A fragile middle class

Uganda's middle class: A struggle for better life

LIFESTYLE
RACHEAL NUBISUBI & MARTIN LUTHER OKETCHA

For decades, the middle class represented aspiration. In many societies, particularly in the Organisation for Economic Co-operation and Development (OECD) countries, it symbolised stability, comfort, and opportunity.

A steady job, a decent home, reliable healthcare, and quality education for children defined success. In developing countries like Uganda, that dream remains powerful, but its reality is increasingly fragile.

Traditionally, middle-class households in lower-middle-income countries are associated with urban or semi-urban living, salaried or professional employment, or ownership of small businesses.

They often own modest homes or service mortgages, possess at least one vehicle, and prioritize education, healthcare, and savings over luxury.

In Uganda, however, this definition is being tested by economic pressure, debt, and declining purchasing power.

On March 11, 2024, the United Nations announced that Uganda had, for the first time, fulfilled the criteria for graduation from the least developed countries (LDC) category.

The chair of the UN Committee for Development Policy (CDP) formally communicated this ahead of Uganda's briefing to the United Nations General Assembly in New York.

CDP is expected to consider Uganda for possible graduation during the 2027 triennial review.

According to the UN, if CDP recommends graduation and the Economic and Social Council and General Assembly endorse it in 2027, Uganda would enter a minimum preparatory period of five years before actual graduation.

This means the earliest Uganda could formally exit the LDC category is 2032.

CDP evaluates countries using three criteria: Gross National Income (GNI) per capita, the Human Assets Index (HAI), and the Economic and Environmental Vulnerability Index (EVI).

To graduate, a country must meet at least two of the above in two consecutive reviews. Alternatively, a country may qualify through an income-only threshold, set at three times the standard graduation level, which stood at $3,918 (Shs13.9m) during the 2024 review.

For the same review, the GNI per capita graduation threshold was $1,306 (Shs4.6m), while the HAI threshold was set at 66 or above.

The EVI measures vulnerability to economic and environmental shocks, with higher values indicating greater exposure. These indicators are periodically revised to reflect improved data and evolving evidence.

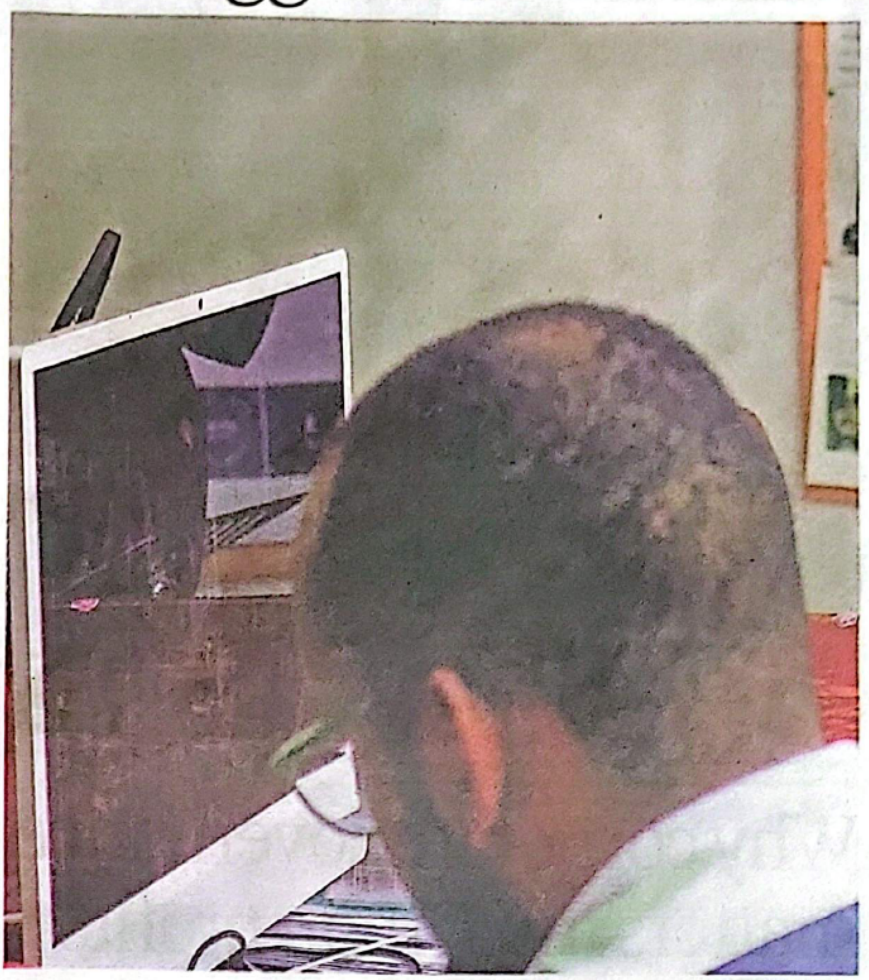
However, meeting UN graduation benchmarks does not necessarily translate into improved living standards for citizens.

Graduation from LDC status does not automatically mean graduation to the World Bank's lower-middle-income category, nor does it guarantee economic security for households.

In Uganda, many who identify as middle class continue to struggle to afford a dignified quality of life.

In developed economies, the middle class is typically defined by job security, predictable incomes, access to credit, and long-term financial planning.

In Uganda, the picture is far more uncertain. Public servants, office workers, and salaried professionals, the so-called "corporates", often live paycheck to paycheck, burdened by loans and rising costs.



Globally, middle class workers represent stability and security. In Uganda, however, they are increasingly fragile, burdened by debt, unstable incomes, and constant financial pressure despite formal employment. PHOTO/FILE

Covid-19 exposed these vulnerabilities. While Uganda's public servants played a role similar to "essential workers" elsewhere, many emerged from the crisis financially weakened.

Salary delays, mounting debts, and reduced benefits became common, eroding the sense of stability traditionally associated with middle-income status.

This reality raises a pressing question: Does Uganda truly have a middle class, or is it largely an illusion sustained by debt and appearances?

On the ground, many salaried professionals lack savings, juggle side hustles, and live precariously despite formal employment.

Social commentator Lynn Mukisa dismisses the idea of a glamorous corporate lifestyle in Uganda, arguing that low per capita income undermines such narratives.

"Most so-called corporate workers spend their salaries immediately," she says. "They are perpetual borrowers, often drowning in debt."

Media practitioner Gerald Muleme shares a similar experience. He notes that his salary has never been sufficient to sustain a comfortable lifestyle.

During the Covid-19 period, lunch often meant eating at roadside "kafundas," with a decent meal reserved for payday. Once the salary was spent, survival became a daily challenge.

The image of Kampala's corporate class has changed dramatically. Foreign policy analyst Abdul Nasser Barack recalls the early 2000s, when corporate life came with a visible starter pack: branded vehicles, fuel cards, lunch vouchers, and generous allowances. Today, that image has largely disappeared.

"The lunch coupons are gone, the double-cabin pickups have vanished, and many corporates now queue at roadside eateries," he says. "Housing allowances are rare, salaries are delayed, and workers rely on moneylenders charging suffocating interest rates."

Covid-19 accelerated this decline. Many professionals slipped into informal hustles, while boda boda riders, now Uganda's second-largest employer after agriculture, often earned more consistently than office workers. The promise of air-conditioned offices and stable careers quickly evaporated.

A 2021 policy brief by the Economic Policy Research Centre (EPRC) estimated that Uganda's middle-income class had daily per capita consumption ranging between $10 (Shs35,543) and $20 (Shs71,087).

Using 2016/2017 data, the brief suggested that 22 percent of Ugandans fell within the middle class, rising to 57 percent if those in a "floating" category were included.

However, more recent data paints a sobering picture. The Uganda National Household Survey 2023/24 revealed that households spent 44.2 percent of their income on food and non-alcoholic beverages, while 15.9 percent went to housing and utilities.

About 16 percent of the population lived below the national poverty line, with rural poverty at 19.4 percent compared to 10.3 percent in urban areas.

The survey also showed that without Covid-19, national poverty could have declined more significantly.

Urban poverty, however, remained largely unchanged, suggesting that government interventions have yet to lift many urban households out of vulnerability.

Bank of Uganda researcher Adam Mugume offers a macroeconomic perspective. Uganda's economy has grown at an average of 6.3 percent, while population growth stands at about 3 percent, resulting in modest per capita income gains. While this growth attracts investors, it remains uneven.

"Some sectors benefit more than others," Mugume says. "But for many urban professionals, economic growth on paper does not translate into real financial security."

Uganda's middle class, it seems, exists more in statistics than in lived reality, visible, yet fragile, and still battling for a better quality of life.

The mismatch

'For many urban workers, economic growth on paper does not translate into real financial security.'

Key takeaways

- Traditionally, middle-class households in lower-middle-income countries are associated with urban or semi-urban living, salaried or professional employment, or ownership of small businesses.
- They often own modest homes or service mortgages, possess at least one vehicle, and prioritize education, healthcare, and savings over luxury.
- In Uganda, however, this definition is being tested by economic pressure, debt, and declining purchasing power.

CamScanner