
**NON-FARM INCOME AND HOUSEHOLD WELFARE IN UGANDA: A PANEL
STUDY (2011 – 2016)**

BY

ALUPO GRACE

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APPROVAL

This is to certify that this research report written by ALUPO GRACE with registration number BU/UP/2017/1947 is of her own and is ready to be submitted to Bustema University.

..... Date:

Mr. WATEMA JOASH

(SUPERVISOR)

DECLARATION

I Alupo Grace declare that this research report is my own and contains content work which has not been submitted for any academic award for a degree or diploma at any tertiary institution or university.

..... Date:

ALUPO GRACE

(STUDENT)

DEDICATION

This book is dedicated to my beloved parents Mr. Aupal John and Mrs. Ikiyai Immaculate for their tremendous support towards my studies. With great pleasure, I also dedicate this book to my beloved brothers and sisters most especially Ibulo Paul. I as well dedicate this book to my course mates particularly third years for their encouragements and guidance.

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LIST OF ABBREVIATIONS AND ACRONYMS

- GDP** : Gross Domestic Product
- MDGs** : Millennium Development Goals
- NFA** : Non-farm Activities
- PSR** : Poverty Status Report
- RNFE** : Rural Non-Farm Employment
- SACCOs** : Savings And Credit Cooperative Societies
- UBOS** : Uganda Bureau of Statistics
- UNPS** : Uganda National Panel Survey
- UWEP** : Uganda Women Empowerment Project
- YLP** : Youth Livelihood Project

ABSTRACT

The study examined the effect of non-farm income on household welfare in Uganda using data from three (3) recent waves of the Uganda National Panel Survey (UNPS). A panel – quantitative study was undertaken using secondary data from Uganda Bureau of Statistics (UBOS). The results indicate that; i) having non-farm income has a significant positive effect on household welfare; ii) higher level of education of the household head is associated with higher household welfare. The implications of these findings is that government should focus on the formulation and implementation of policies that inspire households to diversify their income sources in order to improve their wellbeing. Government should also prioritize attainment of higher education levels through increased access to education and retention especially at higher levels. Additionally, government should purpose to remove all constraints to income diversification, through enhancing access to cheap credit and putting in place programmes that enhance entrepreneurial skills of the population, among others All the above put together could increase non-farm income and lead to improved welfare of the households especially those in rural areas.