Examining the Impact of Human Capital Development on Poverty Reduction: A Case Study of Bushenyi District, Uganda

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ABSTRACT

This cross-sectional survey investigates the relationship between human capital development and poverty reduction in Bushenyi District, Uganda. Employing both qualitative and quantitative methods, the study sampled 111 respondents, including local leaders, small business owners, and household individuals. Data was collected through questionnaires and interviews, with analysis conducted using statistical tools and thematic analysis. Findings reveal that improved human capital, including skills development and healthcare, correlates positively with poverty reduction. Specifically, access to education, healthcare, and infrastructure were identified as key factors influencing poverty levels. Recommendations include enhancing healthcare facilities, motivating educators, and promoting skill acquisition programs to bolster human capital and alleviate poverty.
Keywords: Human capital, Poverty reduction, Bushenyi District, Skill development, Health care

INTRODUCTION

Human capital has promoted sustainable growth in Japan, Taiwan, Hong Kong and South Korea despite the inadequacy of natural resources in those countries [1]. Subsequently, the official statistics showed that government expenditure on education in OPEC countries in the last decade is less than 12 per cent on the average, although numerous improvements noted in the Republic of Iran and Saudi Arabia [1]. Human capital development is essential for poverty reduction. Ensuring significant decrease in poverty is now a foremost objective of every economy, both developed and developing. However, few studies have examined the relationship between human capital and poverty in OPEC member countries despite the strong connection established in the background. While many studies on poverty and human capital in these countries focused on a single country analysis. For example, [2] investigated the relationship between human capital and income inequality in Iran. [3] investigated the relationship between a child's poverty and deprivation in Nigeria, among others. The literature is replete with various analyses of its different components. Thus, theoretical and empirical studies on the following relationships exist in human capital and poverty [4]; human capital and inequality human capital and unemployment causality between entrepreneurship and poverty and its implications [5], among others. Poverty is a multifaceted phenomenon and a multifaceted challenge facing virtually all countries of the world today [6]. It is a plague which is an issue of serious concern in all countries of the world at various degrees [7, 8]. No nation, not even the most technically and economically advanced economy, could boastfully assert the absence of at least a single dimension of poverty within her economy. However, poverty seems to be predominantly a fundamental trait among developing and the Less Developed Countries alike [9].

According to [10], Nigeria has been rated as one of the poorest countries in the world in that we seem to have one of the highest numbers of poor people in spite of the tremendous wealth of natural and human resources with which we are endowed. [10] further stated that the World Bank's report [11] revealed that the Human Development Index (HDI) of Nigeria was 0.47 and almost 70 percent of the population was living below poverty level. According to [9], this is a glaring paradox and sometimes subtly incomprehensible that a country blessed by nature is ranked among the league of top, poverty-stricken nations in the world. However, investment in human capital development has been

identified as an agent of national development in all countries of the world. Providing education and health services to people is one of the major ways of improving the quality of human resources.

[12] explored the effect of public investments on poverty reduction and economic growth in Tanzania. The study employed access to infrastructure, human capital, technology, and public investments as indicators. As per the results, it was noted that additional public investments in rural education significantly impacted poverty levels in the rural areas, alleviating around 43 individuals beyond the poverty line over the million shillings expenditure. The study also revealed that education investment leads to a sizable increment in income per capita spent in million shillings. The study indicated that the effects were positively statistically significant in rural areas of Tanzania. The study noted that there should be additional investments in education and that it should be treated as a priority in the country.

This study was informed by the rising poverty level in Uganda [6]. According to [6], despite Uganda's plentiful agricultural resources, poverty is widespread in the country and has increased since the late 1990s. Some 70 per cent of Ugandans live on less than US$1.25 a day. [13] went further to state that poverty is especially severe in rural areas, where up to 80 per cent of the population lives below the poverty line, and social services and infrastructure are limited. Arguably, it has been asserted that government investment in education, health, agriculture, skill acquisition and small and medium enterprises measured through financial intermediation can help in the reduction poverty as observed in other developed economies of the world [10]. But despite government investment in the aforementioned areas, poverty level in the country still soars. It against this back drop that this study tries to juxtapose human capital development and poverty reduction in Bushenyi District by modelling the effect of government investment in education, health, agriculture, skill acquisition and small and medium enterprises on poverty reduction in Bushenyi District. Therefore, the purpose of the study was to investigate the effect of human capital and poverty reduction in Bushenyi District.

METHODOLOGY

Area of study
The study area was carried out in Bumbaire sub county Bushenyi District.

Research Design
The study adopted cross sectional survey design, involving both qualitative and quantitative methods [14].

Population of the Study
The entire community households in Bushenyi District constitutes as the population of the study.

Target population
The study targeted local leaders, small business owners and Household individuals

Sample Size
The process of determining the sample size for a population [15], came up with a table showing appropriate sample size for finite population. Following [15] table of appropriate sample size for the population, the appropriate sample size for 120 people (population) is 111. This implies that a sample of 111 respondents were appropriate as presented in table 1.

Table 1: Showing the number of respondents from each category

S/NO	Population categories	Population	Sample size	Sampling technique
1	Local council leaders	20	20	Purposive.
2	Household individuals	100	91	Simple random.
4	**TOTAL**	**120**	**111**	

Source: Adapted from [15] and adjusted by the researcher for this study

Sampling techniques
Both purposive and simple random sampling techniques were used during the process of data collection.

Purposive sampling was used to sample local leaders since their population is small and they will be the key informants. Purposive sampling technique was important because it will help the researcher to get the first-hand information from the respondents.

Simple random sampling is used in a situation when each respondent has an equal chance of being selected to participate in the study [16]. The researcher used simple random sampling method to small scale business owners and household individuals as their population was big. The researcher put different papers in the box marked yes and no, respondents were told to pick the marked paper randomly those who picked YES were

considered to represent the whole population. Simple random sampling helps the researcher to choose respondents randomly without bias as a small group of population chosen represents the whole population.

Data collection methods
Questionnaires and interviews methods were used.

Data collection tools
Questionnaires, interview guide and questionnaires were used in collecting data from the field.

Research procedure
The researcher obtained an introductory letter from the head of department of Business administration of Kampala International University. The researcher collected data by administering a semi structured questionnaire to the respondents and interview guide for recording their responses during the face-to face interview of key informants [14].

Data quality control
This represents the validity and reliability of research (data) instruments that was used during the study.

Data processing
Responses to questions in the questionnaires were checked for errors, edited, coded, tabulated and entered in Microsoft excel.

Data Analysis
Quantitative data analysis was done using simple computer packages such as Microsoft Excel and statistical package for social science (SPSS). Qualitative data was analyzed using thematic analysis.

Validity of instrument
To ensure validity and reliability of the research instrument, it was ensured that the questions asked were in conformity with the research objectives of the study.

Content Validity Index (CVI) was computed as follows

$$CVI = \frac{\text{Agreed items by both judges as suitable}}{\text{Total number of items being judged}}$$

Table 2: Questionnaires ratings

	Relevant items	Not relevant items	Total
Rater 1	36	5	41
Rater 2	40	8	48
	76	**13**	**89**

CVI= 76/89 = 0.85
The established CVI was 0.86 which indicated that the instrument was valid

Reliability of instruments
To achieve the reliability of the instruments, the researcher used test-retest technique where the questionnaire was administered to a number of respondents to test it. A new questionnaire with the same contents were administered to the same respondents for the second time after 2 weeks. The results were consistent therefore the instrument was reliable for the study.

Ethical Considerations
Participants' informed consent was obtained through better introduction of the researcher to respondents/superiors who clearly was specified what the research involves, including clearly laid down procedures and explaining the ways in which their confidentiality was assured [17].

RESULTS
Gender of Respondents
This was assessed to identify the gender of respondents. The results obtained are presented in Figure 1.
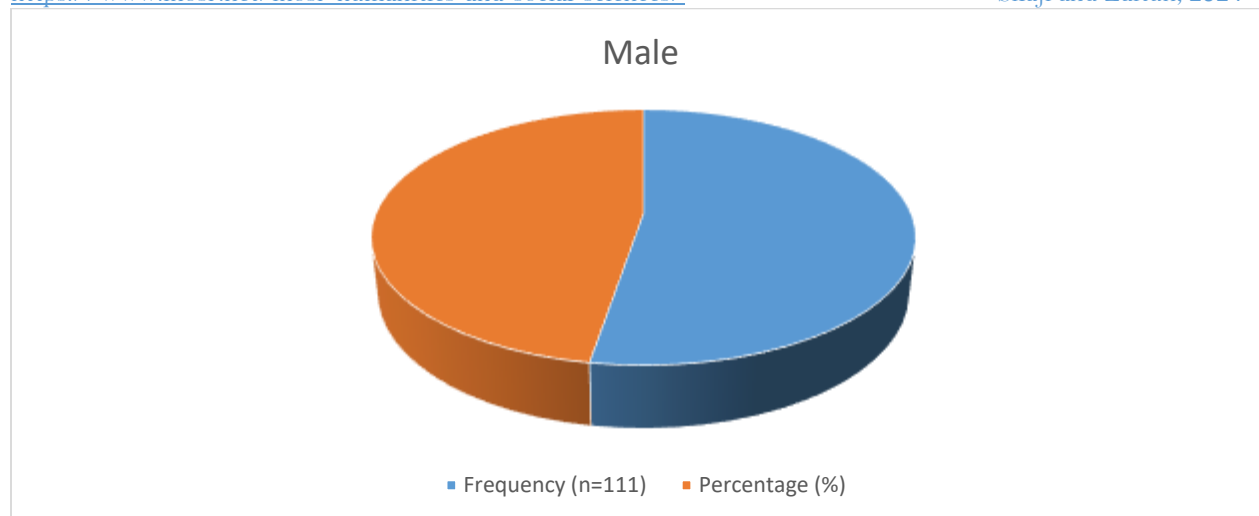
Figure 1: Gender of Respondents

Figure 1 shows that female respondents were more than male respondents. The males were 70 (63.1%) and females were 41 (36.9%). This indicates that the study population was dominated by females.

Age of Respondents

Assessing the age bracket of the respondents was also important because the researcher wanted to know the age bracket that dominated the study population. The study findings are presented in the figure 2.
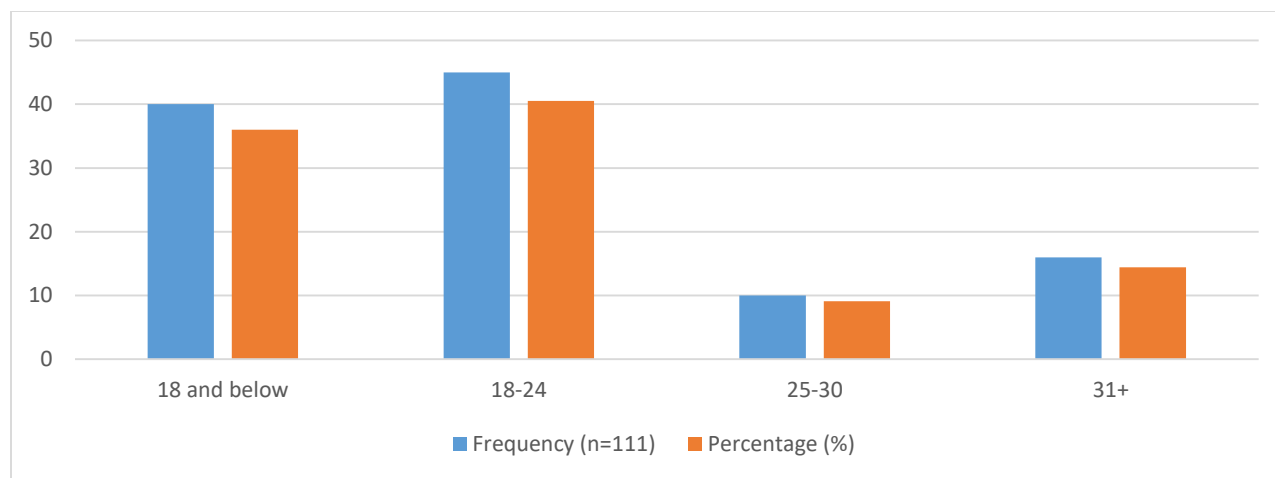

Figure 2: Showing age of respondents

From figure 2, most respondents were aged 18 to 24 with 45 (40.5%), followed by those who were aged 18 and below with 40 (36%), 16 (14.4%) were aged 31 and above and only 10 (9.1%) were aged 25 to 30 years. Most of the respondents were below 24 years because the study was dominated by youth respondents who were energetic in farming activities.

Marital Status of Respondents

The researcher assessed this to find out if the study was conducted throughout all marital statuses in order to control bias in the findings. The study findings are presented in figure 3.
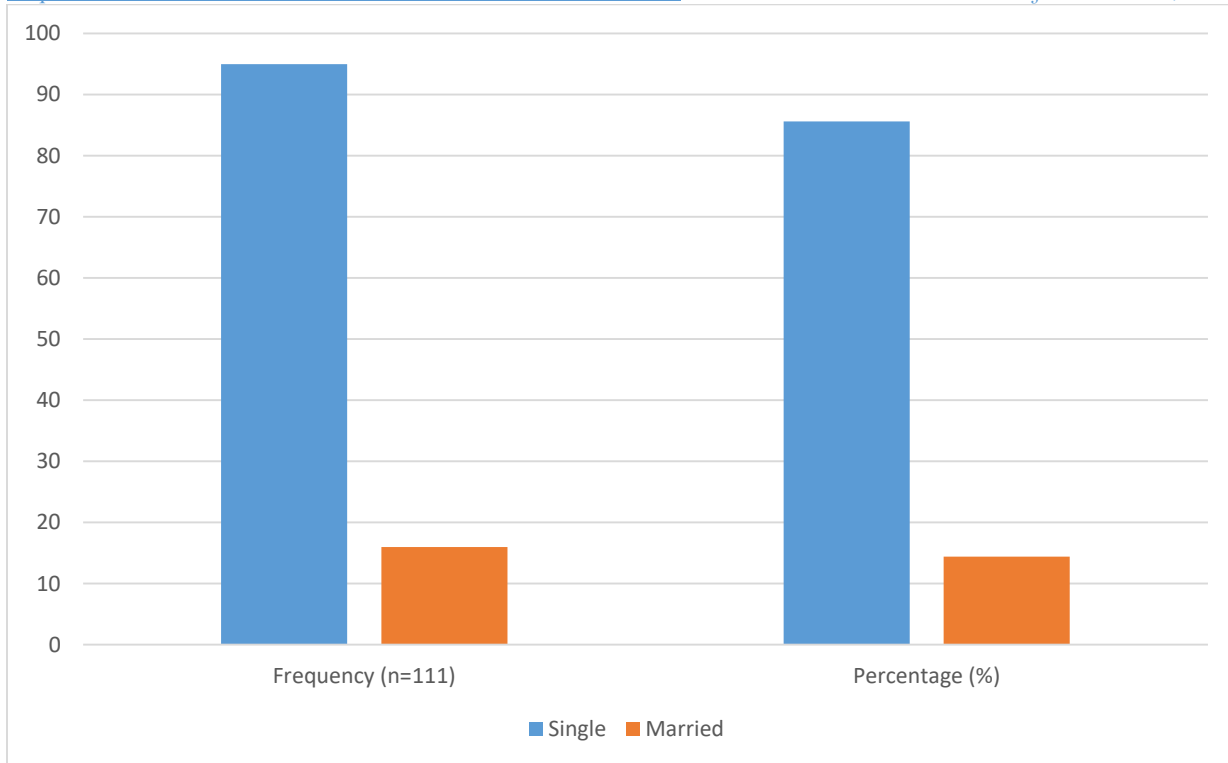
Figure 3: Showing marital status of respondents

Figure 3 shows that, most respondents 95 (85.6%) were single and only 16 (14.4%) were married. Very few respondents were married because the study was dominated by youth respondents.

The role of skill development and poverty reduction in Bushenyi District.
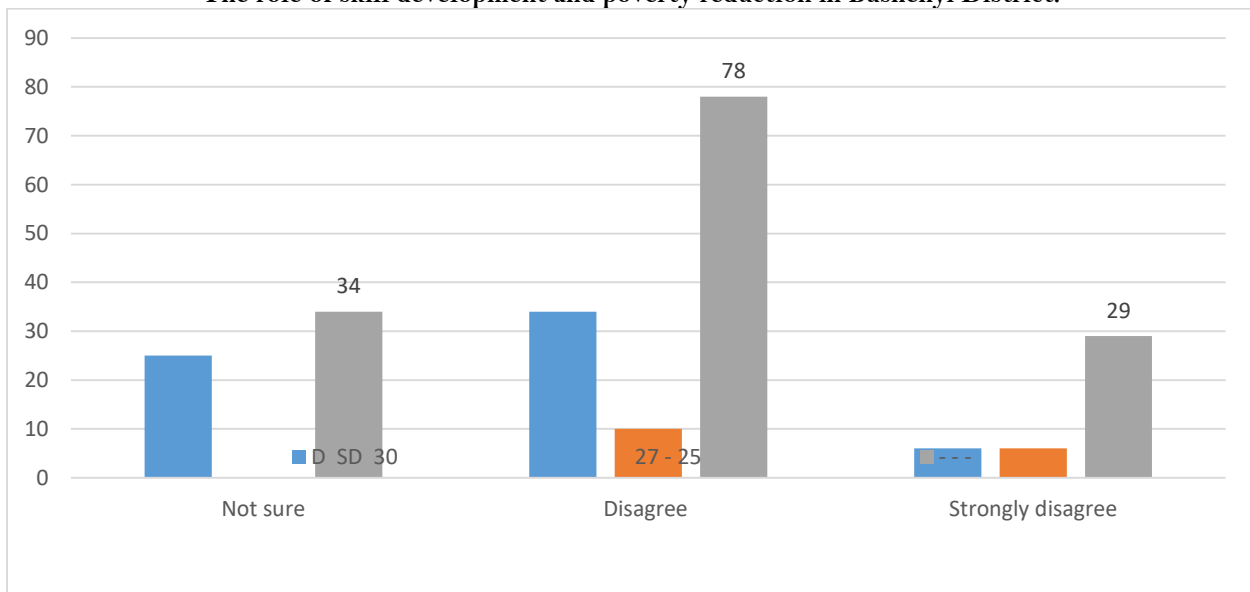

Figure 4: The role of skill development and poverty reduction in Bushenyi District.

Figure 4 shows that the majority of respondents 34 (30.6%) disagreed that by acquiring relevant skills, individuals can increase their chances of finding employment or starting their own businesses, thereby lifting themselves out of poverty. long distances, followed by those who agreed with 30 (27.1%), 25 (22.5%) were not sure, 16 (14.4%) strongly agreed and only 06 (5.4%) strongly disagreed. The findings implied that employment programs increase the chances of individuals finding gainful employment, which is vital for escaping poverty and improving their standard of living.

Figure 4 also shows that a big number of respondents 70 (63.1%) strongly agreed that with improved skills, individuals can access higher-paying jobs or engage in entrepreneurial activities that generate income. These were followed by 25 (22.5%)

who agreed, 10 (09%) disagreed and only 06 (5.4%) strongly disagreed. None of the respondents was not sure. This shows that human capital enables people to acquire skills that can lift them out of poverty and improve their social standing, creating a more inclusive society.

Also Figure 4 shows that a bigger number of respondents 78 (70.3%) disagreed with the statement that by imparting skills that are in demand and aligning with market needs, individuals are better equipped to adapt to changing economic conditions, technological advancements, and industry requirements., followed by those who were not sure with 34 (30.6%) and only 29 (26.1%). None of the respondents strongly agreed or agreed. The findings implied that this adaptability ensures their continued employability and economic stability.

The role of health care and poverty reduction in Bushenyi District
Table 3: The role of health care and poverty reduction in Bushenyi District

S/n.	Causes	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
1	When people are healthy, they can participate fully in work, education, and other income-generating activities, leading to increased productivity and higher incomes ecosystems	09 (8.1%)	13 (11.7%)	30 (27%)	50 (45.1%)	09 (8.1%)
2	Timely and affordable healthcare services can prevent or manage illnesses, reducing the need for costly treatments and hospitalizations.	90 (81.1%)	09 (8.1%)	-	11 (9.9%)	01 (0.9%)
3	Poverty and poor health often create a vicious cycle, where poverty leads to inadequate access to healthcare, and poor health further exacerbates poverty.	80 (72.1%)	20 (18%)	-	11 (9.9%)	-

Table 3 shows that a relatively higher number of respondents 50 (45.1%) disagreed with the statement that when people are healthy, they can participate fully in work, education, and other income-generating activities, leading to increased productivity and higher incomes ecosystems. Followed by those who were not sure with 30 (27%), 13 (11.7%) agreed and the number of respondents who strongly agreed was equal to those who strongly disagreed.

Differently, table 3 Shows that a bigger number of respondents 90 (81.1%) strongly agreed that timely and affordable healthcare services can prevent or

manage illnesses, reducing the need for costly treatments and hospitalizations,11 (9.9%) disagreed, 09 (8.1%) agreed, 01 (0.9%) strongly disagreed and none of them was not sure.

Table 3 also shows that majority of the respondents 80 (72.1%) strongly agreed with the statement that poverty and poor health often create a vicious cycle, where poverty leads to inadequate access to healthcare, and poor health further exacerbates poverty. Followed by those who agreed with 20 (18%) and only 11 (9.9%) disagreed. None of them was not sure or strongly disagreed.

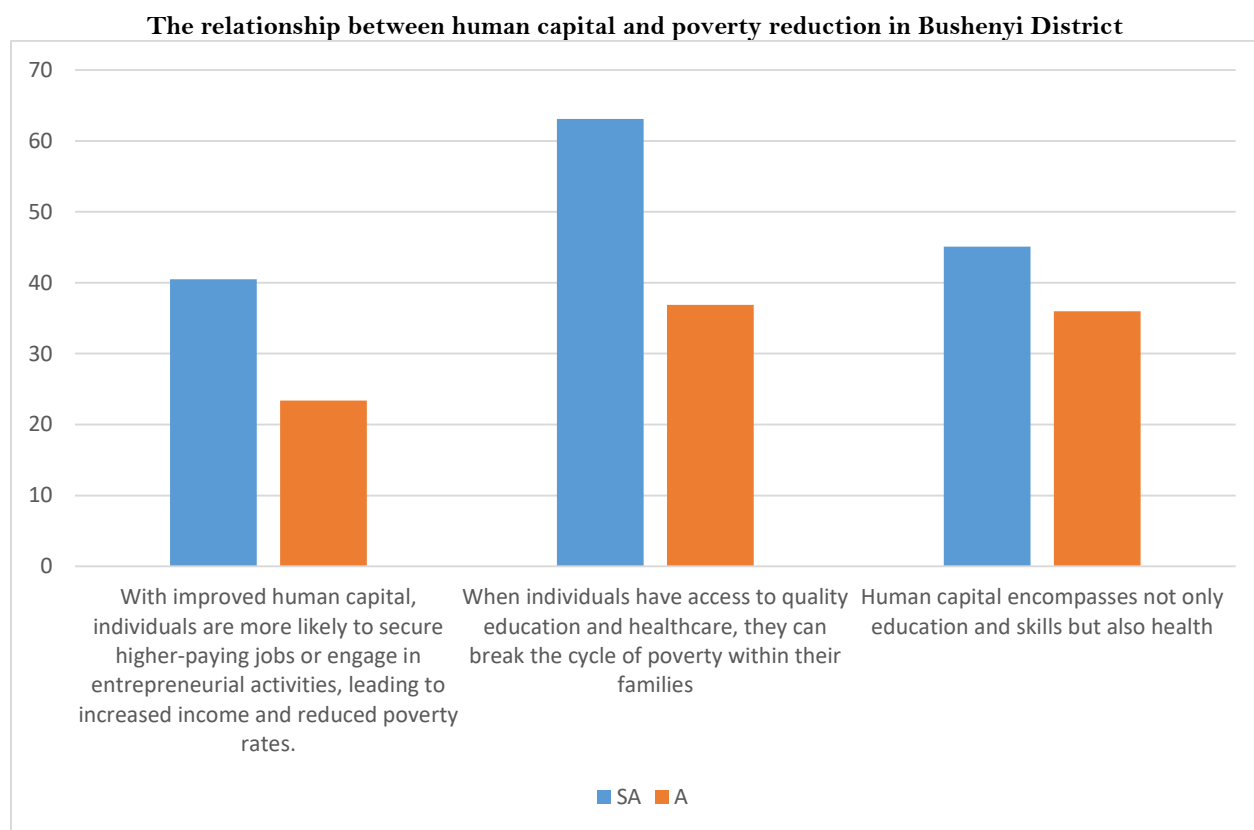The relationship between human capital and poverty reduction in Bushenyi District

Figure 5: The relationship between human capital and poverty reduction in Bushenyi District

Figure 5 shows that with improved human capital, individuals are more likely to secure higher-paying jobs or engage in entrepreneurial activities, leading to increased income and reduced poverty rates since most respondents 45 (40.5%) strongly agreed, 26 (23.4%) agreed, 30 (27%) disagreed and only 10 (9.1%) were not sure. None of the respondents strongly disagreed.

Also Figure 5 shows that when individuals have access to quality education and healthcare, they can break the cycle of poverty within their families as a bigger number of respondents 70 (63.1%) strongly

agreed and relatively high number 41 (36.9%) agreed and none of the respondents was not sure, disagreed or strongly disagreed. This implied that most schools do not have reference books.

Figure 5 shows that human capital encompasses not only education and skills but also health as a relatively higher number of respondents 50 (45.1%) strongly agreed, followed by those who agreed with 40 (36%), 16 (14.4%) disagreed and only 05 (4.5%) were not sure. None of the respondents strongly disagreed.

DISCUSSION

The Role of Skill Development and Poverty Reduction in Bushenyi District

Figure 4 shows that the majority of respondents 34 (30.6%) disagreed that by acquiring relevant skills, individuals can increase their chances of finding employment or starting their own businesses, thereby lifting themselves out of poverty. long distances, followed by those who agreed with 30 (27.1%), 25 (22.5%) were not sure, 16 (14.4%) strongly agreed and only 06 (5.4%) strongly disagreed. The findings are in line with [18, 19]

while stressing the importance of skills acquisition programme in national growth, emphatically contended, "that Nigeria's social and economic problems such as poverty and unemployment will be drastically reduced if people are given adequate vocational training in skills, raw materials, machineries and equipment.

The Role of Health Care and Poverty Reduction in Bushenyi District

Table 3 shows that a relatively higher number of respondents 50 (45.1%) disagreed with the statement

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that when people are healthy, they can participate fully in work, education, and other income-generating activities, leading to increased productivity and higher incomes ecosystems. Followed by those who were not sure with 30 (27%), 13 (11.7%) agreed and the number of respondents who strongly agreed was equal to those who strongly disagreed. Differently, table 3 Shows that a bigger number of respondents 90 (81.1%) strongly agreed that timely and affordable healthcare services can prevent or manage illnesses, reducing the need for costly treatments and hospitalizations,11 (9.9%) disagreed, 09 (8.1%) agreed, 01 (0.9%) strongly disagreed and none of them was not sure. The findings are in line with [20, 21], the health sector aims to provide services of an acceptable level of quality, to ensure the clients are able to maximize the health benefits from available care. Good quality of care will enhance clients' satisfaction and their use of services. It will also increase job satisfaction and motivation among service providers, leading to effective and efficient utilization of resources.

The Relationship between Human Capital and Poverty Reduction in Bushenyi District

Figure 5 shows that with improved human capital, individuals are more likely to secure higher-paying jobs or engage in entrepreneurial activities, leading to increased income and reduced poverty rates since most respondents 45 (40.5%) strongly agreed, 26 (23.4%) agreed, 30 (27%) disagreed and only 10 (9.1%) were not sure. None of the respondents strongly disagreed. Also Figure 5 shows that when individuals have access to quality education and healthcare, they can break the cycle of poverty within their families as a bigger number of respondents 70 (63.1%) strongly agreed and relatively high number 41 (36.9%) agreed and none of the respondents was not sure, disagreed or strongly disagreed. The findings are in line with [22] showed that human capital constraints make unit wages generally low, poor households are forced to work longer hours-either voluntarily or under duress-to earn more income to meet their basic needs. Also, many scholars [23] have argued that the longer the working hours, the more likely people will suffer from health shocks. [24] assumed that people's utility comes from leisure in the working period and consumption in retirement, and individuals change the decision-making constraints on savings and health inputs by adjusting labor supply, thereby affecting the probability of future survival. In contrast, this study assumes that heterogeneous households with different levels of human capital own the same physical endowment, and expose to health risks when overexerting their bodies.

CONCLUSION

The study aimed at establishing the effect of human capital development on poverty reduction in Uganda. This study focused on health, education, access to improved water and sanitation and access to infrastructure as ways to improve human welfare through reduced poverty incidence. Most of the variables were statistically significantly related to poverty incidence in Uganda with an exception of improved water and sanitation source. This suggests that development of human capital can lead to decrease in poverty incidence in Uganda. Therefore, government and its development partners need to design policies that help in improvement of human capital outcomes as a means of reducing poverty in Uganda.

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