininger and Okidi 2003: 505).

5.0 Discussion and Conclusions

Progress in poverty reduction is not a one-way street, with households only coming out of poverty. Thus, measures to help lift households out of poverty only address one side of the problem. Future poverty policies will need to consider not only those who have been "left behind" by growth, but must also pay deliberate attention to the significant numbers of households that continue to fall into poverty.

Escapes from poverty occurred at roughly the same rate in the two time periods. However, nearly twice as many households fell into poverty in the last decade as compared to the earlier period. While 5.6 percent of households fell into poverty in the first period, 10.9 percent fell into poverty during the second period. As a result of this increased pace of descents, poverty reduction in these two regions of Uganda has slowed over the past ten years.

Different sets of factors are associated, respectively, with movements upward, out of poverty, and movements downward, into poverty. Therefore, different policy measures will be required for dealing with these two separate sets of factors. In addition to cargo nets, which help carry households out of poverty, stronger safety nets will also be required that can prevent or slow down descents into poverty (Barrett 2001; Devereaux 2002; Lipton 1997).

6.1 *Controlling Descent into Poverty*

Policies aimed at controlling descent will – and should – have some common aspects across both regions. However, more region-specific policies are also needed that address specific factors associated with the distinct geographic, cultural and socioeconomic conditions of each separate region.

Slowing descent that has accelerated in recent years will require dealing urgently with three sets of negative factors. Ill health, high healthcare expenses, and the associated deaths of major income earners constitute the first of these three sets. These factors have contributed principally to households' descent into poverty in both regions – and they have become more significant for descent within the last ten years. Providing better and more affordable healthcare will therefore constitute a major part of the response to poverty-causing factors in both regions.

Other studies point similarly to the role played by health-related factors. Lawson (2003) and Deininger and Okidi (2003) similarly found ill health to be significantly associated with descent, with the latter study also indicating how sickness has increased in all regions of the country between 1992 and 1999. Infant mortality remains high and has not improved over the past five years (GoU 2002b). Sickness is a very important reason for children dropping out of school and frequent school absences (Mijumbi and Okidi 2001), and a close relation

exists between poverty and disability (Lwanga-Ntale 2003).[15] Distance to health center plays an important role in a household's ability to fend off sickness and poverty. While the location of the facility is not the only means of reducing vulnerability to poverty on account of ill health, it does have a significant impact (Okwi 1999).

It is quite likely that AIDS has an important part to play in the increased significance of ill health between the first period and the second. We do not have any direct evidence about AIDS and its effects in these villages. Indirectly, however, an interactive variable was constructed by multiplying together the variables for large family size and death of income earner. This interactive variable was significantly associated with descent in both regions during the second time period (though not in the first time period). Okidi and Mugambe (2002) find evidence of a similar interaction between AIDS incidence and large family size. As many as 1.4 million children have been orphaned by AIDS in Uganda, and the households that have taken in these children have grown in size and become more vulnerable to poverty.

AIDS is not, however, the only cause of death or debility. Malaria continues to account for more deaths than AIDS (Hutchinson 2001), so dealing with ill health as a reason for deepening poverty will require doing more than controlling AIDS and alleviating its effects in terms of increased dependence ratios.

Land and socially related factors must also be considered when formulating policies to control descent into poverty. Dealing with these two other clusters of negative factors will require more regionally differentiated responses. For example, while land exhaustion was salient for descent in Western villages, it was not significant in Central villages. Reducing future descents will require focusing on mitigating this factor in the Western region, while working to prevent its occurrence in Central villages. Cultural practices also vary between the two regions, giving rise to different factors associated with decline. Division of land and large family size are more salient for decline in Western compared to Central villages. Marriage expenses have the opposite effect, however, being significantly associated with material decline in Central but not in Western villages. Region- and even district-specific policies will be required to address these factors better.

6.2 Promoting Escape from Poverty

A different set of policies will be needed to assist households in their efforts to escape from poverty. More focus on land-based policies for supporting escape will also be of considerable utility. Nearly 70 percent of all households escaping poverty over the past 25 years were assisted in this transition by increased incomes derived from commercial cropping and diversification on agricultural land. However, concerns raised by crop disease and land exhaustion must be addressed if this avenue out of poverty is to remain viable.

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[15] Uganda is hardly unique in this respect. In eight other African countries, studied by Christiaensen et al. (2002), ill health is also significantly associated with descent. Fabricant et al. (1999: 181-4) present evidence from a range of countries which demonstrates how poorer households spend a much greater proportion of their incomes on healthcare. Sinha and Lipton (1999: 39) indicate how, in general, poorer households are exposed to different and more serious illness, injury and consequent costs. Macinko et al. (2004) demonstrate how the same is true within wealthy industrialized countries.

Less than 10 percent of households escaping poverty over the past 25 years were assisted by obtaining jobs within the private sector. Indeed, the importance of private sector employment has diminished from the earlier period (ten to 25 years ago) to the more recent period (the past ten years). Policies must stay current with these changes in order to remain relevant and to be more effective. Policies must also be differentiated significantly for different regions and districts, and even sometimes for specific villages, suggesting that causes associated with escape and descent will need to studied more regularly on a decentralized and localized basis.

The Stages-of-Progress methodology is helpful for these purposes. In addition to examining the status and various characteristics of different households, it also enables an examination of the *processes* that accompany households' escape or descent. Positive reasons – those which help pull households upward – can be identified along with negative reasons, which push households downward, and policies can be formulated to address both sets of reasons as they operate within any specific region. Combined with other research approaches, and addressing additional aspects such as intra-household differences,[16] this method can become even more valuable in the future.

The application of this method within these 36 villages in Uganda shows that poverty policies will have to concentrate better upon expanded and more easily accessed rural health services, improved agricultural research and extension, and better incentives for private sector development. Preventing descents more effectively by focusing on the negative factors will be as important as promoting escapes through attending to the positive factors. Poverty reduction has slowed down largely because descents have been more rapid in the last ten years compared to the 15 years preceding. Controlling poverty better in future will require not just promoting a higher rate of growth, but also separately addressing important reasons of descent.

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[16] In particular, intra-household differences, particularly those based on gender, will need to be investigated better, perhaps through adapting a method such as the one used by Ravnborg et al. (2004).

Annex A: Results of Binary Logit Regression for Falling Into Poverty

(Considering households that were not poor 25 years ago, i.e., Category C and Category D households)

	Coefficients	**Odds Ratios (95% Wald Confidence Limits)**
Intercept	-1.14**	
Ill health	0.34**	1.40 (1.31-2.70)
Healthcare expenses	0.95**	2.60 (1.43-4.72)
Death of income earner	0.63*	1.87 (1.02-3.43)
Large family size	0.96**	2.61 (1.48-4.58)
Marriage expense	0.99*	2.71 (1.10-6.62)
Drunkenness	1.23	*n.s.*
Laziness	0.33	*n.s.*
Business Loss	1.61*	4.99 (1.66-15.05)
Land Division	0.72*	2.07 (1.13-4.61)
Land Exhaustion	1.21**	3.32 (1.20-5.21)
Crop Disease	0.34**	1.35 (1.13-3.80)
Land Improvement	-1.61*	0.20 (0.05-0.76)
Diversification	-3.39***	0.04 (0.01-0.13)
Business gain	-1.03*	0.36 (0.13-0.94)
Job (government)	-0.44	*n.s.*
Job (private)	-1.18*	0.31 (0.10-0.91)
Education	-0.03	*n.s.*
Distance to market	-0.03	*n.s.*
Distance to health center	0.20***	1.22 (1.10-1.36)
-2 Log Likelihood	739.03	
Likelihood Ratio Chi-square	340.94	
Pr>Chi-Square	<0.0001	
N=	553	

- *: statistically significant at 0.05 level
- **: statistically significant at 0.01 level or better
- **: statistically significant at 0.0001 level or better
- *n.s.*: not significant

Annex B: Results of Binary Logit Regression for Escaping From Poverty

(Considering households that were poor 25 years ago, i.e., Category A and Category B households)

	Coefficients	**Odds Ratios (95% Wald Confidence Limits)**
Intercept	0.02**	
Ill health	-2.03**	0.13 (0.03-0.62)
Healthcare expenses	-3.40***	0.03 (0.01-0.17)
Death of income earner	-3.21***	0.04 (0.01-0.21)
Large family size	-1.62**	0.20 (0.06-0.61)
Marriage expense	-2.49**	0.08 (0.02-0.40)
Drunkenness	-0.83	*n.s.*
Laziness	-1.91	*n.s.*
Land Exhaustion	-0.39*	0.57 (0.42-0.87)
Crop Disease	-1.76*	0.17 (0.04-0.77)
Land Improvement	1.54**	4.67 (1.81-12.06)
Diversification	4.04***	56.79 (10.75-299)
Business gain	2.24***	9.49 (3.19-27.85)
Job (government)	1.71*	5.51 (1.12-27.11)
Job (private)	1.26*	3.58 (1.03-12.32)
Education	0.63	*n.s.*
Distance to market	-0.06	*n.s.*
Distance to health center	0.08	*n.s.*
-2 Log Likelihood	671.15	
Likelihood Ratio Chi-square	457.12	
Pr>Chi-Square	<0.0001	
N=	494	

- *: statistically significant at 0.05 level
- **: statistically significant at 0.01 level or better
- **: statistically significant at 0.0001 level or better
- *n.s.*: not significant

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