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MUTIDIMENSIONAL POVERTY AND ITS DETERMINANTS: A LONGITUDINAL PERSPECTIVE

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ABSTRACT

This study explores Multidimensional Poverty and its determinants from a longitudinal perspective. It studies the dynamics of multidimensional poverty among households in Uganda showing their entry and exit possibilities across various indicators. Poverty is complex and dynamic and it involves social, economic, cultural, political and other forms of deprivation. Using two waves of the Uganda National Panel Survey (2013/14 and 2015/16), I computed the Multidimensional Poverty Index using the Alkire Forster (2011) "Counting ad dual-cut-off" methodology. The Alkire Foster (AF) method of multidimensional measurement is a flexible technique that incorporates several 'dimensions' of poverty or wellbeing, according to the context, to create measures that complement income poverty indices. The method identifies a person as multidimensionally poor (or 'MPI poor') if s/he is deprived in at least a third of the weighted MPI indicators. The MPI combines two key pieces of information to measure acute poverty: the incidence of poverty, or the proportion of people (within a given population) who experience multiple deprivations, and the intensity of their deprivation - the average proportion of (weighted) deprivations they experience. The MPI is the product of incidence and intensity: I further looked at how households that exist within both waves of the Uganda National Panel Survey change the status of their deprivations.by identifying those that moved out of deprivation as well as those that moved into deprivation. The estimated percentage of the poor was 61.1% in 2013/14 increasing to 62.4% by 2015/16. The estimated percentage of person that are MPI poor also reduced from 29% in 2013/14 to 28% in 2015/16. However, the findings show that the average share of indicators in which poor people are deprived increases with increase in the poverty cut-off (K), this is because even though the number of poor households is decreasing the intensity of the poverty is increasing.

The study further showed that the indicators which contribute most to the Multidimensional Poverty Index are years of schooling (17.1%), followed by sanitation (16.5%) and access to electricity (8.9%) and that the rural areas suffered greater levels of deprivations compared to the Urban areas.

Therefore, there is need to design strategies that would help rural and the deprived urban people (areas) overcome poverty by setting up projects which would enable them overcome poverty.