



Natural  
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## **LITERATURE REVIEW**

# **ACCESS TO RURAL NON-FARM LIVELIHOODS IN UGANDA**

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Report 2602

March 2001

Natural Resources Institute, U.K.

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## ACRONYMS

BOU	Bank of Uganda
CBO	Community-Based Organisation
CERUDEB	Centenary Rural Development Bank
DDP	District Development Plan
DFID	Department for International Development (British Government)
GDP	Gross Domestic Product
HIV/ AIDS	Human Immunodeficiency Virus (HIV)/ Acquired Immune Deficiency Syndrome (AIDS)
IIMF	Institutions Involved in Micro-Finance
LC	Local Council
MFI	Micro-Finance Institution
MFPED	Ministry of Finance, Planning and Economic Development (Government of Uganda)
NEMA	National Environment Management Authority
NGO	Non-Governmental Organisation
NRI	Natural Resources Institute, U.K.
PAF	Poverty Action Fund
PAP	Poverty Alleviation Programme
PEAP	Poverty Eradication Action Plan
PMA	Programme for the Modernisation of Agriculture
RNFE	Rural Non-Farm Employment
UNHS	Uganda National Household Surveys
UPE	Universal Primary Education
UPPAP	Uganda Participation Poverty Assessment Process
UWESO	Uganda Women's Effort to Save Orphans
UWFCT	Uganda Women's Finance and Credit Trust Fund
WB	World Bank

## **1. Introduction**

This literature review is an initial output of the Phase I study of the capacity of poor people to access sustainable rural non-farm employment (RNFE) and livelihood opportunities in Uganda. The purpose of the research, implemented by the Natural Resources Institute of the UK, and funded by the British Government Department for International Development (DFID) in collaboration with the World Bank, is to inform and assist the Government of Uganda, DFID and the WB in formulating pro-poor RNFE policies. The project's two main outputs focus on:

- Understanding the factors that condition access to RNF employment for the poor, and
- Mechanisms for integrating these research results into relevant policy processes.

The rural non-farm economy is diverse, and includes small-scale manufacturing and processing, trade, service-based enterprises and off- and non-farm labour. Analyses of national survey data in Uganda over the past decade have identified the important role that these varied sources of income play in the rural household economy. However, little is known about how rural dwellers become engaged in these non-farm activities, who can gain access to them, who cannot and why, and which are sustainable and potentially profit making.

This review of literature looks initially at the RNFE and diversification in the context of economic, poverty and policy trends in Uganda. A disaggregation of the RNFE is followed by an assessment of the determinants, or access factors, that govern households' ability to diversify, and the strategies employed. The review is concluded by a summary of the overall trends, and the issues identified in the literature.

## **2. Economic, poverty and policy trends**

### **2.1 Rural economic change and poverty**

Over the past thirty years, Uganda's rural economy has experienced impoverishment and growth, beginning with a decline unprecedented even within crisis-ridden sub-Saharan Africa (Helleiner, 1981). During the period between 1971 and 1985, a combination of asset nationalisation, civil conflict, agricultural price disincentives through the taxation of export

crops and an overvalued exchange rate forced many rural producers away from an export focus into food crop production and subsistence farming. This decline was reversed during the late 1980s and early 1990s through a period of reform. Relative peace, liberalisation and institutional strengthening over the past 10 years has been translated into economic growth of six to seven per cent per annum (Deininger and Okidi, 2000).

Central to the rural economy of Uganda lies the agricultural sector: cash and food crop production, livestock, fisheries and forestry. In 1986, agriculture accounted for 58 per cent of GDP, and in 1998/99 accounted for 43 per cent. Of this 43 per cent, food crops accounted for 71 per cent, export crops five per cent, with livestock, fisheries and forestry accounting for 17, four and three per cent respectively (Kamanyire, 2000). Whilst the contribution of agriculture to GDP has declined over this period (58-43 per cent), the sector remains the primary force behind the rural economy, with agricultural output growing at an annual rate of 4-4.5 per cent in real terms since 1990 (Deininger and Okidi, 2000). The importance of agriculture to rural livelihoods is clear from the statistics. In 1992, 70 per cent of Ugandans lived in households where the head's main activity was crop farming (Appleton et al, 1999). More than two thirds of rural household income was derived from agriculture in 1999, with land comprising about half the value of total asset endowment (Deininger and Okidi, 2000).

Despite the stabilisation and growth of the Ugandan economy since the late 1980s, almost half of the population remains in poverty. The impact of this aggregate increase in agricultural output on the wellbeing of the poor is less than clear. Analysis of the Uganda National Household Surveys (UNHS) over the period 1992/3 to 1997/8 showed a national decrease in poverty from 56 per cent to 44 per cent (Appleton, et al., 1999). However, the participatory poverty assessment of 1998/9 concluded that in some areas the poor are getting poorer (UPPAP, 1999). An attempt to reconcile these conflicting findings concluded that the UNHS assumption that a rise in household consumption indicates an increase in household wellbeing requires disaggregation; with the inclusion of such items as alcohol consumption implying a "perverse increase in consumption.. [thus] .. not greater wellbeing but the opposite" (McGee, 2000a:15).

## 2.2 Policy and Planning

Since 1997, the Government of Uganda has formalised attempts to address poverty and the restructuring of the rural economy through the Poverty Eradication Action Plan (PEAP). PEAP has guided the formulation of government policy over the past three years, and provided a framework for the preparation of sector-wide plans including the Ten Year Road Sector Development Programme, the Education Strategic Investment Plan, the Health Sector Plan and the Plan for the Modernisation of Agriculture (MFPED, 2000b).

The Plan for the Modernisation of Agriculture (PMA) represents the culmination of a process of wide consultation and debate since 1996 (pre-PEAP) involving central and local government, civil society and donors. As a consequence of this broad engagement, including the input of research findings such as the Uganda Participatory Poverty Assessment Process (UPPAP, 1998/99), the PMA has been based upon a broad, trans-sectoral analysis of the numerous factors that determine whether or not agriculture (and other natural resource-based activities) can prosper and thereby enhance rural livelihoods. The implementation of the PMA began in 2000, and has required a significant shift in the modus operandi of both donors and the Government due to its 'bottom-up' or 'driven by the poor' approach, and the need for joined-up, trans-sectoral (and thus cross-government department and donor programme) mechanisms.

In 1997, Universal Primary Education (UPE) was introduced in Uganda under the auspices of the Education Strategic Investment Plan. This policy of free primary education for up to four children per family has increased enrolment from 2.6 million in 1996 to 6.5 million in 2000. Despite this substantial increase in primary educational enrolment, the UPPAP (1998/99) identified widespread concern with the quality of schooling amongst poor communities in the study area. The heavily burdened primary school system cannot meet the immediate demand for classrooms, teachers and teaching/ learning material. Enrolment rates in secondary and tertiary education remain low, with the draft strategic plan for secondary education estimating that only 10 per cent of the secondary school age population is in school, and with only six per cent of the poorest 25 per cent completing secondary education. Whilst Uganda's enrolment figures in primary education are higher than most countries in sub-Saharan Africa, it is behind in secondary education (MFPED, 2000b).

Central to the implementation of these sector-wide plans has been the Government of Uganda's decentralisation policy. Initiated in 1986, a five-tiered system of local government was established, with local councils<sup>1</sup> from the village level (LC1) up to the district level (LC5). Whilst the method of electing council committees members has been criticised, the process enabled an impressive rate of direct participation in government with an estimated 45,000 village councils and in excess of 400,00 people serving in elected office in the local council system (Regan, 1998). All aspects of government have been affected by the devolution of functions, competency and resources to elected local government councils. Statutes introduced in 1993 and 1997, and the constitution of 1995 transferred substantive power and control to local government, with the right to hire and fire staff, elect representatives, retain tax income and implement development programmes. Decentralisation has had the positive impact of enabling local government to control budgets and expenditure, and to develop new, locally-driven methods of service delivery involving NGOs and the private sector. However, inconsistent central government actions, technical deficiencies, funding gaps, human capacity limitations and corruption or collusion have surfaced as constraints to the efficiency and success of the decentralisation programme (Kullenberg and Porter, 1998).

Despite these difficulties, central government, donor and NGO programmes have used the decentralised structure to transfer resources and authority to local bodies in promoting rural development and poverty reduction. Funds for investment mandated under the Local Government Act of 1997 have emphasised basic services, including primary health care and education, agriculture, water and sanitation and selected class roads. District Development Plans (DDPs) developed in several districts have begun incorporating participatory planning processes and community involvement in decision-making through the local council system, with varying degrees of success. Planning units and service provision departments in a number of districts are being supported by donors and NGOs<sup>2</sup>, filling the substantial financial gap that exists between project budgets required to achieve the targets established in the DDPs and the actual funding available from central government and locally-derived taxation. Whilst there have been laudable successes in a number of districts through infrastructural re-development, service provision and improved governance<sup>3</sup>, problems remain particularly in terms of accountability, community participation and the encouragement of private sector investment (Smith et al., 2001a).

### **3. Diversification and the Rural Non-Farm Economy**

#### **3.1 Diversification trends**

There has been a growing recognition of the importance of household livelihood diversification and the rural non-farm economy to rural livelihoods in sub-Saharan Africa as a whole (Davies, 1993, Reardon, 1997, Ellis, 1998, Bryceson, 1999). So too research in Uganda has begun to look at the role diversification and non-farm enterprise play in the rural economy (Bigstein and Kayizzi-Mugerwa, 1995, Newman and Canagarajah, 1999, UPPAP, 1999, Deininger and Okidi, 2000). Whilst diverse forms of livelihood are secondary to crop and livestock production for many rural households in Uganda, they nevertheless have been identified as vital not only for income, but also well-being and status<sup>4</sup>.

The evidence on the extent of livelihood diversification in Uganda is mixed. Newman and Canagarajah (1999) calculated that between 1992 and 1996 the percentage of people engaged in both agriculture and non-farm activities rose from 18% to 32% with corresponding drops in agriculture and non-farm only. In contrast, Appleton et al. (1999) found no evidence of a move out of agriculture during the same period, “indeed, the [agricultural] sector grew slightly in terms of population share during the surveys” (Appleton et al., 1999:21). Deininger and Okidi (2000), using data for the period 1988-92, found almost 50% of households and one third of rural households starting a non-agricultural enterprise. However, MFPED/UNDP’s (2000) contemporary study found 78% of rural dweller’s primary occupation was agriculture, and only 27% had a secondary occupation.

#### **3.2 Sectoral composition of the rural non-farm economy**

The rural non-farm economy can be divided into two main sub-sectors. Firstly, business activity: informal trade; service provision such as the sale of food, drink and commodities from fixed or mobile units, the provision of medical or technical services; small-scale manufacturing or cottage enterprises, such as handicrafts, carpentry, brickmaking and agro-processing. Secondly, wage (or in-kind) employment: formal employment, such as government, NGO or service sector jobs; informal employment, such as farm or off-farm labouring.

Of the prevalent non-farm activities, trade has been identified as the most common activity during the period 1988-92 (Deininger and Okidi, 2000) and between 1992/93 and 1996/97 (Appleton et al., 1999). However, in the latter period, women's participation in trade, as a secondary activity to farming, was less significant than rural manufacturing enterprise (Newman and Canagarajah, 1999). The number of households engaged in other non-farm sectors such as services, manufacturing and hotels was considerably lower. Whilst the percentage of households engaged in manufacturing remained constant between 1992/93 and 1996/97 at between three and three-and-a-half per cent of the population (Appleton et al., 1999), Newman and Canagarajah (1999) identified significant growth in participation in a sub-set of manufacturing industries (representing a secondary activity for women, after farming) – textiles, leather, wood and handicrafts – from four to 27 per cent over the same period.

Regional differences in non-farm participation have been highlighted by a number of commentators. Deininger and Okidi (2000) identify substantial regional variations, with farm enterprise start-ups dominating in the Eastern and Northern regions, but non-farm start-ups exceeding new farm enterprise in the Western and Central regions. The prevalence of non-farm enterprise in the Western region is confirmed by Bigstein and Kayizzi-Mugerwa's (1995, based on data from 1990) study of Masaka district, which found 49 per cent of rural households engaged in business<sup>5</sup>.

In the context of the Masaka study, it was found that whilst business engagement amongst rural households was not crucial for survival, it was a vital source of cash income for the purchase of essential non-food commodities, and for the payment of services such as healthcare and education. Ownership of rural business was identified as a predominantly male activity, with a ratio of 10:1 male to female ownership. Informal trading and retail enterprises constituted the largest sub-sector of the rural non-farm economy, with 28 per cent of the share, but also demanding the highest labour input. The importance of commodity trading as a source of non-farm employment was also found in a study of the non-farm economy in Rakai District (Zwick and Smith, 2001). Trade in agricultural produce, particularly coffee, was identified as a lucrative business, although can be risky and is capital intensive. Traders tend to be amongst the wealthier rural dwellers, with large or even medium scale traders generally considered to be the pinnacle of local businessmen, and becoming a trader was often cited as the ultimate economic aspiration, particularly of

younger men. Opportunities for traders have increased under the government's liberalisation policies and with the failure of the former marketing co-operatives, albeit at the expense of farmers, who generally have little idea of the potential value of their crops, and are unable or unwilling to take them to market themselves (Zwick and Smith, 2001).

An analysis of the returns from different business activities in the Masaka District study (Bigstein and Kayizzi-Mugerwa, 1995) showed that small-scale manufacturing or cottage enterprises provided the lowest returns, whilst at the same time being labour-intensive and requiring few capital inputs. Likewise, handicrafts<sup>6</sup> in Rakai District, typically involving poor women in groups, appear to be primarily undertaken because of the low entry requirements despite the small returns due to limited markets. Despite this, to the poorest, even a very small amount of income can be significant, and there is informal evidence that groups continue in part because they like spending time with one another, sitting and talking as they work (Zwick and Smith, 2001). A parallel study in Kumi District (Smith and Zwick, 2001) found that the production and sale of locally brewed alcohol was widespread amongst women, similarly requiring few inputs but substantial labour time investment.

In both the Rakai and Kumi District studies there was evidence of a growing rural service sector, often requiring considerable capital investment, often engaged in by those who have generated sufficient capital through crop and livestock production, commodity trading or conjugal networks. These service enterprises include lodging houses, restaurants, local bars, private medical services (such as midwifery or pharmacy) and agro-processing. The growth of this sector has been spurred on by the rehabilitation of physical infrastructure, particularly roads, contributing to the development of small market and retail trading centres. Whilst aspirations amongst the rural poor still tend towards the traditional crop and animal-based livelihoods, it was noted that these views are in some cases shifting towards these more diverse, non-traditional, higher-entry barrier activities (Smith et al, 2001)

The second sub-sector identified within in the rural non-farm economy is wage or in-kind employment. Formal (government) sector wage employment was found to be the second most populous (number of people employed) to agriculture, and equal to trade on seven per cent in 1992/93 (Appleton et al, 1999). However, whilst the percentage of those engaged in trade has remained constant between 1992/93 and 1995/96, those employed in the government sector declined by just over one per cent. A separate analysis of panel data

between 1992 and 1999 on income shares by sector of employment highlighted a declining share from agricultural wages from nine to four per cent over this period (Deininger and Okidi, 2000). In contrast, data from the same panel sets showed the share of non-agricultural, both in its wage and non-wage component, increasing.

District specific analyses, such as Bigstein and Kayizzi-Mugerwa's study of Masaka, identified wage labour as a minor contributor to rural incomes at seven per cent in Masaka District in comparison with 44 per cent in Kampala (1990 data). The median income in Masaka from wage employment was calculated as approximately the same as that earned from farm income, although it was recognised that cash payment aids households to overcome cash constraints in the purchase of essential commodities, gain access to services, and initiate business activities and agricultural innovations. Bigstein and Kayizzi-Mugerwa (1995) note their findings are confirmed by Whyte's 1987 study in Eastern Uganda, and reason that the scope of wage employment has been constrained by the collapse of the formal economy. Whilst these findings are understandable, it is perhaps a little surprising that there appears to be no evidence of growth in formal sector wage employment during the mid-1990s (in fact a decline was found in government employment by Appleton et al, 1999), amidst economic recovery, institutional stabilisation and the decentralisation programme that secured thousands of posts in rural areas.

The study of the rural non-farm economy in Kumi District (Smith and Zwick, 2001) highlighted the importance of farm labouring as a key source of income for the rural poor. The impact of insurgency and the decimation of livestock during the period between 1985 and 1994 was identified as the cause of this retreat into low-entry barrier activities, with the demand for farm labour stimulated by the wealthier rural dwellers in the absence of oxen for land cultivation.

#### **4. Determinants of participation in the rural non-farm economy**

There are numerous factors that determine rural households' ability to diversify their livelihood strategies away from crop and livestock production into non-farm economic activities. Commentators have highlighted both the conditions under which diversification is possible; controlled by demography, infrastructure, agro-ecology, seasonality, history, social

context, and social and financial service endowments; and the strategies that rural households employ, including risk strategies, coping behaviour and wealth accumulation. The strategies employed by those choosing to diversify are done so within the context, constraints and opportunities, of the conditions in which they find themselves at a particular point in time.

In the specific context, or contexts of Uganda, it is important to note that the discussion of households' ability to diversify their livelihood strategies must necessarily include not only those households that are actively diversifying, but also those that have not diversified away from agriculture, in some cases as an intentional strategy of specialisation, in other cases due to an inability to diversify.

#### 4.1 Demography and Infrastructure

High population and infrastructural density are often associated with a thriving non-farm sector, based on the premise that density lowers transaction costs and raises absorptive capacity (Reardon, 1997). In the case of Uganda, there does appear to be some support for this theory, based on Deininger and Okidi's (2000) analysis of panel data that identified the highest prevalence of non-farm start-up enterprises in the Western and Central regions, and with population density (Uganda Census Office, 1991) higher than in the Eastern and Northern regions. In terms of infrastructure, the picture is more mixed. However, data from Deininger and Okidi show the greatest improvement in infrastructure over the period 1992/93 and 1999/2000<sup>7</sup> as occurring in the Eastern and Central regions (12 and 10 per cent of communities in these regions respectively), whereas only one per cent of communities in the North had experienced improvements during the period. Access to extension workers showed the greatest increase amongst the communities in the Western and Central regions, which although relating more to farm enterprise and development, may be considered relevant due to the strong link that often exists between farm and non-farm activities. An important caveat on these conclusions, however, relates to the quality of the available data (see previous footnote), and this makes it difficult to draw hard and fast conclusions regarding the density of infrastructure and non-farm link.

## 4.2 Agro-ecology

Several studies in sub-Saharan Africa have identified a correlation between agro-ecological or climatic characteristics and the importance of rural household earnings in the non-farm sector (Haggblade et al, 1989, Reardon and Taylor, 1996, Reardon, 1997). Where the agroclimate is poor, households need to diversify their livelihood strategies outside of the zone. Conversely, households tend to earn more non-farm income locally, mainly in activities generated by production or expenditure linkages with the agricultural sector, where the agroclimate is favourable.

Evidence to link agro-ecology and the rural non-farm economy in Uganda is sparse. Uganda has five major agro-ecologically based farming systems, and the suitability of the climate and soils cannot be de-linked from the cropping patterns existing in each zone. Whilst it is fairly clear that the northern and parts of the eastern region have, in general, less fertile soils than other parts of Uganda (NEMA, 1998), other parts of Eastern Uganda were once considered the 'bread basket' of the country. Whilst certain crops lend themselves to greater forward and backward linkages in the economy, such as cotton, their historical cultivation in Uganda predominate in the Eastern region, an area of less non-farm start-up enterprise growth according to Deininger and Okidi (2000).

Smith et al's (2001a) comparison of Rakai (Central Region) and Kumi (Eastern Region) Districts draws some tentative links between the agro-ecologies of the two districts and the vibrancy of the local non-farm economy. The relatively high agro-ecological potential in Rakai is associated with a relatively vibrant non-farm economy. Most of the non-farm activities identified in Rakai were found to be relatively profitable in comparison with farming, complementing farm incomes through increased and more evenly spread income-generation.

This contrasted somewhat to Kumi District, in which the population, traditionally reliant on crop and animal production and marketing, is still in the process of adaptation to the decimation of their livestock and homes. Here, whilst a diverse range of livelihoods can be found, the majority of the population are engaged in only few low entry-barrier activities; farm labouring, the brewing of alcohol amongst women, and brickmaking amongst some

men. In this context, whilst agro-ecology is important, the role of historical events must also be considered a vital factor in determining the nature and level of non-farm participation.

In both Rakai and Kumi Districts, many of the non-farm activities depend on adding value to, or exploiting primary production, for example, trading in coffee or fish, carpentry and basketwork, or through the consumption of fuelwood in baking, brick-making and pottery. However, it was noted that a surprising number rely on inputs imported to the area (household goods, petrol, cement and chicken wire, cloth, etc.) or provide services (restaurants, bars, shops). Whilst many of these service industries were operated by the better-off, the majority had gained wealth through crop or animal wealth, underlining the fundamental role agriculture continues to play.

#### 4.3 Seasonality

Within the context of varying agro-ecologies, seasonality plays an important role in determining the importance of non-farm sources of income. The centrality of agriculture to the Ugandan rural economy means that income instability and consumption smoothing are issues faced by households. This provides a major incentive for income diversification associated with seasonality to reduce income instability. All things being equal, this implies the search for income earning opportunities complementary to the farming seasonal cycles.

Newman and Canagarajah (1999) identify an upward trend over the period 1992-96 of participation in agriculture and self-employment, with the percentage of men engaged in both increasing from 8.3 to 16.5 per cent, and for women from 6.6 to 24.0 per cent. Over the same period, participation in farming as the sole livelihood activity decreased for men from 60.2 to 53.8 per cent, and for women from 85.4 to 66.8 per cent.

Whilst this analysis does not identify whether division of time between farm and non-farm based activities is seasonally proscribed, the nature of the non-farm activities practised imply the temporal division of labour. Newman and Canagarajah note that women's non-farm occupations tend to be clustered into wholesale/ retail trade and manufacturing, whilst men's secondary activities are distributed across public administration, trade, manufacturing, construction/ transport and forestry/fishing/mining. The Rakai and Kumi District studies (Zwick and Smith, 2001; Smith and Zwick, 2001) highlight small -scale manufacturing (brick

and charcoal making, carpentry), certain types of trading and fishing as complementary seasonal activities to farming, although in the case of carpentry it was noted that this was due to low demand as a consequence of cash constraints during planting and harvesting. Other prominent non-farm activities are practised during the agricultural season due to the dependency on specific crops, notably coffee trading and the production and sale of alcohol which depends on millet. Non-agriculturally related activities, such as public administration and some forms of construction and transport may be practised throughout the year. As a secondary activity, these potentially more stable and regular sources of income may enable rural households to smooth consumption between agricultural seasons and over poor harvests.

#### 4.4 History

As in any nation, Uganda's specific historical socio-economic and political events have shaped the current state of the economy. Incomes in Uganda increased steadily until to the early 1970s, but from 1972 an economic crisis took hold that saw aggregate GDP fall by 19 per cent over eight years. Sustained recovery began in the late 1980s, with an average GDP growth of six per cent between 1987 and 1995 (Jamal, 1998).

Jamal highlights two main changes that characterise the difference in Uganda between the early 1970s and the late 1990s: the 'informalisation' of the urban economy, in both monetary and numerical terms; and the shift in rural areas from the production and trade of export crops towards food production. The informalisation of the urban economy was also reflected in the rural economy, with the shift from cash to food crops which were either not traded, being consumed on farms, or traded through informal channels. The decline in cash crop production, particularly coffee, was also associated with the withdrawal of financial intermediaries, lack of infrastructural maintenance and the deterioration in the delivery of public services (Deininger and Okidi, 1999). Whilst the move amongst rural producers from cash to food crops has enabled many<sup>8</sup> rural households to maintain sufficient production levels to sustain rural consumption, the inability to market the surplus and earn cash for essential non-food commodities has led Jamal (1998) to estimate that over 90 per cent of the country's poor reside in rural areas.

The implications of the de-capitalisation of the rural economy for the non-farm sector are several. Whilst the rural economy has been growing since the late 1980s, the determinants

discussed here point towards the importance of good infrastructure, a thriving agricultural system and effective service provision as preconditions for effective non-farm growth. Agricultural growth, despite being positive, has been well below the average growth rate of the economy as a whole, and it has been acknowledged that structural impediments related to factors such as technology and education, marketing and public services need to be addressed (Government of Uganda, 1998).

Despite the lack of pre-conditions for non-farm growth, the need for cash income has been identified as a push-factor from agriculture, with rural households engaging in low-entry barrier non-farm activities. Bigstein and Kayizzi-Mugerwa's (1995) study of rural Masaka District based on data from 1990 highlights diversification in the rural economy, with a substantial portion of rural income coming from engagement in 'business', namely; milling, baking, brewing, construction, trade and services.

Likewise, the more recent studies carried out in Rakai and Kumi Districts (Zwick and Smith, 2001; Smith and Zwick, 2001) highlight the prevalence of diverse, often low entry barrier, low return non-farm activities. The rural economy of Rakai suffered over the past two and a half decades, primarily as a consequence of the civil conflict, followed by the spread of HIV/AIDS and the associated reduction in the productively-aged population. Zwick and Smith (2001) note that AIDS has had an impact on the economy in several ways. It has disproportionately affected the more successful traders and shopkeepers, but also acutely increased dependency ratios, raised the number of child-headed households with a consequent drop in school attendance, and undermined the productivity of the predominantly agricultural Bantu people. Whilst AIDS has had a largely negative impact on the rural economy, high dependency ratios have encouraged group formation to pool labour, particularly amongst women, for whom non-farm trading and enterprise activities are common. AIDS was widely cited as a reason for the relatively high level of intervention in the Rakai where NGOs have been influential in encouraging group formation and livelihood diversification, specifically through the provision of credit and training for women's small enterprise development.

Within Kumi District, the most influential period of recent history occurred between 1985 and 1994; a period of bloody insurgency and cattle raiding<sup>9</sup> was noted by Smith and Zwick (2001) as forcing a change in the livelihood strategies employed by the majority of the rural

population. Prior to 1985, the Nilo-Hamitic population of Kumi district traditionally practised agro-pastoralism, with rural households typically owned a number of head of cattle, oxen for draught-power and one or two plots of land for staples and some cash crops. The impact of the insurgency was devastating, with the death of many productively-aged people, the theft of all cattle and oxen, and the destruction of infrastructure. This huge depletion of human, physical and natural capital has enforced a significant shift from agro-pastoralism, creating a livelihood vacuum that has in part been filled by diversification into farm and non-farm activities, notably petty trading, and small start-up manufacturing and services (Smith and Zwick, 2001).

As these district-level studies identify, historical, social, economic and political events have formed both the pre-conditions, and shaped the nature and extent of the contemporary rural non-farm economy.

#### 4.5 Social context

Individual ability to engage in particular economic activities is controlled to a large extent by social context. Livelihood opportunities, enabling and disabling factors are often a product of the social environment in which individuals operate, with family, kin, ethnic group, political and other affiliations mediating access.

The main income-generating occupation of women in Uganda is farming, and they are more active than men in this activity: 94 per cent in comparison with 80 per cent as a primary occupation (1992 data, Newman and Canagarajah, 1999). Women's participation in secondary activities is concentrated in two sectors, trade and manufacturing. Within manufacturing, there are two sub-sectors: food and beverages, and cottage industries - including wood, textiles, leather and handicrafts. A study of businesswomen in Kampala (Kwagala, 1999) note that the majority of women specialise in merchandise and services that relate to their gender-prescribed roles in the domestic sphere, including food, child care and dressing. Likewise, the rural non-farm occupations of women in rural areas are often gender-defined, primarily focusing upon the brewing and sale of alcohol (in the East), handicrafts, market trading and cooked food selling (Newman and Canagarajah, 1999, UPPAP, 1999, Zwick and Smith, 2001, Smith and Zwick, 2001). In contrast, male non-farm rural occupations, whether primary or secondary, tend to be more diverse, and often differentiated

from female occupations. This differentiation is most notable amongst the more profitable occupations, such as commodity trading (e.g. coffee) and administrative or political employment which are dominated by men. This pattern may be explained by women's culturally defined role in agriculture and in the home (both productive and reproductive), but also through unequal access to non-farm occupations, whether as a consequence of male-dominated social networks, education or other determinants of entry into this sector.

These patterns, though, do not necessarily remain static. Women's increasing participation in the non-farm economy, albeit largely as a secondary activity (Newman and Canagarajah, 1999), can perhaps be traced to the increasing need for currency in a cash-scarce rural economy. It has been noted that culturally prescribed roles on the basis of gender can shift when the household is under pressure to bring in sufficient food and income to survive. Conflict, economic deterioration and the impact of AIDS have been identified as shifting the burden onto women, with an increase in female-headed households that have in many cases been forced into livelihood diversification.

Tripp (1998) also notes some important institutional changes that have taken place within Ugandan society since 1986, "chang[ing] who gets to participate, when and how" (1998: 120). Amongst these, local women's associations are noted as challenging local authorities to permit greater access to resources and community leadership. Between 1986 and 1998, national level associations such as the Uganda Women's Effort to Save Orphans (UWESO) and the Uganda Women's Finance Credit and Trust Fund (UWFCT) were established (or re-established) primarily to meet economic needs and fill gaps in public services which local government was unable to finance (Kabukaire, 1992). These national organisations have enabled cash to be channelled, often in the form of rotating funds, through local women's associations to provide benefits to members in the form of income, services or equipment (with which to generate income). However, in some cases, these associations have met with resistance, either by husbands who did not approve, or by male competitors in a particular niche<sup>10</sup> (Tripp, 1998).

Despite such inevitable conflicts at the local level, the Government of Uganda has committed itself to greater gender equality, with the Poverty Eradication Action Plan (PEAP) identifying poor land rights and scarcity of employment for women as constraints to women's

empowerment (MFPED, 2000b) and committing the Government to improving women's political and economic empowerment. McGee (2000b) notes that whilst progress has been made in women's political empowerment since the initiation of PEAP, there has been little evidence of economic empowerment for women, '[in fact] what poverty reduction has occurred recently appears to have further marginalised women rather than benefited them, and they are still effectively denied many economic rights' (2000b: 93). However, improved political rights, as demonstrated by the growth of women's associations, may be considered as an important first step towards enhanced economic opportunities.

Besides differential access to livelihood opportunities by virtue of gender, Uganda's diverse social ethnic structure has played an important role in governing access to resources. In southern Uganda, a favourable climate over time contributed to the formation of highly stratified kingdoms, relying in part on labour from the north. Patron-client relationships bound individuals from different strata to one another, and military elites often dominated society. By the late nineteenth century, the British in Uganda saw the Buganda as an orderly kingdom with extensive commercial ties throughout the region. Thus, in 1900, Buganda chiefs agreed to Protectorate status for the region in return for title to land, and even in the 1980s, many of Uganda's wealthiest landowners were Baganda who had inherited or purchased land from these early landowners. During independence, land ownership became an important factor in the new nation's social organisation, but in the context of colonial policies that had entrenched racial and ethnic differences that prevented the accumulation of wealth by the majority (Library of Congress, 1990). The North of Uganda, in general, was excluded from this development process, with most people remaining as farmers or labourers due to the concentration of agri-business, commerce, transportation and educational centres in the south of the country. Despite the economic growth and relative peace experienced in Uganda over the past decade, wealth and power remain largely demarcated down ethnic lines, with a small wealthy Baganda elite in contrast to the Iteso<sup>11</sup>, Acholi, Langi and Karamajong tribes in northern and eastern regions of Uganda, who remain largely excluded from mainstream economic and political life. In the specific context of non-farm economic activity, the prevalence of non-farm start-ups in the West and Central regions of the country may be aligned to this general historical ethnic pattern of growth, in which the population of the North and parts of the East remain considerably poorer<sup>12</sup>.

#### 4.6 Social and financial service endowments

Over the past decade, the Government of Uganda has initiated a number of programmes aimed at enhancing rural services. Two of the central tenets of the Government of Uganda's Poverty Eradication Action Plan (PEAP) initiated in 1997 have been the raising of educational achievement, and the improvement of health status. Other, parallel initiatives have focused upon employment generation and poverty reduction (ILO/ UNDP, 1994), and the modernisation of agriculture (PMA).

The role of education as a determinant of non-farm employment has been highlighted in the rural non-farm literature (Reardon, 1997), with data from Uganda identifying individuals who have pursued primary and higher education as having a higher likelihood of participating in non-farm activities than those without any education (Newman and Canagarajah, 1999). However, it is important to disaggregate these findings by type of non-farm activity, as evidence from district studies (Zwick and Smith, 2001, Smith and Zwick, 2001) suggest that low-income activities such as small-scale manufacturing and petty trading are low entry barrier, and do not necessarily require educational achievement. In contrast, potentially more profitable rural opportunities, such as formal sector employment, do require a certain level of education.

In this regard, the trend in Uganda is positive, although not without problems. The impact of Universal Primary Education (UPE) in Uganda has been a net increase in primary school enrolment from 53.1 per cent in 1990 to 94.2 per cent in 1998. Notable increases in enrolment have been found amongst those with the highest illiteracy rates, girls and rural children (McGee, 2000b). However, as UPPAP found, school completion rates remain low, and the majority of drop-outs have been occurring 'mid-cycle'. There has been widespread concern with the quality of schooling amongst poor communities, with the heavily burdened primary school system unable to meet the immediate demand for classrooms, teachers and teaching/ learning material (UPPAP, 1999). Secondary schooling remains unobtainable for the majority of the rural poor due to the lack of facilities and prohibitive cost.

The Health Sector strategy in Uganda has been prioritised as one of the key foci of the Government's Poverty Eradication Action Plan. The generally poor health status of the Ugandan population is underlined by a life expectancy of 42 years (1997), blamed largely on

the AIDS pandemic, high child mortality at 180 per thousand (1989), and high levels of maternal mortality and stunting (MFPED, 2000b). To address this, the Government's health strategic plan is focusing upon service delivery through better remuneration and training, improved infrastructure and better accountability to consumers through village health committees. Since 1997, the Poverty Action Fund (PAF) has been used to achieve funding reallocations to focus on these priority areas, with the budget for primary health care due to increase from 28.2 billion Ugandan Shillings in 1999/2000 to 92.1 billion in 2002/03. As a percentage increase, this is greater than any other sector (MFPED, 2000b).

Despite the greater emphasis placed on health care and status by the Government over the past few years, evidence from UPPAP has pointed towards the inaccessibility of health services as a priority problem amongst poor rural dwellers (UPPAP, 1999). Access to medical services was found to be constrained by cost-sharing, with communities complaining that this did not guarantee adequate services due to lack of drugs for treatment, and user charges which were prohibitive for many. Likewise, family planning clinics were seen as expensive, and little was felt to have been done on family planning education, with women claiming that men continue to be uncooperative and unsympathetic<sup>13</sup>. Poor sanitation continues to be characterised by a lack of pit latrines, and poor garbage disposal in urban areas. Coping strategies identified by UPPAP included the use of traditional healers and birth attendants, and at times self-medication. Consequently, the areas being targeted by the Government's health strategic plan appear to address the concerns raised, although the current Ugandan levels of health provision and HIV/AIDS infection presents an unpromising outlook (McGee, 2000b).

Lack of access to financial services in Uganda remains a key problem in Uganda (Beijuka, 1999, MFPED, 2000a), with credit market imperfections, or the lack of credit acknowledged as a constraint to potential diversification into non-farm economic activities (Reardon, 1997, Ellis, 1998). In 1997, several UNDP-funded sector studies were conducted under the Private Sector Development Programme, all of which concluded that the lack of access to financial services for the informal, micro and small enterprises is the single most important challenge to addressing the core problem of increasing incomes of the poor (MFPED, 2000a)

Uganda has one of the lowest domestic savings ratios in Africa (Bird et al, 2000). Financial service provision in Uganda is hampered by poor physical and communication infrastructure,

and by an undeveloped legal system that makes it difficult to follow-up defaulters (Beijuka, 1999). To develop the rural financial market in Uganda, the Bank of Uganda (BOU) stresses the role of local micro-finance operators in reaching smallholders with banking services, with its own policy being only to create the framework in which micro-finance institutions (MFIs) can operate (Beijuka, 1999). The Government of Uganda's strategy towards micro-finance is aligned to the BOU, aiming to create the conditions under which the private sector can provide this service but not to be a major service, or credit, provider. This is reflected in the budgetary allocation for micro-finance under the PAF, which is projected to decrease over time (MFPED,2000b). Despite this aim, in 1999 there was no specific legislation in place that recognises small-scale financial institutions, although draft legislation was due to be presented to Parliament by the end of the year (Beijuka, 1999).

A UNDP/ MFPED survey of Micro-finance institutions (MFPED, 2000a) found that there has been a steady increase in Institutions Involved in Micro-Finance (IIMFs), rising from approximately 50 in 1990 to almost 250 in 1999. Two-thirds of these are based, or focus upon rural service delivery. Interesting, formal, specialised micro-finance institutions were found to be operating mainly in the Central and South-Western regions of the country, which may explain the relative vibrancy of the non-farm economy in these parts of Uganda (re: Deininger and Okidi's, 2000, study). More broadly, funds are provided by two main sources: institutional and individuals. IIMFs (the former category), include commercial banks, NGOs/ CBOs, Co-operative societies, denominational credit, government programmes (particularly "*Entandikwa*" and the Poverty Alleviation Programme (PAP)) and micro-projects. Individual sources constitute as much as 47 per cent of all lenders (with institutional sources constituting 53 per cent of all loan provision), and include moneylenders, relatives and friends and localised revolving credit systems (MFPED, 2000a).

Whilst IIMFs would appear to be an important provider of finance for the rural smallholder sector, these institutions in Uganda face substantial pressure from their donors to achieve financial sustainability. Thus, they tend to operate predominantly in the densely populated urban areas (Beijuka, 1999). Whilst the micro-finance schemes of financial institutions such as the Uganda Women's Finance and Credit Trust (UWFCT) and the Centenary Rural Development Bank (CERUDEB) provide a good opportunity to link 'progressive' individuals and groups from savings and credit associations to the formal banking sector, these linkages by and large have yet to be implemented. Both Government-run schemes (*Entandikwa* and

PAP) were initiated to reach out to areas Government credit guarantee and private banks were unwilling to cover, but the former has suffered from a politicized image, and the latter is currently re-inventing itself due to its alignment to 'poverty alleviation' rather than micro-finance – implying 'hand out' rather than service provision (Beijuka, 1999).

Individual, or informal credit providers are diverse, ranging from individual moneylenders, to friends and family, sometimes based on clan or kinship groups, or revolving around particular activities such as funeral groups where members save regularly and credit a fund to meet emergencies such as death. The benefits of informal credit include the ability to deliver the service close to poor people's homes, flexibility in terms of capacity and needs, less bureaucratic and not necessarily dependent on formal collateral (character rather than asset-based). However, they are restricted by liquidity, or the ability to disperse larger, longer-term loans required in times of general need, such as after a poor harvest (Beijuka, 1999).

Access to formal credit provision has been found to be weak amongst many of the rural poor (UPPAP, 1999), despite the number of institutions engaged in this activity. Lack of knowledge about credit providers, ascribed (and in some cases, real) tight repayment periods, high initial capital requirements, and the lack of loans for agricultural purposes (which make-up the greatest demand amongst the rural poor) represent barriers to access (UPPAP, 1999, Smith and Zwick, 2001).

#### 4.7 Livelihood strategies

Livelihood strategies, in this context, are defined broadly to include all strategies employed by rural households and individuals to survive and enhance wellbeing, thus including risk avoidance, coping behaviour and wealth accumulation, amongst other recognised patterns of unitary change. These strategies are employed as a consequence of the specific determinants of diversification: historical, agro-climatic, infrastructural and service provision conditions which push or pull some into change.

Risk is often cited in the literature as the primary motive for income diversification (Ellis, 1998). In essence, 'risk avoidance' in this context refers to strategies employed by individuals, households, groups and communities to diversify economic activities to anticipate and mitigate the threat of livelihood breakdown or failure, with the resultant

outcome that lower income is accepted as a trade-off for greater food security or wellbeing. Whether or not this strategy is in fact a trade-off depends on the apportioning of labour between economic activities, and the environment in which it is taking place. In Uganda, Newman and Canagarajah (1999) note that whilst the greatest increase between 1992 and 1996 was found in rural households engaged in diverse activities (18 to 32 per cent, in contrast to agriculture only 74 to 61 per cent, and non-farm only 9 to 7 per cent), poverty fell the greatest amount amongst those working in non-farm only (42 per cent), by 20 per cent for those citing agriculture as their main occupation (and working in another agricultural or non-agricultural enterprise as a secondary occupation), and by only 17 per cent for those working exclusively in agriculture. Whilst these data do not provide information on how, or which rural households have gained access to full non-farm employment (and thus benefited the greatest), they do suggest that those who have diversified into several activities are, at the aggregate level, better off than those who have remained fully engaged in agriculture.

Risk strategies are distinguished from coping strategies by whether the diversification occurred prior to or post 'shock', and thus whether the actions are planned rather than reactive. The data on Uganda referred to above do not enable a strategy classification, as no evidence is provided which links these data to specific social, economic or political events. In contrast, the study of the non-farm economy in Kumi District (Smith and Zwick, 2001) identifies diversification as a coping strategy enacted as a consequence of insurgency and livestock raiding that decimated agropastoralist-based rural livelihoods. Whilst the study provides little quantitative data on levels of diversification pre- and post-insurgency, case studies covering a broad range of non-farm micro-enterprises provided evidence that a high percentage have been initiated since the cessation of conflict, thus implying coping behaviour.

The line between coping behaviour, adaptation strategies (defined as a '[continuous process of] change to livelihoods which either enhance existing security and wealth or try to reduce vulnerability and poverty' (Davies and Hossain, 1997), and wealth accumulation (those households that are on an upward path away from poverty, or those that are already better off), can be difficult to draw, and requires detailed investigation. The evidence on rural diversification in Uganda is mixed, with some commentators suggesting that for many it is a strategy that is only enacted having developed a strong farming base on which to build (Deininger and Okidi, 2000). Income and security from crop production, land and livestock

ownership enables rural households to divide their labour between farm and non-farm economic activities, or to hire labour to work on their farms enabling them to concentrate part of their labour on non-farm activities. This is a significant contrast to countries where unequal asset distribution has led to an unequal distribution of off-farm income, thus causing further polarisation of income distribution (Lanjouw, 1998). Other, district studies (Zwick and Smith, 2001, Smith and Zwick, 2001) identify the greatest extent of diversification amongst poorer rural dwellers, who are primarily engaged in diverse economic activities as risk, coping and adaptation strategies. In times of need (such as requiring cash for healthcare, education or essential commodities), the poor were identified as monetising non-farm assets rather than disposing of livestock or land, still the mainstay of the rural household economy. The extent of poverty of many of these households, despite relying primarily on a farming base, does not suggest the ability to be engaged in accumulation strategies. Diversification amongst the rural 'better-off' was found to be less common (Zwick and Smith, 2001, Smith and Zwick, 2001), although the growth of small rural trading centres has spurred a small percentage to begin diversifying into service-based enterprises. Amongst these few, diversification into non-farm enterprise can be identified as a wealth accumulation strategy.

## **5. Conclusions**

During the past decade-and-a-half, Uganda has witnessed a remarkable shift from economic and political strife to economic growth (six per cent GDP growth per annum since the late 1980s) and relative political stability. However, whilst the macro-economic conditions for growth have been established, almost half of the population remain in poverty, 90 per cent of whom live in rural areas.

In recognition of this widespread poverty and poor rural service delivery, the Government of Uganda began to develop a series of Plans during the latter half of the 1990s, most notably the Poverty Eradication Action Plan (PEAP), The Education Strategic Investment Plan (including Universal Primary Education), the Plan for the Modernisation of Agriculture (PMA) and statutes to enhance the power and control of local government under the decentralisation programme initiated in 1986. The establishment of an overall policy framework through which all line ministries and district governments refocus their spending towards the poor by means of reforms in sectoral policies and investment plans has been

strongly supported by donors and NGOs, many of whom have been included in the planning processes (DFID, 1999). However, whilst the commitment to these new planning foci is evident, the impact is multi-faceted and complex. Universal Primary Education (UPE) has massively increased enrolment levels, but drop-out rates continue to be high, and the provision of classrooms, teachers and training material is currently insufficient to meet the demand. The PMA has only just begun to be implemented. The decentralisation process has been generally positive, although lack of funding, capacity problems and corruption or collusion have been identified as constraints to its efficiency and success. PEAP, overall, is making positive 'process' steps towards its targets of reducing nation poverty levels, increasing educational and health levels, and giving voice to poor communities (MFPED, 2000b), although studies carried out in poor rural communities (UPPAP, 1999, Zwick and Smith, 2001, Smith and Zwick, 2001) illustrate that there is still some way to go.

Within this policy context, rural livelihood diversification has been identified as a strategy for enhancing wellbeing. Evidence from national household survey data on the extent of diversification is mixed, with some commentators identifying an increase in rural non-farm employment and diversification (Newman and Canagarajah, 1999, Deininger and Okidi, 2000), and others stating that there has been no move out of agriculture (Appleton et al, 1999). Whether expanding or not, non-farm enterprise start-ups have been found to be most populous in the Western and Central regions of the country, where population density and, arguably, the level of infrastructure are greater. The most common forms of non-farm activity are petty trade and small-scale manufacturing enterprise, including textiles, leather, wood and handicrafts. Appleton et al (1999) also highlighted the role of formal (government) sector wage employment as an important source of non-farm income, albeit declining.

Numerous determinants, or access factors, affect the ability of rural households to diversify their income and livelihood sources. Whilst a number of these cannot be influenced by government policy (including agro-ecology, seasonality and history), social and financial service endowments, infrastructure, and to a lesser extent, social context can. These conditions form the context in which households choose, or not, are able, or not, to diversify into non-farm economic activities. The picture in Uganda is not yet clear, but it appears that a number of different trajectories are being followed. Poor rural households in Kumi District, for example, appear to be diversifying into non-farm activities as a coping response to insurgency and cattle raiding that lasted until the mid-1990s. The devastation of their

livelihoods, particularly the depletion of livestock, has forced many into low-income, low entry barrier activities in order to earn cash to purchase essential items. These activities are engaged in alongside agriculture, with poor rural households simultaneously attempting to reconstruct their farm-based livelihoods. Alongside the poor engaged in this type of coping strategy, there is also evidence of wealthier households initiating potentially more profitable non-farm enterprises. These are often based upon land and livestock wealth, with farm incomes being used as collateral for initiating trading and service-based enterprises (Deininger and Okidi, 2000, Zwick and Smith, 2001, Smith and Zwick, 2001). In this latter context, a number of determinants have enabled these households to benefit from diversification. Social position, access to services (particularly financial) and a history that has not disadvantaged them in relation to others are all key factors.

For the majority of the rural poor, diversification is seen as a means to an end, not an end in itself (Zwick and Smith, 2001, Smith and Zwick, 2001). As a predominantly agricultural nation, the understanding of and belief in crop and livestock production remains central to the psyche of rural households. The expansion of rural infrastructure and service provision does appear to be changing the opinion of some of the rural population, with small trading centres developing, and the demand for upstream and downstream manufacturing and service enterprises growing. However, without dramatic increases in access to vocational education, financial services and employment opportunities, the majority of the rural poor are likely to remain firmly ensconced in what is perceived to be the relative stability of farming.

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## END NOTES

<sup>1</sup> Initially called Resistance Councils (RCs).

<sup>2</sup> In Rakai District, DANIDA (Danish Government International Development Agency) is providing eight per cent (1997/8 figure) of the district's total revenue through the Rakai District Development Programme, a comprehensive rehabilitation, reconstruction, and development programme. In Kumi District, Irish Aid (Irish Government Aid Programme) alongside DFID, UNICEF and others contributed between 17 and 24 per cent of the district's total budget between 1997 and 2000.

<sup>3</sup> Rakai district, for example, was awarded an international trophy for transparency in local government.

<sup>4</sup> A body of research focused upon definitions and determinants of poverty has demonstrated that there is weak correlation between traditional measures of income/consumption and people's own subjective perceptions of poverty (e.g. Ravallion and Lokshin, 1999). Likewise, a definition of wealth beyond income, or wellbeing, may include both tangible and non-tangible factors such as social capital, empowerment and ownership.

<sup>5</sup> Business is defined here as including predominantly informal trading and retail activities

<sup>6</sup> Such as pottery, basket and mat weaving, crochet, knitting, and embroidery, and making brooms

<sup>7</sup> Measured by the number of communities in which community leaders stated that there had been an improvement in infrastructure. However, it is not clear from the text exactly how

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infrastructure was defined, although the implication is that it relates to a composite of access to feeder roads, tarred roads, hospitals, factories, post offices and telephones. The relevance of certain of these indicators in terms of rural non-farm development may warrant further investigation.

<sup>8</sup> Current estimates of the percentage of ‘food poor’ in rural Uganda are 25 per cent (Jamal, 1998)

<sup>9</sup> Between 1987 and 1993/94 there was a high level of insecurity in the Teso region (Kumi, Soroti and Katakwi districts). Rebel groups attacked Government and National Resistance Army posts, and Karamajong pastoralists made opportunistic raids. (Whilst the Karamajong, a predominantly pastoralist tribe, based largely in Moroto district, have historically moved west/ south-west during the dry season to graze their cattle on the pastures of present-day Kumi, Soroti, Katakwi and Lira Districts, the availability of arms precipitated violence). Most of the population from the worst affected areas (including the two sub-counties in which the study was conducted) were put into camps, whilst others fled the district. By 1993, an estimated 220,000 people had been displaced and many more affected. Most of the cattle was stolen or slaughtered.

<sup>10</sup> Tripp (1998) describes the case of the Kiyembe Women’s Cooperative Savings and Credit Society, started in 1983 by a group of ten women street vendors, which grew to 107 members with a market of 290 vendors, but faced a ‘rebellion’ by male vendors who colluded with the District chairman to gain control of the market.

<sup>11</sup> See earlier note on the insurgency in the Teso region which has left many Iteso’s disillusioned with Government policy.

<sup>12</sup> Data on poverty headcounts by region in Uganda over the period 1992/93 to 1995/96 identify not only the highest percentage of ‘poor’ in the Northern and Eastern region of Uganda, but also the lowest decline in poverty over this period (Source: Appleton, 1998, cited in McGee, 2000b).

<sup>13</sup> Older women in Kumi District complained that their husbands resist family planning because “they want to replace the children they lost during insurgency and cattle rustling” (UPPAP, 1999: 79).