

COVID-19 impact? Ugandans grow more discontent with economic and living conditions

Afrobarometer Dispatch No. 436 | Ronald Makanga Kakumba

Summary

Since its outbreak in December 2019, the COVID-19 pandemic has had a major negative effect on almost every country's economy, as well as the global economy as a whole.

Uganda's economy has been hit hard. Its real gross domestic product (GDP) grew by just 2.9% during the year ending in June 2020, less than half the 6.8% rate reported for the previous year. The tourism and agriculture sectors, especially agricultural export earnings, were badly affected, and the country saw significant declines in foreign remittances and direct investments as a consequence of the global economic downturn triggered by the pandemic (World Bank, 2020).

Similarly, Uganda's revenue collection suffered significant shortfalls as a result of a domestic lockdown and disruptions in global demand and supply chains (Daily Monitor, 2020). Public debt rose as the government was forced to borrow heavily to cope with the economic consequences of COVID-19 (Financial Post, 2020). Job and income losses affecting many Ugandans were projected to worsen if the pandemic continued (Independent News, 2020).

According to the most recent Afrobarometer survey in Uganda, conducted in late 2020 and early 2021, citizens' perceptions of their economic and living conditions worsened during the COVID-19 period after improving between 2017 and 2019. Poor and older citizens, rural dwellers, and residents of the Northern and Eastern regions were more negatively affected than their counterparts.

More than half of citizens said the pandemic caused someone in their household to lose a job, business, or primary source of income. And a majority of Ugandans said the government's economic policies had hurt, rather than helped, most Ugandans.

Afrobarometer surveys

Afrobarometer is a pan-African, nonpartisan survey research network that provides reliable data on African experiences and evaluations of democracy, governance, and quality of life. Seven rounds of surveys were completed in up to 38 countries between 1999 and 2018, and Round 8 surveys are currently underway. Afrobarometer conducts face-to-face interviews in the language of the respondent's choice.

With financial support from the Embassy of the Kingdom of the Netherlands in Uganda, the Afrobarometer team in Uganda, led by Hatchile Consult Limited, interviewed 2,400 adult Ugandans between 22 December 2020 and 7 January 2021. A sample of this size yields country-level results with a margin of error of +/-2 percentage points at a 95% confidence level. This was the 11th Afrobarometer survey in Uganda since 1999.

Key findings

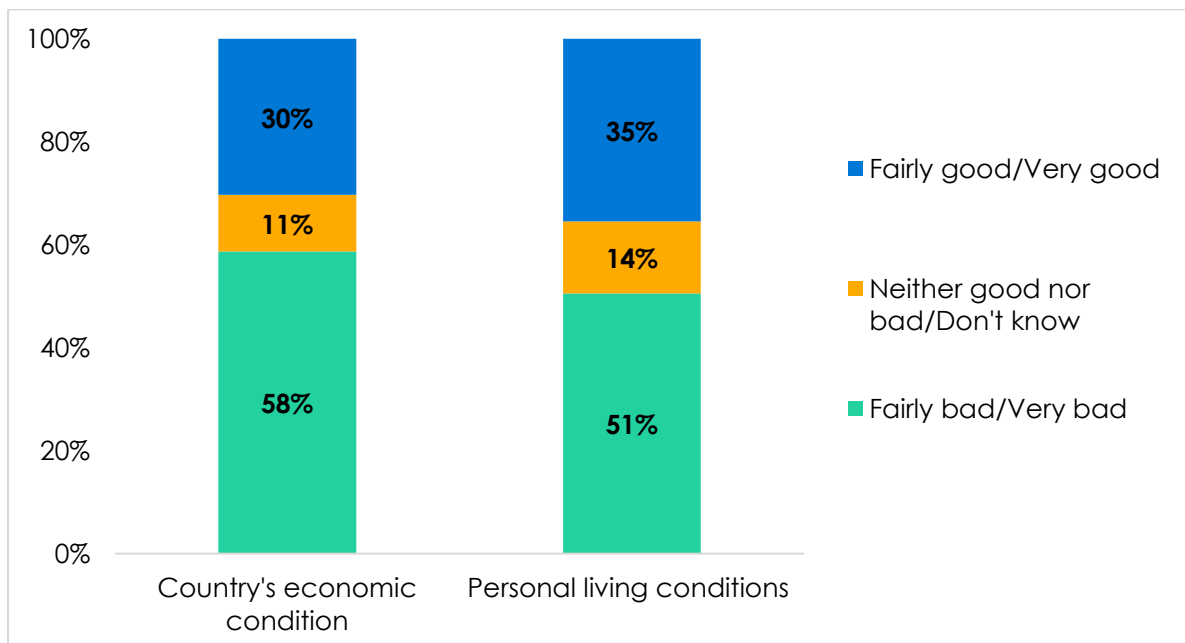
- Ugandans' economic outlook worsened during the year of the pandemic:
 - A majority (58%) described the country's economic condition as "fairly" or "very" bad, a 12-percentage-point increase from 2019.
 - Half (51%) described their personal living conditions as fairly/very bad, a 10-percentage-point increase from 2019.
 - Similarly, a majority (56%) said the country was worse off economically than a year earlier.
- More than half (54%) of Ugandans reported that someone in their household lost a job, a business, or a primary source of income as a result of the pandemic.
- Six in 10 Ugandans (62%) experienced moderate or high levels of lived poverty (shortages of basic necessities) during the previous year.
- Majorities rated the government's performance on job creation (72%) and improving the living standards of the poor (59%) as "fairly bad" or "very bad."
- And three-fourths (75%) of Ugandans said the government's economic policies have hurt most people and benefited only a few.

Economic and living conditions worsen amid COVID-19

As of early 2021, a majority (58%) of Ugandans described their country's economic condition as "fairly bad" or "very bad," while only three in 10 (30%) considered the economic situation good (Figure 1).

Similarly, a slim majority (51%) assessed their personal living conditions as fairly/very bad, whereas only about one-third (35%) rated their living conditions favourably.

Figure 1: Personal living and country's economic condition | Uganda | 2021

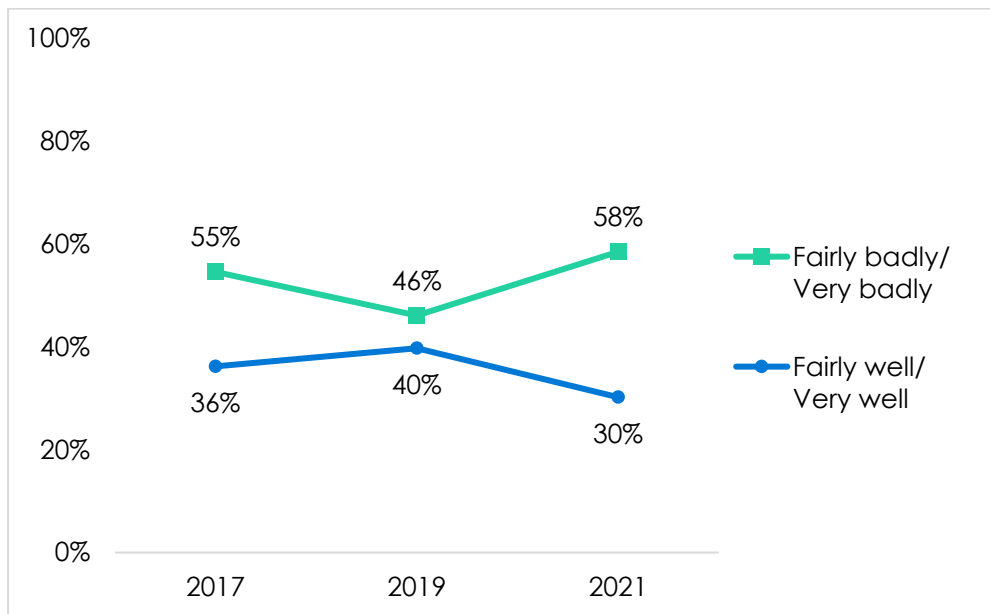


Respondents were asked: In general, how would you describe: The present economic condition of this country? Your own present living conditions?

Afrobarometer's previous survey, in September-October 2019, found modest improvements on these indicators compared to 2017. But both worsened during the pandemic period: The proportion of citizens who described the country's economic condition as bad increased by 12 percentage points (Figure 2), while the share of those who assessed their personal living conditions negatively rose by 10 points (Figure 3).

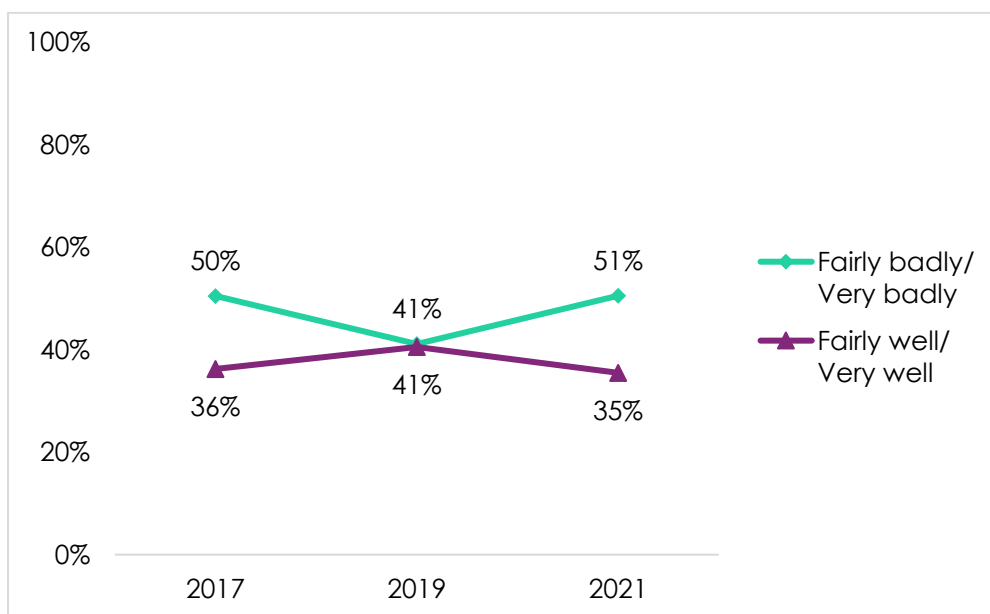
While other factors may also be at play, these patterns suggest that COVID-19 has had a significant impact on people's living conditions and the country's economy.

Figure 2: Country's economic condition | Uganda | 2017-2021



Respondents were asked: *In general, how would you describe the present economic condition of this country?*

Figure 3: Personal living conditions | Uganda | 2017-2021

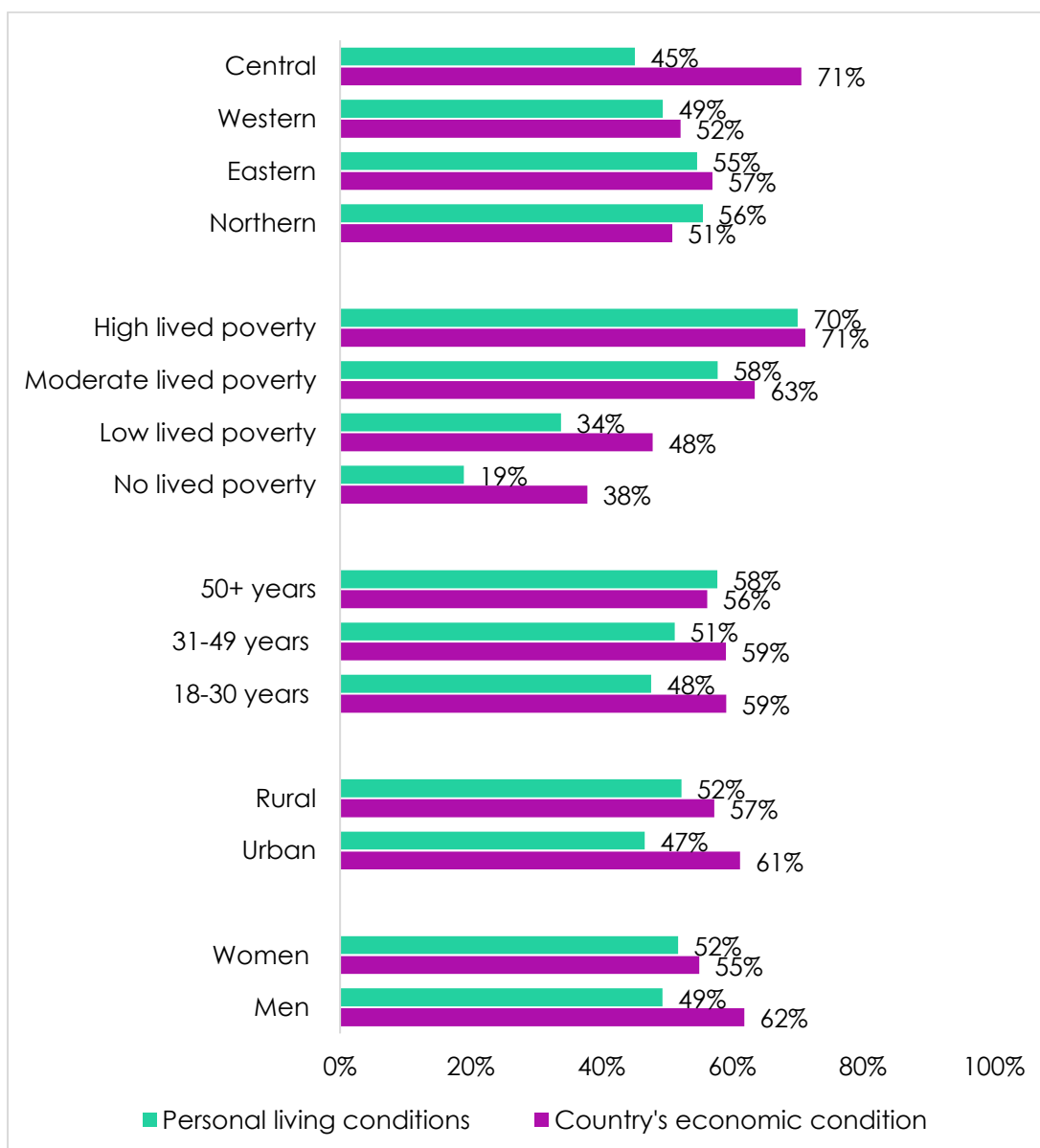


Respondents were asked: *In general, how would you describe your own present living conditions?*

Negative assessments of the country's economic condition and personal living conditions increased sharply with respondents' level of poverty. The poorest (70%) were than three times as likely as the best-off (19%) to describe their living conditions as bad, and almost twice as likely to see the economy as bad (71% vs. 38%), suggesting that the pandemic has disproportionately affected the poor (Figure 4).

Other differences by demographic group are less pronounced. Older citizens were more likely to report poor living conditions than younger respondents (58% of those aged 50 years and above vs. 48% of those aged 18-30). The Central region stands out with 71% who described the economy as bad, compared to 51% in the Northern region, though negative assessments of personal living conditions were reversed: 45% in Central, 56% in Northern.

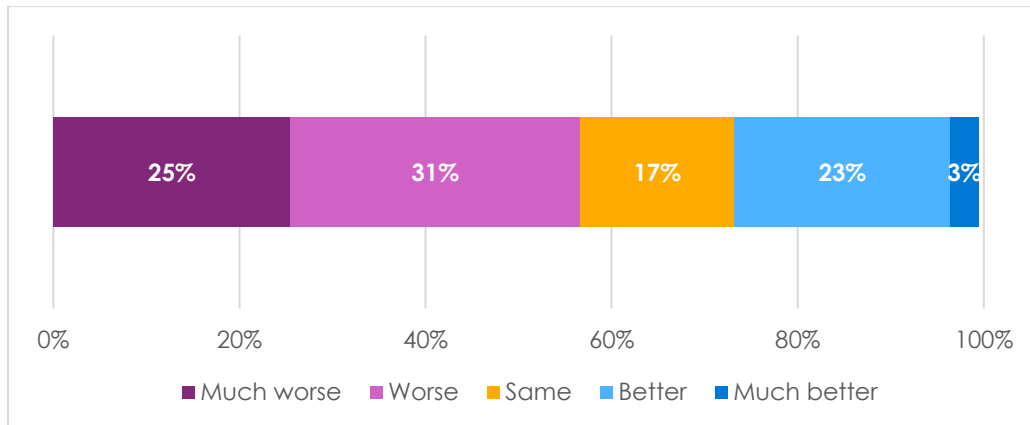
Figure 4: Negative assessments of personal living and country's economic condition
 | by demographic group | Uganda | 2021



Respondents were asked: In general, how would you describe: The present economic condition of this country? Your own present living conditions? (% who said "fairly bad" or "very bad")

Comparing the country's current economic condition to 12 months earlier, before COVID-19 struck, a majority (56%) of Ugandans said things had gotten worse (Figure 5).

Figure 5: Country's economic condition compared to 12 months ago | Uganda | 2021



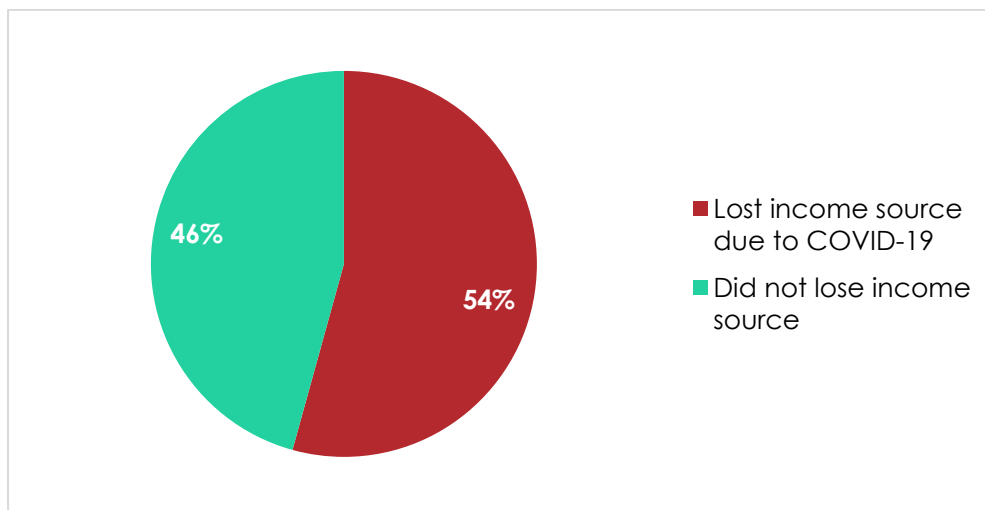
Respondents were asked: Looking back, how do you rate economic conditions in this country compared to 12 months ago?

Income loss due to COVID-19

As a result of COVID-19, many businesses laid off workers or were shuttered entirely, resulting in losses of employment and income. According to the Afrobarometer survey, more than half (54%) of Ugandans said that someone in their household lost a job, a business, or a primary source of income due to the pandemic (Figure 6).

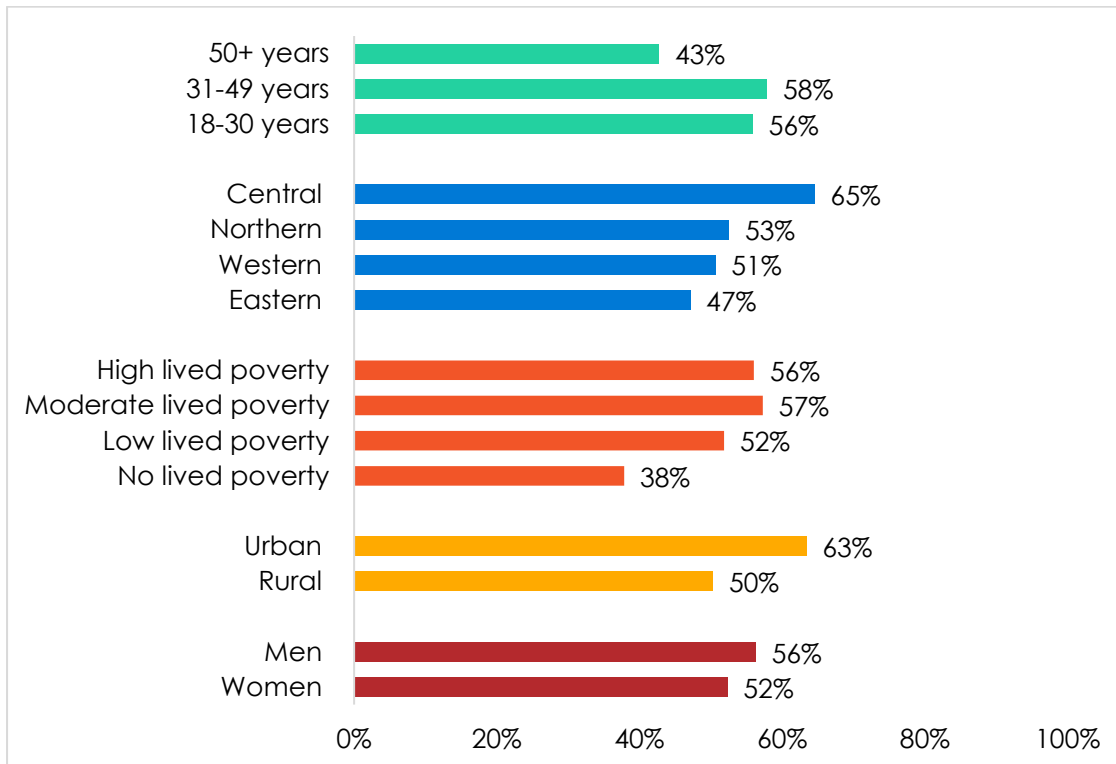
Income loss due to COVID-19 was more prevalent among residents of the Central region (65%), urban residents (63%), and younger citizens (56%) than among others (Figure 7). Poor citizens (56%-57%) were considerably more likely than those with no lived poverty (38%) to experience income losses as a result of COVID-19. These findings offer further evidence that the poor were disproportionately impacted by the pandemic.

Figure 6: Loss of income due to pandemic | Uganda | 2021



Respondents were asked: Please tell me if you personally or any other member of your household have been affected in any of the following ways by the COVID-19 pandemic: Temporarily or permanently lost a job, business, or primary source of income?

Figure 7: Loss of income due to pandemic | by socio-demographic group
 | Uganda | 2021



Respondents were asked: Please tell me if you personally or any other member of your household have been affected in any of the following ways by the COVID-19 pandemic: Temporarily or permanently lost a job, business or primary source of income? (% "yes")

Deprivation of basic necessities

Ugandans' concerns about the country's economy and their own living conditions are also reflected in their experience of "lived poverty," Afrobarometer's experiential measure based on how often people go without five basic necessities of life: enough to eat, enough clean water, medicines or medical care, enough cooking fuel, and a cash income. (For more on lived poverty, see Mattes, 2020).

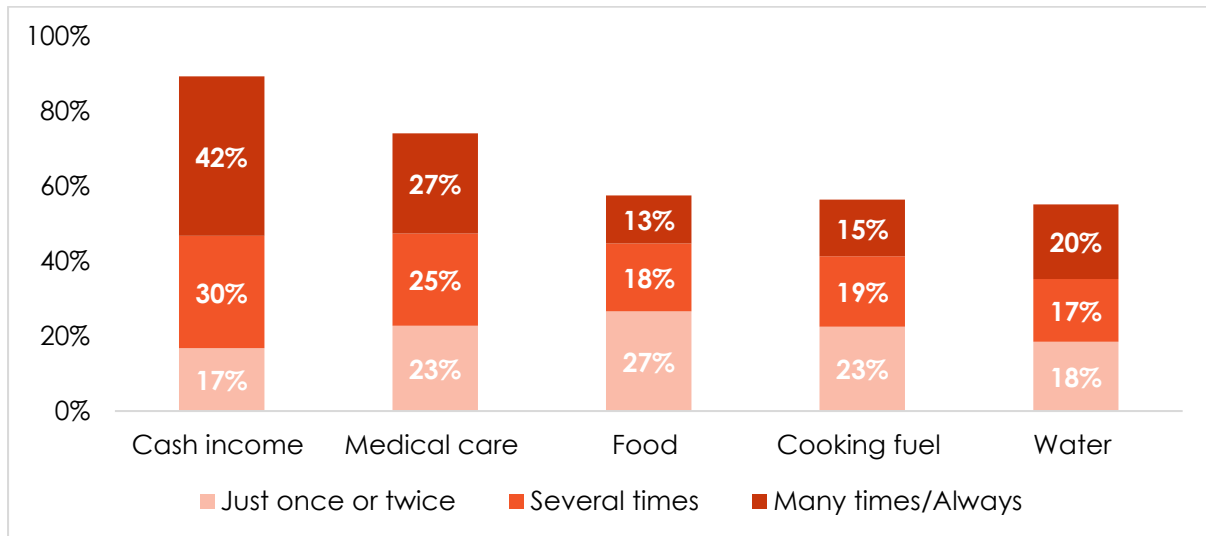
Nine in 10 citizens (89%) said they went without a cash income at least once during the year preceding the survey, including 42% who said this happened "many times" or "always" (Figure 8).

Three-fourths (74%)¹ reported going without medical care, including fully half (51%) who said this occurred at least several times, while more than half experienced shortages of food (58%), cooking fuel (57%), and clean water (55%).

An average of the responses to the questions on deprivation of basic necessities is calculated to create Afrobarometer's Lived Poverty Index, whose scores range from 0 (no lived poverty) to 4 (high lived poverty). Six in 10 Ugandans (62%) experienced moderate (43%) or high lived poverty (19%) during the past year, not substantially different from results in 2019 (64%) and 2017 (60%) (Figure 9).

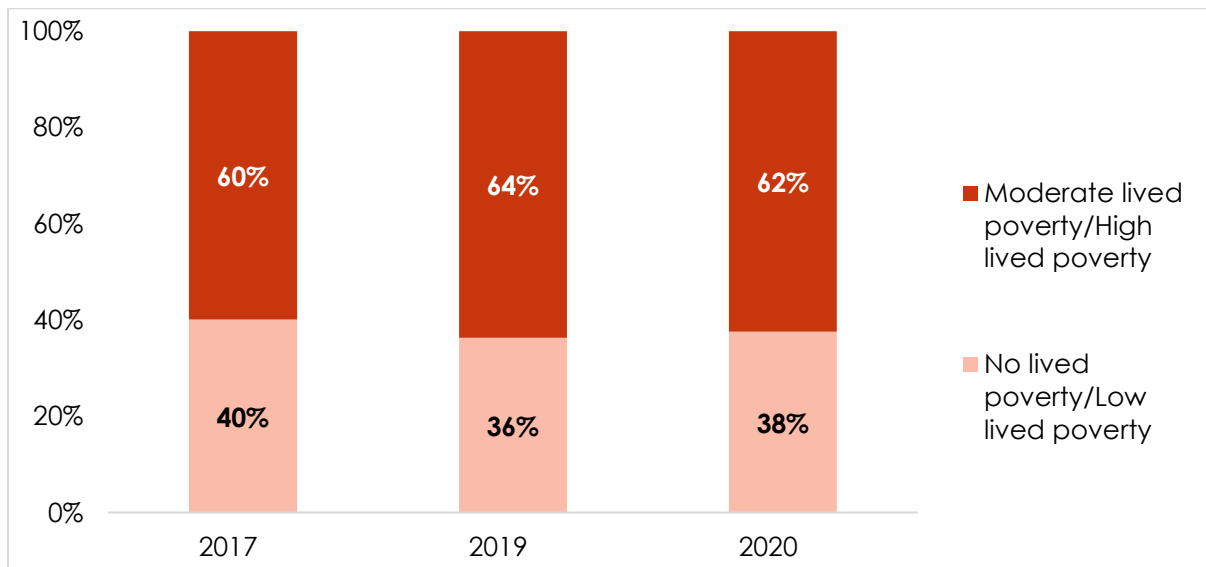
¹ Due to rounding, overall totals may differ by 1 percentage point from the sum of sub-categories.

Figure 8: Going without basic necessities | Uganda | 2021



Respondents were asked: Over the past year, how often, if ever, have you or anyone in your family gone without: Enough food to eat? Enough clean water for home use? Medicines or medical treatment? Enough fuel to cook your food? A cash income?

Figure 9: Going without basic necessities | Uganda | 2017-2021



Respondents were asked: Over the past year, how often, if ever, have you or anyone in your family gone without: Enough food to eat? Enough clean water for home use? Medicines or medical treatment? Enough fuel to cook your food? A cash income?

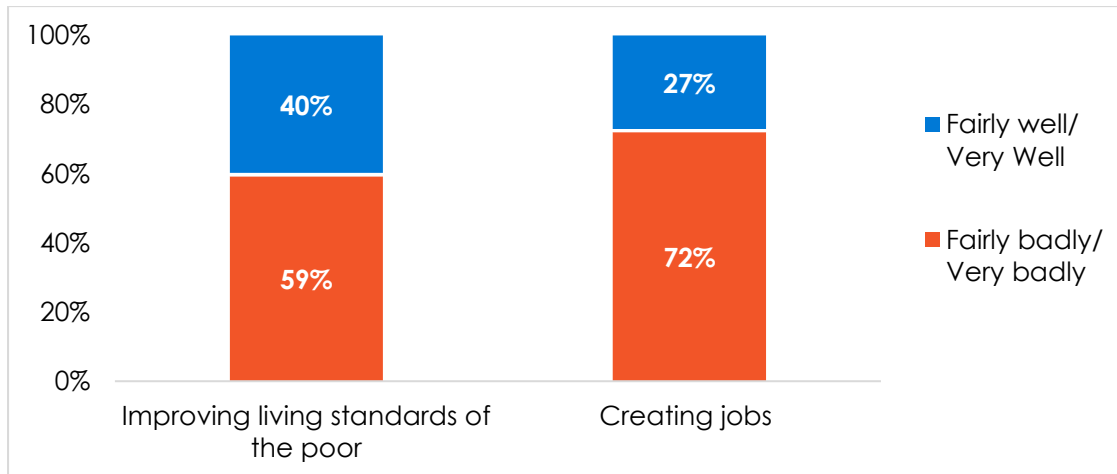
Evaluation of government performance on the economy

When asked how well they think the government has handled key economic issues, Ugandans were highly critical. Almost three-fourths (72%) said the government was performing “fairly badly” or “very badly” on creating jobs, and six in 10 (59%) gave the same assessment on improving the living standards of the poor (Figure 10).

In addition, a vast majority of citizens voiced dissatisfaction with the effectiveness of the government’s economic policies. Three-fourths (75%) “agreed” or “strongly agreed” that the

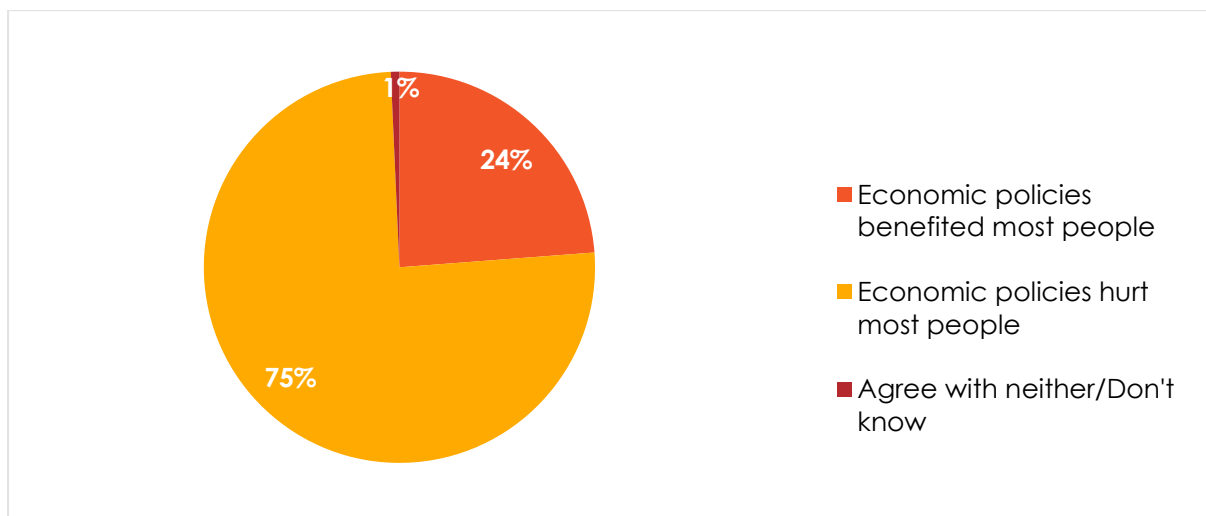
government's economic policies had hurt most people while benefiting just a few. Only about a quarter (24%) said the policies have benefited most people (Figure 11).

Figure 10: Evaluation of government performance on economic issues | Uganda | 2021



Respondents were asked: How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say?

Figure 11: Have government's economic policies helped or hurt? | Uganda | 2021



Respondents were asked: Which of the following statements is closest to your view?
 Statement 1: The government's economic policies have helped most people; only a few have suffered.
 Statement 2: The government's economic policies have hurt most people and only benefited a few.
 (% who "agree" or "strongly agree" with each statement)

Conclusion

According to the most recent Afrobarometer survey in Uganda, conducted in late 2020 and early 2021, citizens' assessments of the country's economy and their personal living conditions worsened during the COVID-19 pandemic, wiping out gains between 2017 and 2019.

Poor and older citizens, rural residents, and those living in the Northern and Eastern regions were more affected than their counterparts. More than half of citizens said the pandemic

caused a household member to lose a job, a business, or a primary source of income. Overall, a majority of Ugandans gave their government poor marks on improving the living standards of the poor and job creation, and most saw its economic policies as harmful rather than beneficial.

If the pandemic lasts longer or intensifies in Uganda, these negative economic effects can only be expected to worsen, adding urgency to the need for government action to sustain people's livelihoods and economic activities.

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Afrobarometer, a nonprofit corporation with headquarters in Ghana, is a pan-African, non-partisan research network. Regional coordination of national partners in about 35 countries is provided by the Ghana Center for Democratic Development (CDD-Ghana), the Institute for Justice and Reconciliation (IJR) in South Africa, and the Institute for Development Studies (IDS) at the University of Nairobi in Kenya. Michigan State University (MSU) and the University of Cape Town (UCT) provide technical support to the network.

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