

**DETERMINANTS OF HOUSEHOLD CONSUMPTION EXPENDITURE AMONG  
RURAL HOUSEHOLDS IN SIBANGA SUB COUNTY IN MANAFWA DISTRICT**

**BY**

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**APPROVAL**

This is to certify that this research work of ACHEN SANDRA, entitled. The determinants of household consumption expenditure among rural households in Manafwa district

Signature.....

Date.....

**DECLARATION**

I ACHEN SANDRA do hereby declare that this is my original work and has never been presented to any University or institution for any award of a Degree.

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## **DEDICATION**

I would like to pass my dedication to my mother for her invaluable support towards my education and teaching me the virtues of determination and hard work.

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## **ABSTRACT**

Many of the rural households in Sibanga Sub County, find it difficult to finance their consumption expenditures, including their other income generating activities due to the limited and uneven income levels of individuals. Low household incomes threaten to disrupt the achievement of the Uganda's Vision 2030. This study is aimed to find out the Determinants of household consumption expenditure among rural households in Sibanga Sub County of Manafwa district. The study adopted a descriptive research design and focused on target population of 85 households in the sub county. Questionnaires schedules were administered to a sample of 70 respondents selected among rural households. Households were separated by distance from the nearest urban center and selected using selective proportionate random sampling. The adult respondents, who were the heads of household, were selected purposively like teachers, health workers and the research tools administered. The primary data and personal observations were quantified and analyzed. Descriptive statistics, such as frequencies, percentages, was used for analysis of all quantitative variables. Multiple regression analysis was used to establish the relationship between the independent and dependent variables. The results were presented in form of tables. The study concluded that household consumption expenditures are mostly influenced by determinants lie income levels, household size and the age of the household.

## **CHAPTER ONE**

### **1.0 INTRODUCTION**

This chapter presents an overview of the research starting with background of the study, statement of the problem, purpose of the study, objective, research questions, scope of the study, significance of the study and a conceptual frame work. At the same time, it explains the determinants affecting consumption pattern among rural households putting into consideration the development scenario of the rural areas of Manafwa by taking the Human Development drives and ideas. This research will also include the problems and limitations and methodology of the study.

### **1.1 BACKGROUND OF THE STUDY**

The fact that Uganda is a developing country with low infrastructural development and a high population growth has made the lives of many poor people from the rural areas very difficult most especially the people of the rural areas of Manafwa district in specific areas of Sibanga sub county. Taking into account the wide range of variation on educational expenditure among different income groups of the households, the medical expenses and other necessary expenses, favor the higher income groups of rural households. The present study relates the consumption patterns of rural households to show the frequent changes in both food and non-food consumption expenditure like clothing, shelter and name it, due to the changes in income variation of the people and the society at large. For instance, out of household expenditure, consumption expenditure increases due to increase in population, the desire for quality food, lack of time, lack of saving attitude and appropriate awareness which may bring significant changes in the expenditure patterns among the rural households. Consumption refers to utilization of goods and services for satisfaction of human wants. According to Marshall, consumption is the process through which human wants are satisfied. And also Adam Smith says consumption is the object of production. An expenditure refers to a payment with either cash or credit to purchase goods and services. Consumption expenditure is the total money spent on final goods and services by individuals and households and there are two components of consumption expenditure which are induced consumption and autonomous consumption. Sibanga is a sub county in Manafwa which has 4 parishes and 52 villages. This county is in the rural area of Manafwa district. That is why I took it as a case study. These parishes include; Bulako, Bumatoola, Butta, Kimaluli. The standard of living of a household can be classified according to the consumption pattern, and the qualities of consumption budget

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