## ABSTRACT

This study sought to examine the spatial determinants of poverty in rural Uganda. It was undertaken based on the theoretically informed expectation that certain spatial characteristics of where an individual or household lives can be important determinants of whether those residents will attain an adequate level of welfare to meet their basic needs. With the aid of small area estimation techniques, and a spatial regression models, the study combined sub-county poverty estimates from the 2002 high resolution poverty maps obtained from the most recent Population and Household Census (2002), and the National Household Survey data (2002/2003), with up-to-date spatial data (2000-2006) to analyse the impact of these characteristics on poverty in the country.

We found that the nature of heterogeneity necessitated the specification of different models for specific regions of the country. Results indicate that different spatial factors affect certain regions differently, thereby warranting regional specific policy interventions if poverty reduction if to be realized. The results indicate that various spatial characteristics of where communities live play a key role in determining whether those communities will attain a given level of welfare.