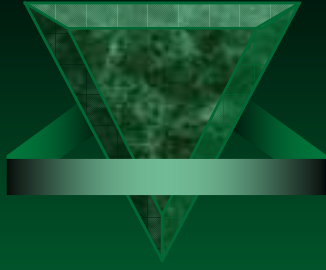




The role of ICT in poverty alleviation

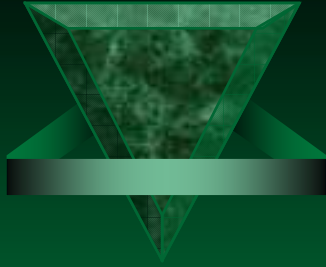
J.K. Ssewanyana

Makerere University Business
School, Uganda



Structure of presentation

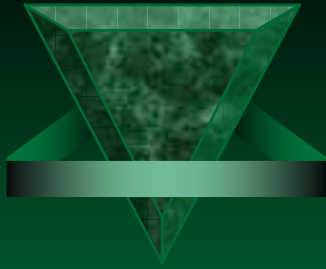
- ✓ Objectives
- ✓ ICT and poverty
- ✓ ICT and Economic growth
- ✓ Data
- ✓ Results and discussion
- ✓ Conclusion



Objectives

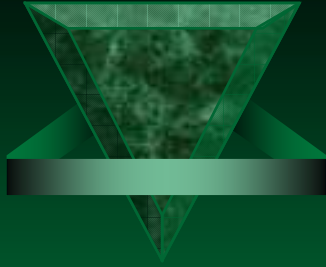
Works on ICT and poverty alleviation is supported mainly by anecdotal and replicated examples in different countries, and much of the emphasis is on modern ICTs.

- To examine the role of ICT in poverty alleviation using the Uganda National Household Surveys (NHS) data
- To demonstrate empirically the association between ICT and poverty alleviation using the UNHS data



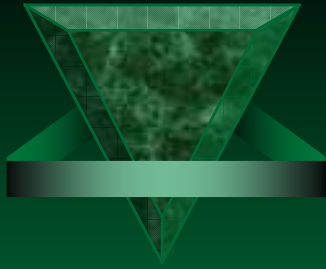
ICT and Poverty

- ✓ Traditional ICTs – Radio, TV, telephone,...
- ✓ Modern ICTs – Internet, mobile phones, ...
- ✓ Development partners and governments emphasizing the promotion of modern ICTs
- ✓ Need to promote both types of ICTs to narrow the digital divide between urban and rural

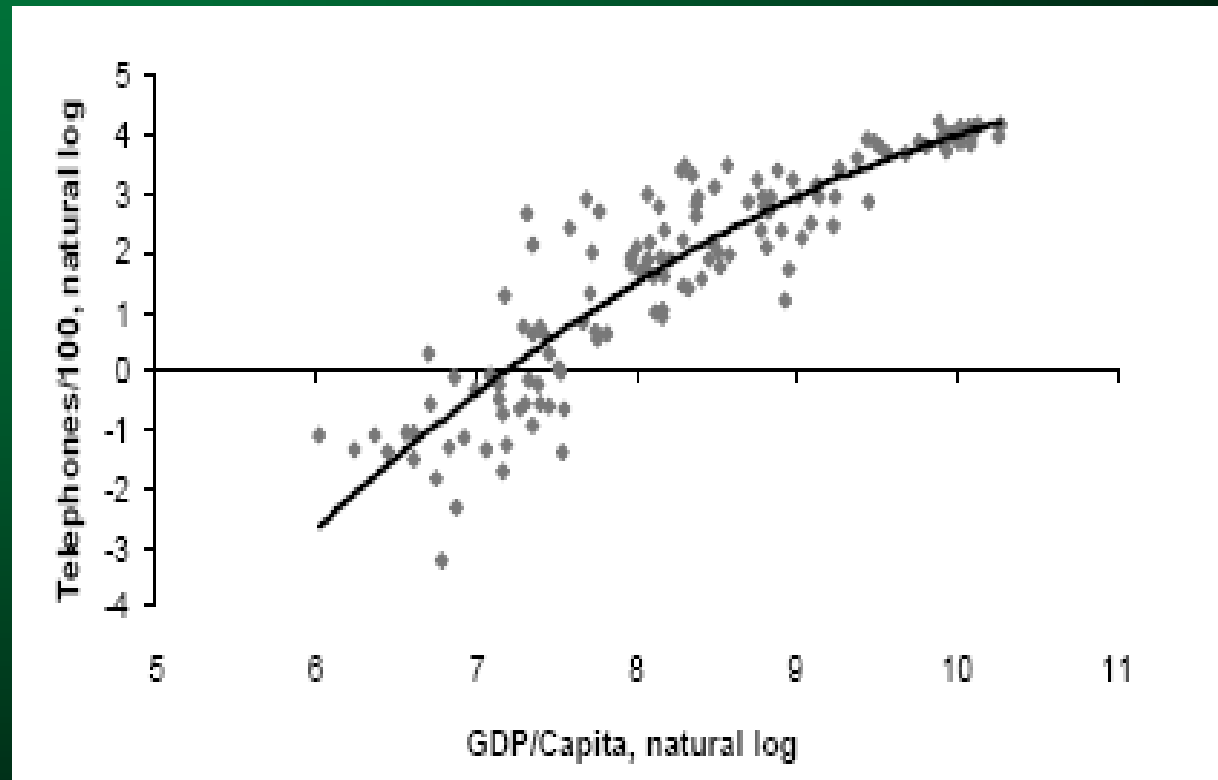


ICT and Poverty

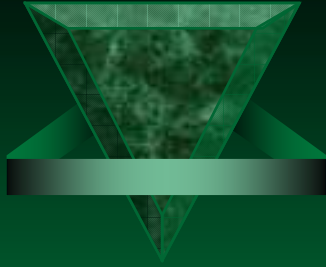
- ✓ ICT is an economic, social and political tool open to everyone.
- ✓ ICT applicable to all sectors – especially education, livelihoods, healthcare and government – focused on by the 8 MDGs
- ✓ Poverty – multidimensional and defined differently – UNDP, World Bank, European Commission, Uganda – income poverty, capability poverty, participation poverty.
- ✓ Poverty alleviation – change for the better in the above.



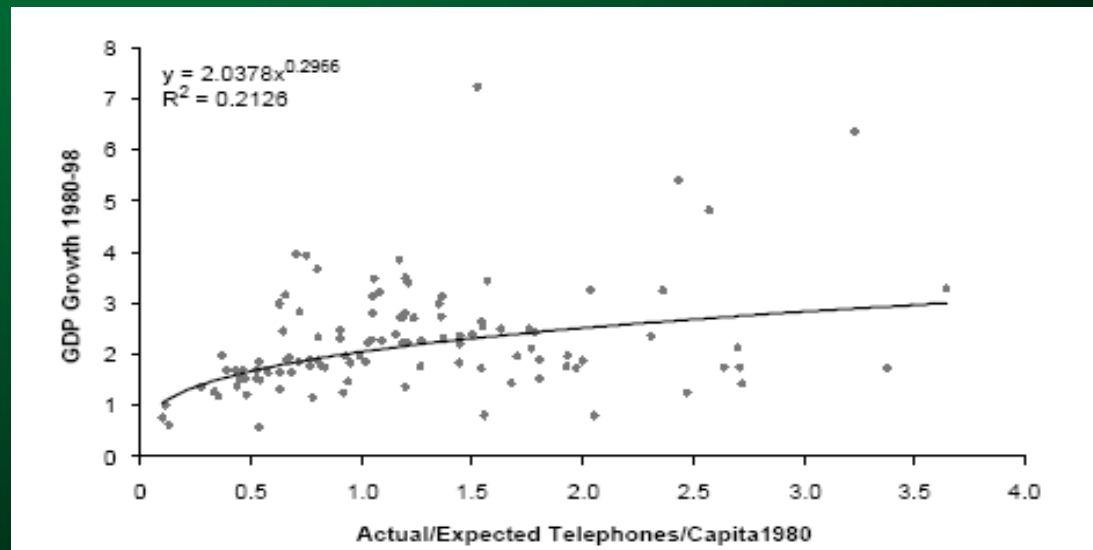
ICT and Economic Growth



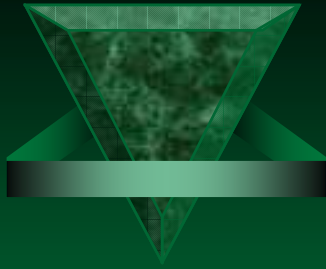
1997 GDP per capita against telephone per capita (log scales)
(Source: Forestier et al, 2002)



ICT and Economic Growth (cont..)

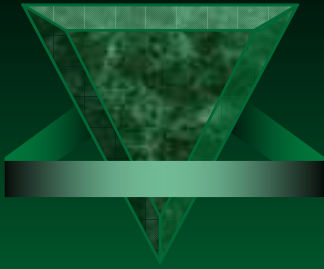


A link between telecommunication rollout and economic growth
(Source: Forestier et al, 2002)



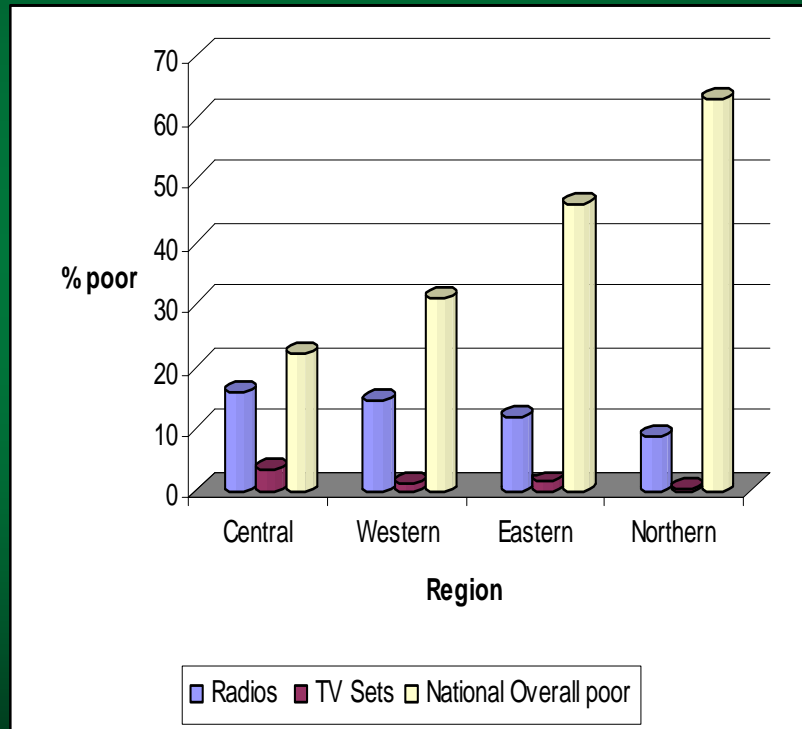
Data

- ✓ Uganda National Household surveys by UBOS
 - 1992/93 – 46,090 individuals in 9,923 households
 - 1999/00 – 55,613 individuals in 10,691 households
 - 2002/03 – 48,553 individuals in 9,709 households
 - 1999/00 – individuals with radio 58%
 - 2002/03 - individuals with radio 67%, TV set 7%, mobile phone 6% and fixed phone 0.4%
- ✓ Unit of Analysis is at household level



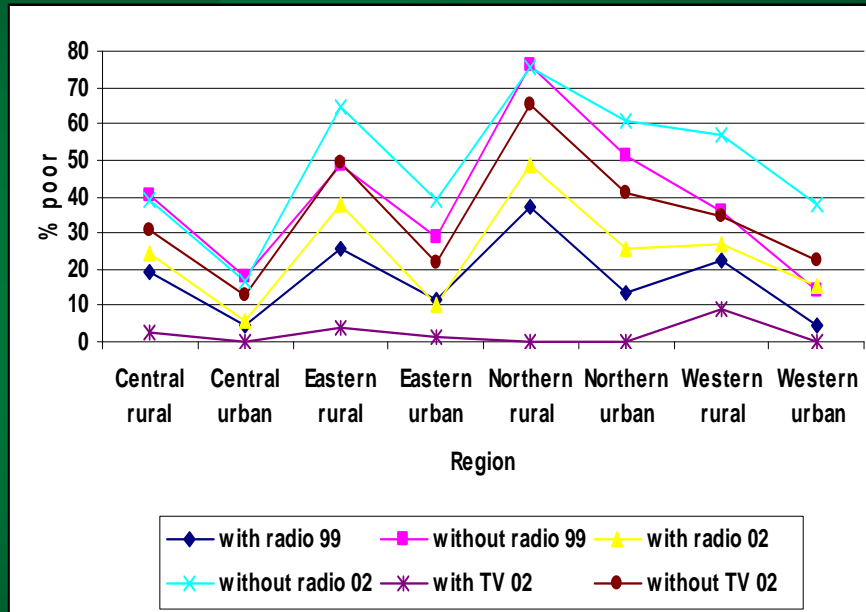
Results and Discussion

ICT density by region 2002/2003



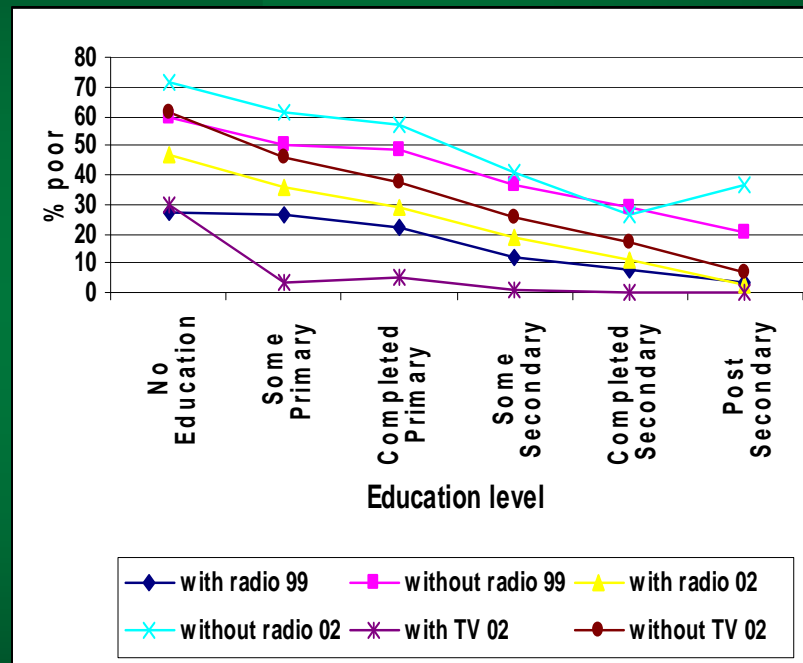
- ✓ Negative relationship between ICT density and poverty levels.
- ✓ The lower the ICT densities, the higher the poverty levels
- ✓ Northern region with lowest ICT density has highest poverty levels.

Incidence of poverty by ownership of various ICTs

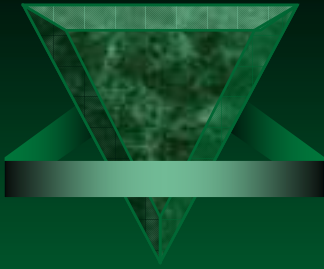


- ✓ People with ICT are less likely to be poor compared to those without.
- ✓ The urban people are less likely to be poor than the rural - with and without ICT.
- ✓ The incidence of poverty with respect to ICT varies region by region.
- ✓ Increase in the incidence of poverty with respect to ICT between 1999 and 2002 can be observed.

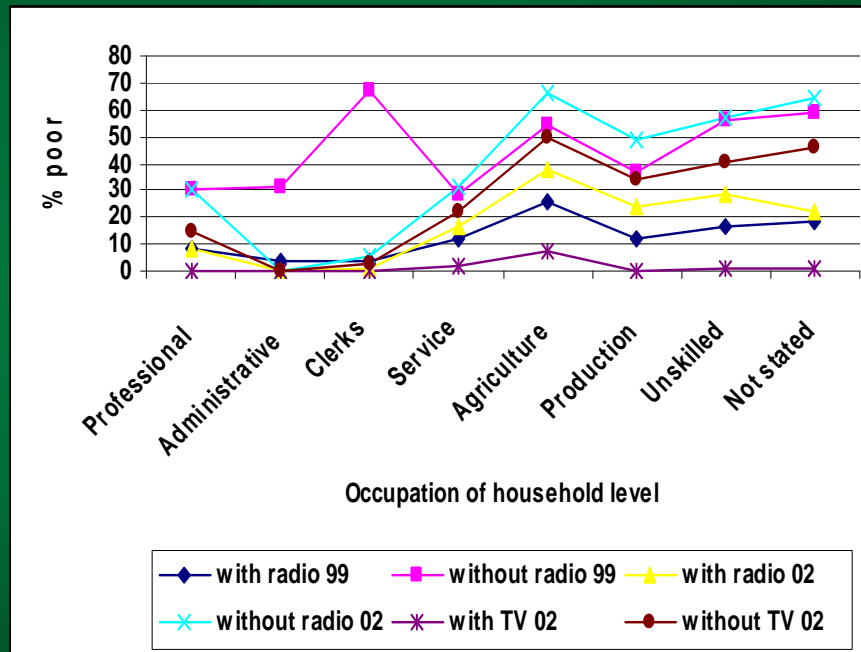
Incidence of poverty by ownership of various ICTs based on education level



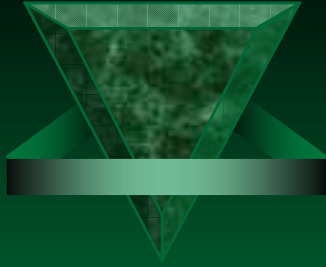
- ✓ The higher the educational attainment the lower the incidence of poverty.
- ✓ For each educational attainment, the incidence of poverty is lower for those with ICT than those without.
- ✓ Combination of improved educational levels and ICT result in lower incidence of poverty
- ✓ Significant differences in the incidence of poverty between those with and without ICT ($p=0$), across educational levels.



Incidence of poverty by ownership of various ICTs based on occupation of Household Head



- ✓ The incidence of poverty is lower for people with ICT than without
- ✓ Between occupation, the poverty status is greater in agriculture, production, service and unskilled, with and without ICT, though those with ICT are slightly better off.
- ✓ Significant differences in the incidence of poverty between those with and without ICT, except between Administration and Clerks with radios ($p=1$) in 1999 survey.



Conclusion

- ✓ Paper demonstrates linkage between traditional ICT usage and incidences of poverty.
- ✓ The negative correlation can be observed between ICT usage and poverty.
- ✓ ICT per se is not enough as there are incidences of poverty among people with ICT.
- ✓ Other factors such as education, occupation influence the level of poverty.
- ✓ A combination of ICT and improved education levels is associated with lower incidences of poverty.
- ✓ Further research is required to establish how content delivered by ICTs can influence improvements in people's livelihoods.

SCIENCE AND IN PARTICULAR
ICT INFLUENCES THE
INCIDENCE OF POVERTY IN
SOCIETY

THANK YOU