



DIGITAL
OPPORTUNITY
TRUST

SPEAKING OUT, REACHING OUT:

Country Brief - Uganda



Table of Contents

03	Figures
04	Introduction
06	Who is Speaking Out?
09	Country Results
09	Challenges Ugandan youth are facing as a result of COVID-19
12	Impact of COVID-19 on youth employment
14	Impact of COVID-19 on youth entrepreneurship
15	Digital profile of Ugandan youth
17	Sources of support and support needed
19	Conclusions



Figures

Figures

Figure 1: Vulnerability index

Figure 2: Vulnerability by gender

Figure 3: Drivers of vulnerability

Figure 4: Types of employment among respondents

Figure 5: Top concerns by age group

Figure 6: Quality of life

Figure 7: Family financial situation

Figure 8: Financial impacts by gender

Figure 9: Change in monthly income (GHC)

Figure 10: COVID-19 impacts by gender

Figure 11: Coping strategies

Figure 12: Impact of COVID-19 on employment among waged employees

Figure 13: Sources of additional income

Figure 14: Coping strategies among entrepreneurs

Figure 15: Digital device ownership

Figure 16: Social media apps used for work or business

Figure 17: Digital applications used for work or business

Figure 18: Fintech used for work or business

Figure 19: Sources of hope

Figure 20: Support available

Figure 21: Support needed

Introduction

The Uganda government issued a swift and severe lockdown in the early stages of the COVID-19 pandemic, and the overall number of cases recorded has remained low, even since lockdown measures were lifted in July, 2020.¹ However, Uganda has been hard hit by the secondary impacts of the pandemic, with the economy contracting by 1% in 2020, compared to a growth of 7.5% in 2019.² Household incomes have fallen dramatically as a result of economic declines, and an estimated three million additional people are projected to fall into poverty by the end of 2021.³

This is a substantial blow to a country that made impressive strides in poverty reduction through structural and financial transformations over the past 15 years. The global pandemic adds to new economic stressors and deceleration of the economy that the country has faced in recent years, resulting from a locust invasion plaguing the agriculture sector, a heavy reliance on low productivity agriculture, and a sharp increase in youth entering the labour force.⁴ The economic downturn is having an outsized negative impact

on Uganda's refugee population which, at 1.4 million people, is the highest in Africa and third highest in the world. Refugees in the country have much higher levels of unemployment than Ugandans, less access to government social welfare services, and are more likely to work in precarious sectors and the informal economy.⁵

The economic impacts are hitting entrepreneurs particularly hard. Most Ugandans are self-employed, with salaried workers accounting for just one-fifth of the workforce. As over a million youth enter the labour market each year, entrepreneurship is increasingly seen as a viable employment option for youth workers, who far outnumber the supply of available waged jobs.⁶ The national lockdown period significantly affected youth entrepreneurs, with supply side disruptions, restrictions on movement, and increased costs for inputs affecting the viability of youth-run micro and small enterprises. As a result, many faced substantial reductions in their household incomes, and had to close their businesses, take on additional debt, draw down their savings or sell off assets to cope.⁷

¹ World Bank (2020, December 2). Uganda's GDP contracts under COVID-19, investing in youth key to Uganda's recovery. Retrieved March, 2021 from World Bank: <https://www.worldbank.org/en/news/press-release/2020/12/02/ugandas-gdp-contracts-under-covid-19-investing-in-ugandas-youth-key-to-recovery>

² World Bank (2020, December 2). Uganda's GDP contracts under COVID-19, investing in youth key to Uganda's recovery. Retrieved March, 2021 from World Bank: <https://www.worldbank.org/en/news/press-release/2020/12/02/ugandas-gdp-contracts-under-covid-19-investing-in-ugandas-youth-key-to-recovery>

³ UNDP (2020, April). Socioeconomic impact of COVID-19 in Uganda: COVID-19 policy brief #1. Retrieved March, 2021 from UNDP: <https://www.africa.undp.org/content/rba/en/home/library/reports/analysing-long-term-socio-economic-impacts-of-covid-19-across-di.html>

⁴ *ibid.*

⁵ World Bank. (2021, February 19). Monitoring social and economic impacts of COVID-19 on refugees in Uganda. Retrieved March 2021, from UNHCR: <https://data2.unhcr.org/en/documents/details/85063>

⁶ Banga, K., Najambi-Szlapka, S., and Phiona, S. (2021). Youth enterprise growth: Lessons from youth forward in Uganda. Retrieved from ODI: <https://odi.org/en/publications/youth-enterprise-growth-evidence-from-youth-forward-in-uganda/>

⁷ *ibid.*

INTRODUCTION

The pandemic also caused disruptions in the availability of decent jobs, and education and training opportunities for youth in Uganda. Employment in youth-dominated sectors, such as tourism, hospitality, and construction took the biggest hit,⁸ further reducing the number of available job opportunities.

Grounded in commitment to enabling youth to tell their own stories of coping and adapting in the face of the COVID-19 pandemic, DOT and the Mastercard Foundation supported a youth-led investigation effort in Ethiopia, Kenya, Ghana, Rwanda, and Uganda that examined how young people in these countries are navigating and responding to the pandemic's social and economic impacts. This report details the findings

of the data collected in Uganda and reveals that the pandemic is having a profound negative effect on the lives and livelihoods of Ugandan youth. The findings of this investigation offer development agencies, funders, community-based organizations, and financial institutions firsthand evidence of what young women and men in Uganda want and need, not only to survive the COVID-19 pandemic, but to thrive in spite of it.

⁸ Kapazoglou, M. (2021). Building forward more inclusively: Report of the conference hosted by INCLUDE 8-16. June 2021. Retrieved January 2022 from Economic Policy Research Center: <https://eprcug.org/publication/ugandas-way-youth-employment-and-participation-post-covid/>



Badru Kigozi a YEC official preparing young people for a focused group discussion.

Who is Speaking Out?

In line with the investigation's commitment to raise the voices of youth, research was conducted in Uganda by a team of 9 youth leaders, who surveyed a total of 301 other youth (70% women; 30% men). 23 youth also participated in focus group discussions and in-depth case study interviews. To capture a cross-section of different vulnerabilities, the investigation aimed to be inclusive, recruiting a diverse group of young men and women that considered gender, rural and urban divides, employment status, level of education and household dynamics. As a result, youth from all walks of life participated, including young parents, youth with disabilities, and youth refugees.

32% of Ugandan youth surveyed live in poverty, defined as living on less than \$3.20/day, compared to the country's national poverty rate of 62% and the urban average of 38%. 56% of survey respondents are defined as vulnerable according to 60db's vulnerability index (Figure 1).⁹

FIGURE 1:
Vulnerability index ¹⁰



⁹ The vulnerability index was developed by 60 Decibels. The index is a composite of multiple indicators that together assign a vulnerability score between 0 and 97, with higher scores indicating higher levels of vulnerability.

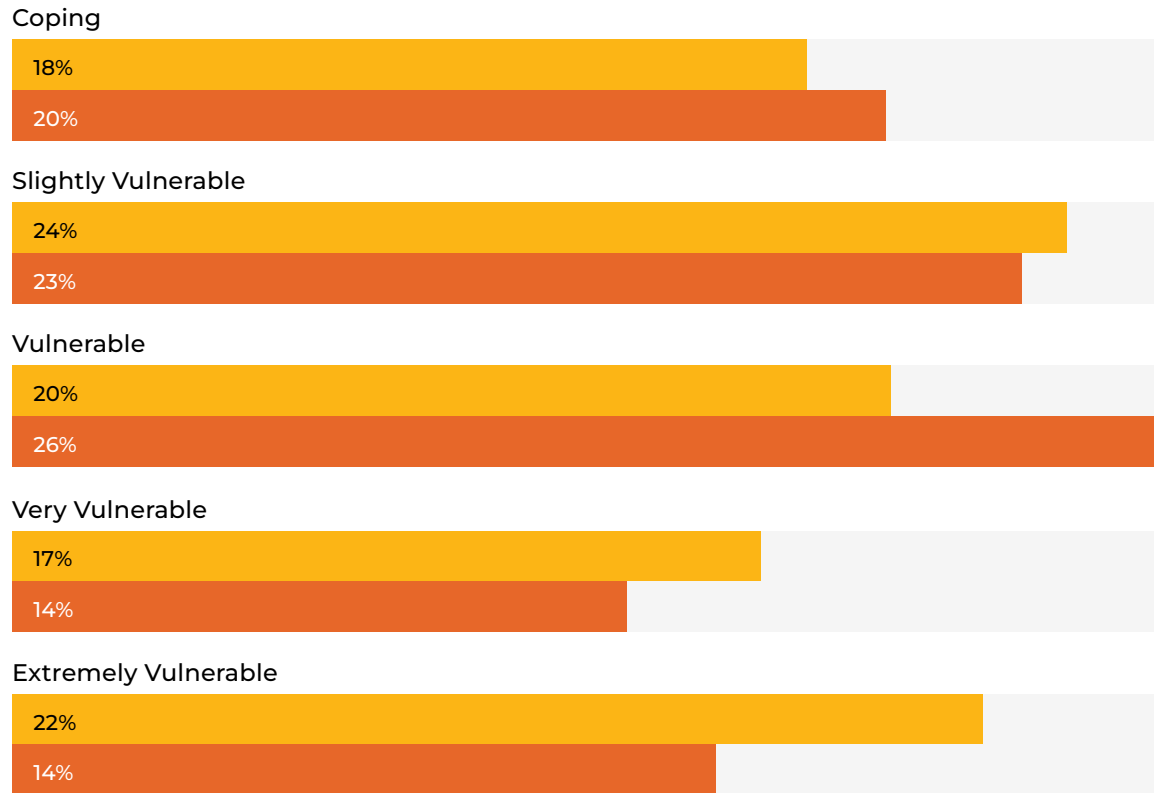
¹⁰ Values are rounded to the nearest percentage and therefore may not sum to 100%.

WHO IS SPEAKING OUT?

Levels of vulnerability are similar across genders, with a slightly higher proportion of men than women classified as extremely vulnerable (Figure 2).

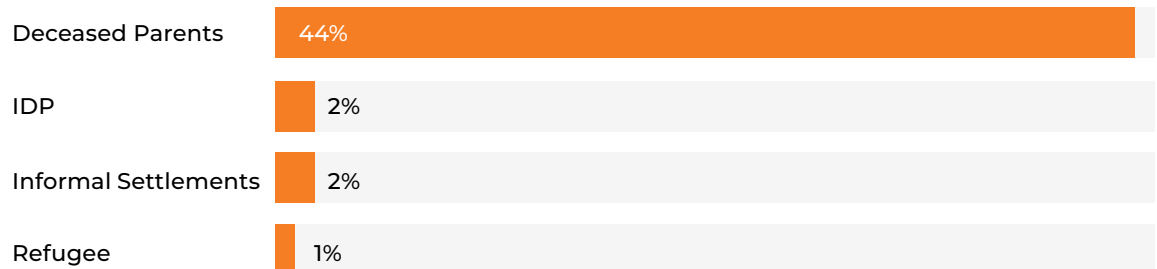
FIGURE 2:
Vulnerability
by gender¹¹

● Men
● Women



56% of respondents are the primary income earners in their households, and 71% have children under the age of 18, with an average of three dependents. Additional drivers of vulnerability reported by respondents include having one or more deceased parents, being internally displaced, living in informal settlements, or having refugee status (Figure 3).

FIGURE 3:
Drivers of
vulnerability



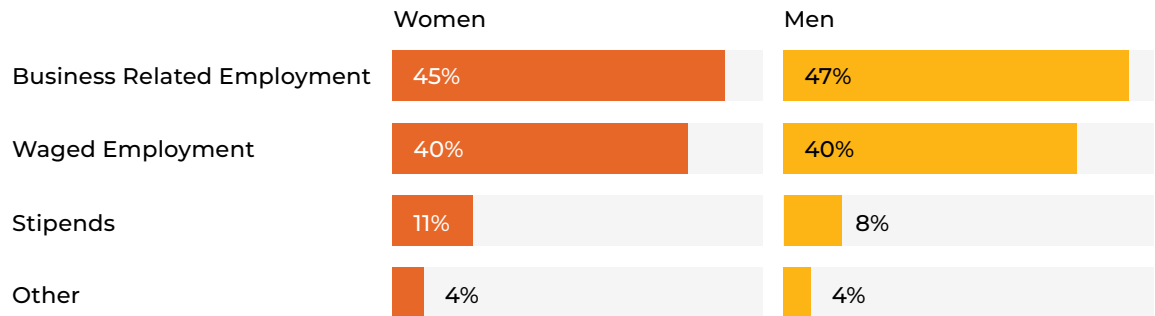
¹¹ Values are rounded to the nearest percentage and therefore may not sum to 100%.

WHO IS SPEAKING OUT?

54% of respondents are business owners, and 40% report waged employment as their primary source of income (Figure 4). The remaining 16% of respondents rely on stipends or family support for their livelihoods.

FIGURE 4:

Types of employment among respondents¹²



¹² Values are rounded to the nearest percentage and therefore may not sum to 100%.



#DOTYouth Shafique Nsubuga sharing his enterprenuer experience with young people.

Country Results

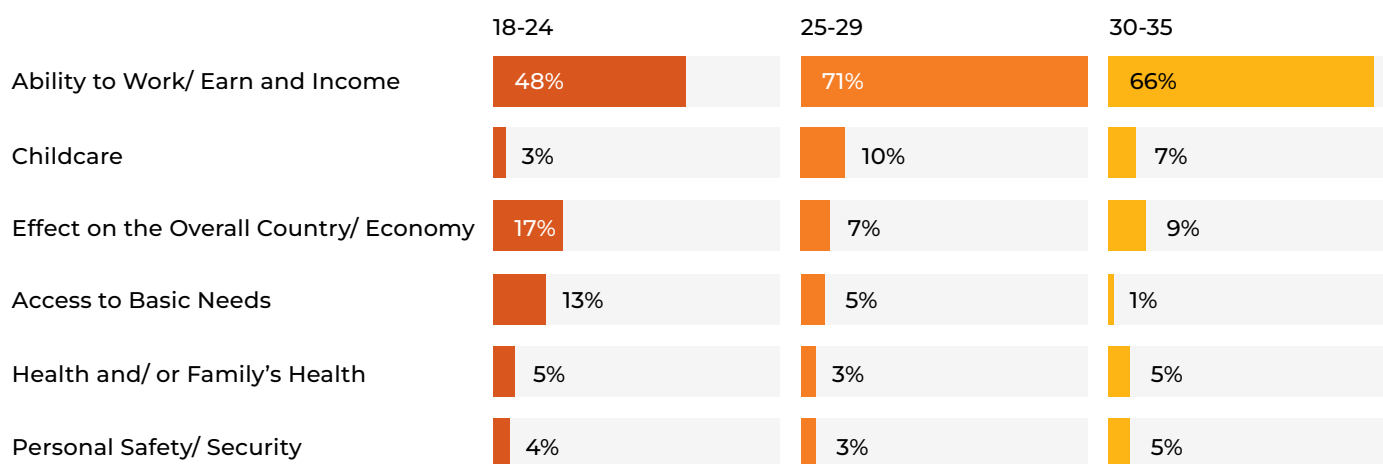
Data was collected in Uganda from September to December 2020.

The country results presented here therefore represent the impact of the pandemic during the main period of lockdown, and do not represent changes in the lives and livelihoods of youth since then. The results of this investigation were distilled through a robust process of youth engagement in analysis, synthesis, and reflection.

CHALLENGES UGANDAN YOUTH ARE FACING AS A RESULT OF COVID-19

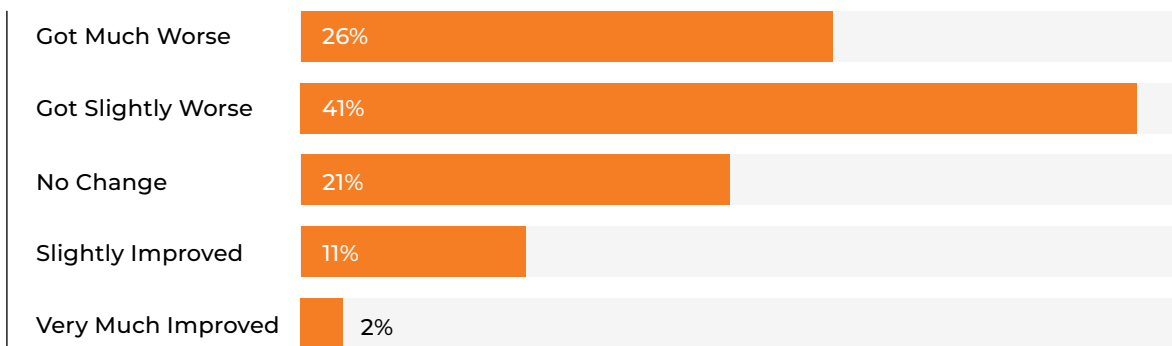
Young women and men in Uganda have numerous concerns about the effects of the pandemic on their lives and livelihoods. The vast majority of youth surveyed indicate that their top concern is their ability to work and earn an income, followed by the effect of the pandemic on their health and well-being. Youth in older age groups were more likely to be concerned by their ability to earn an income than youth between 18-24 years old (Figure 5).

FIGURE 5: Top concerns by age group



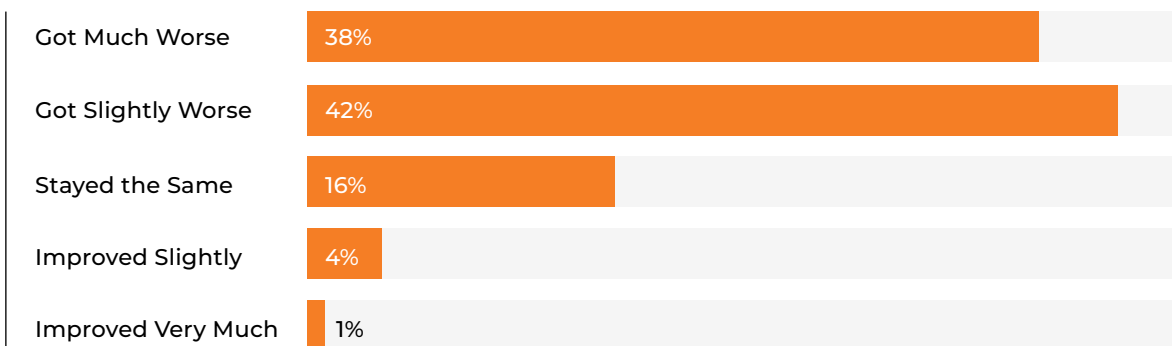
Young women and men in Uganda report their quality of life worsened during the lockdowns, with 26% indicating their lives became much worse and 41% reporting their lives became slightly worse. 21% report no change in their quality of life (Figure 6).

FIGURE 6:
Quality of life¹³



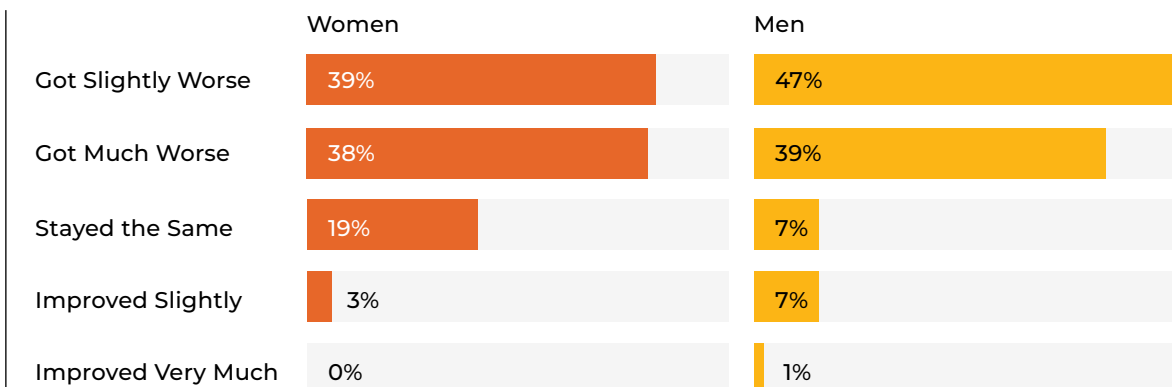
Ugandan youth are experiencing substantial household financial shocks, with 80% indicating their family financial situation has worsened (Figure 7).

FIGURE 7:
Family financial situation¹⁴



The economic impacts are affecting men more than women, with 77% of women and 86% of men reporting that their family financial situation has deteriorated (Figure 8). Women were more likely than men to report no change in their family finances.

FIGURE 8:
Financial impacts by gender¹⁵



¹³ Values are rounded to the nearest percentage and therefore may not sum to 100%.

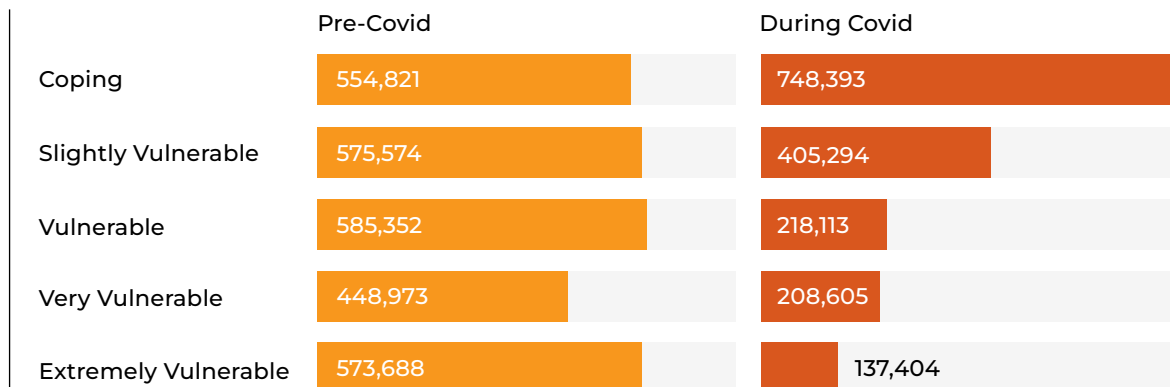
¹⁴ Values are rounded to the nearest percentage and therefore may not sum to 100%.

¹⁵ Values are rounded to the nearest percentage and therefore may not sum to 100%.

The financial impacts are most acutely felt by those who are more vulnerable, with youth classified as vulnerable experiencing the greatest declines in monthly income (Figure 9).

FIGURE 9:

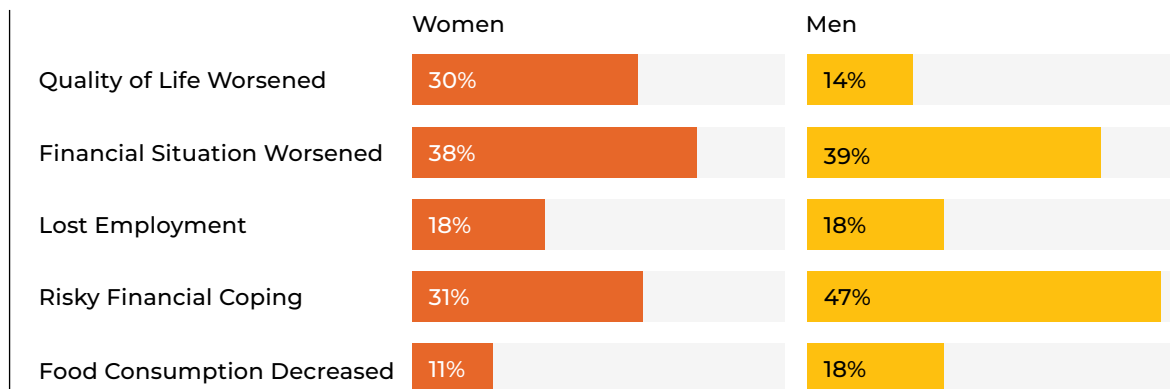
Change in monthly income (US\$)



Young women and men in Uganda are similarly impacted by the pandemic in terms of the effects on their quality of life, financial situation and employment. However, substantially more men than women are employing risky financial coping strategies such as taking on additional debt, and slightly more men than women have reduced their food consumption (Figure 10).

FIGURE 10:

COVID-19 impacts by gender

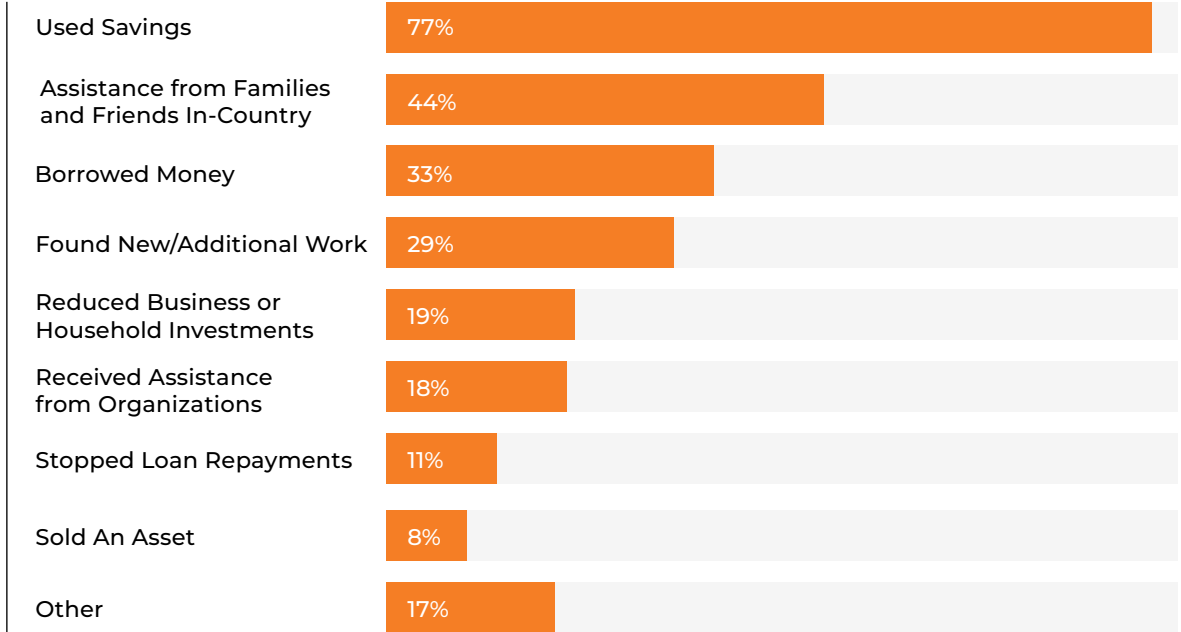


The vast majority of youth surveyed in Uganda are coping with the economic challenges they are facing as a result of COVID-19 by using their savings, receiving assistance from family and friends, or borrowing money. They are also having success replacing lost income with new opportunities, with 29% of youth surveyed reporting they have found new work during the pandemic (Figure 11).

¹³ Values are rounded to the nearest percentage and therefore may not sum to 100%.

FIGURE 11:

Coping strategies

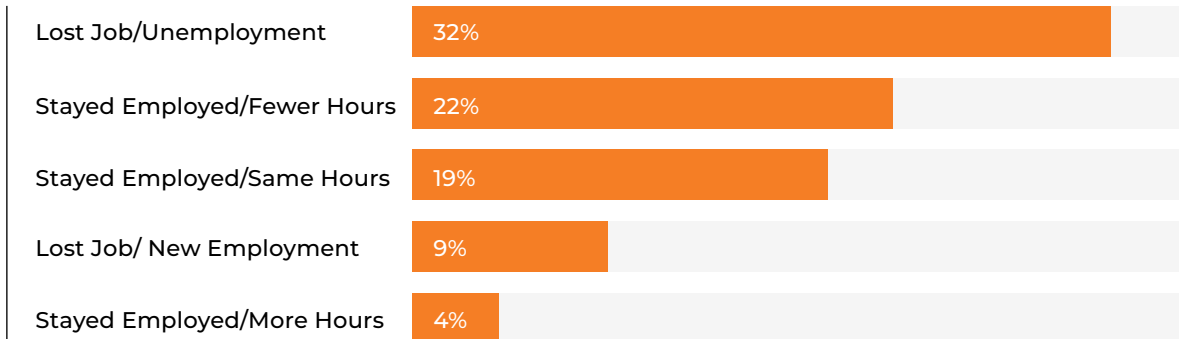


IMPACT OF COVID-19 ON YOUTH EMPLOYMENT

For youth who have waged employment as their primary source of income, the pandemic has had a significant impact, with 32% indicating they have lost their job and remain unemployed, and 22% reporting a reduction in the number of hours they are working. 19% were able to maintain their pre-pandemic level of employment, but only 9% successfully found a new job to replace their lost income (Figure 12).

FIGURE 12:

Impact of COVID-19 on employment among waged employees

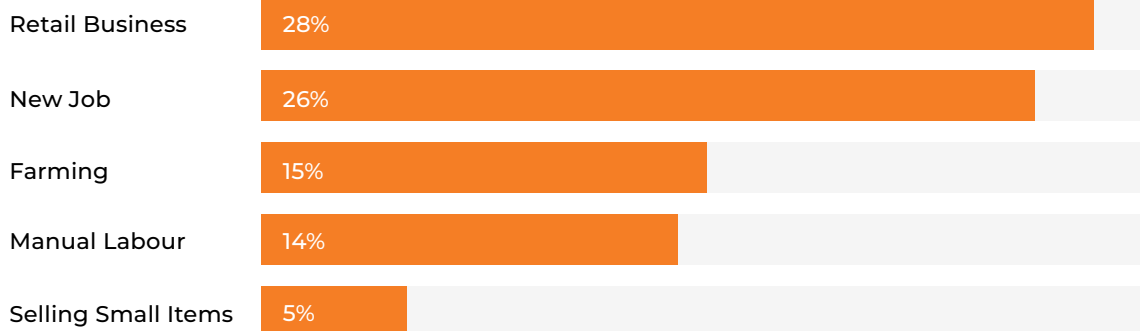


COUNTRY RESULTS

Despite that only 9% of youth surveyed have successfully found a new job to offset job loss, they are having greater success cobbling together numerous sources of informal income generation, such as farm work, casual labour, selling small items and handicrafts, and making masks (Figure 13).

FIGURE 13:

Sources of additional income



Media Training to run YEC online radio shows.

IMPACT OF COVID-19 ON YOUTH ENTREPRENEURSHIP

The economic contraction of the economy coupled with supply chain disruptions, restrictions on movement and transportation and reduced consumer demand is having a substantial impact on youth entrepreneurs who face substantial reductions in business revenues. A whopping 34% of entrepreneurs report closing their businesses altogether, with an additional 22% reducing the number of hours or days their business is open, and 15% indicating they laid off employees to cope with decreased revenues (Figure 14).

FIGURE 14:
Coping strategies among entrepreneurs

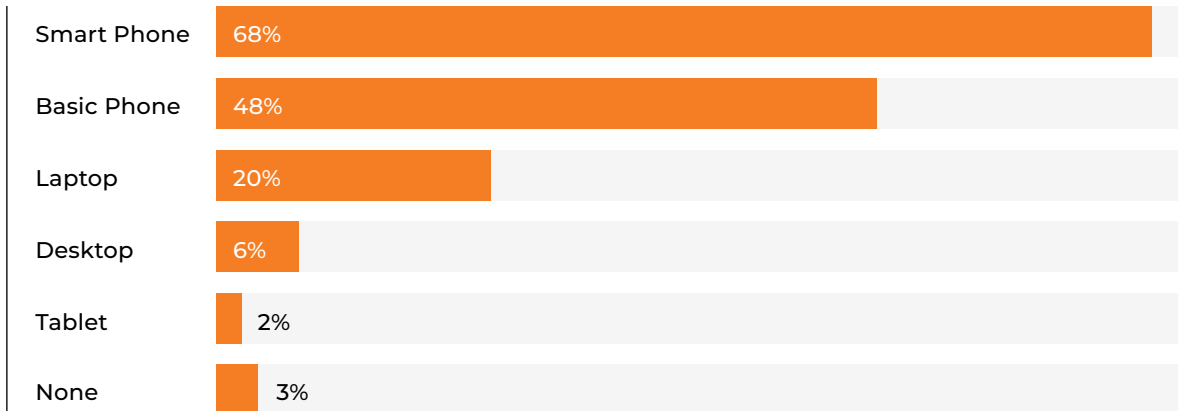


A large proportion of entrepreneurs who managed to stay in business are relying on their savings to keep them afloat. Many youth who are coping are also employing adaptive strategies such as starting a new business, changing the product or service and moving the business online or running it from home (Figure 14).

DIGITAL PROFILE OF UGANDAN YOUTH

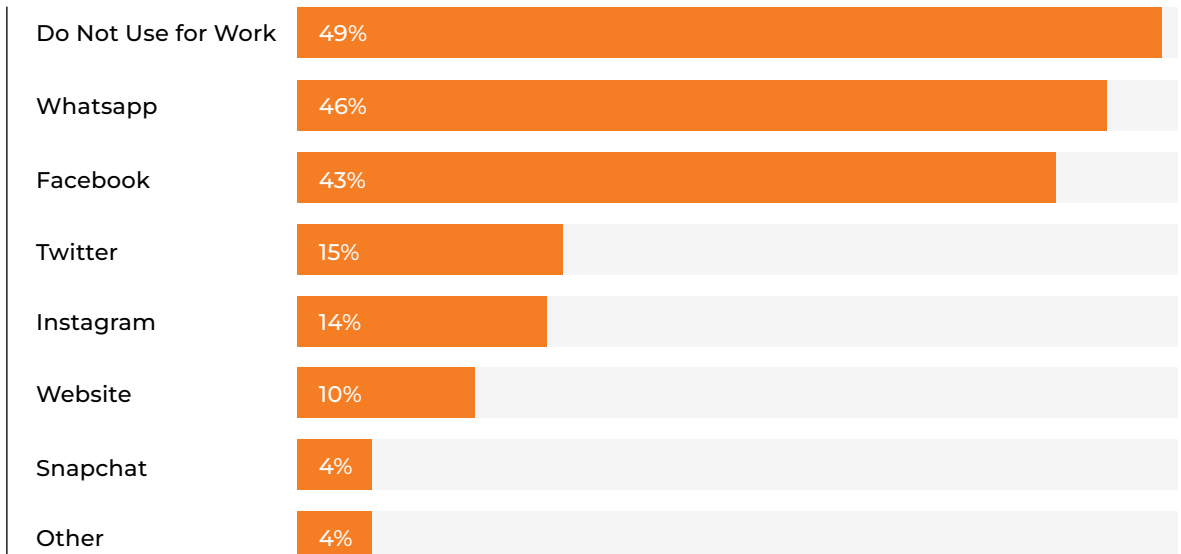
Access to internet-enabled digital devices is high among Ugandan survey respondents, with 68% of youth owning a smart phone (Figure 15). However, there is a significant difference between men and women in terms of access, with young men much more likely to own a smartphone than young women (81% vs 63%). Young men are also much more likely to own a laptop than young women (36% of men vs just 18% of women).

FIGURE 15:
Digital device ownership



49% of youth surveyed in Uganda are not using social media apps at all for work or business. Of those who are, WhatsApp is the most commonly used platform, followed by Facebook (Figure 16).

FIGURE 16:
Social media apps used for work or business

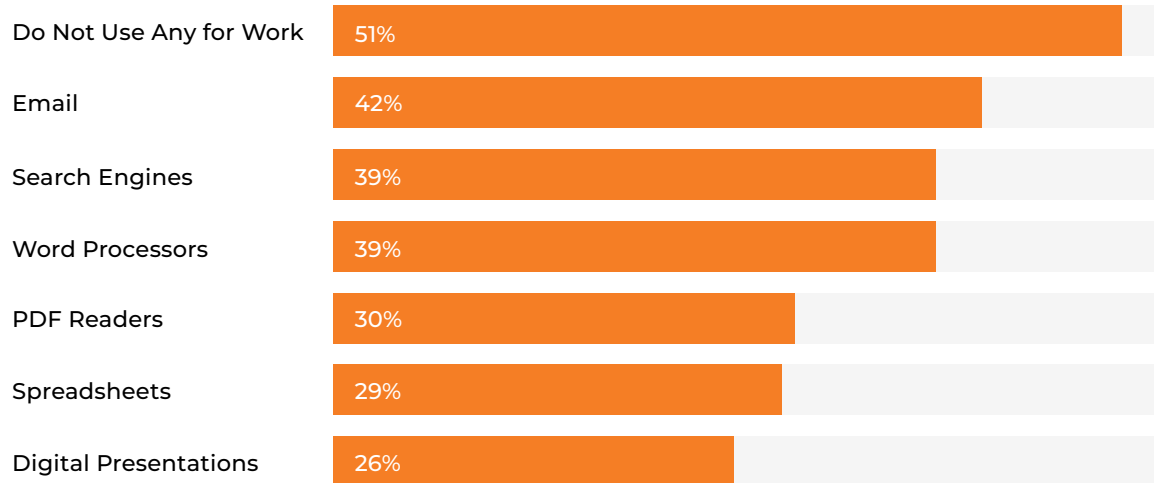


COUNTRY RESULTS

Similarly, about half of youth surveyed report that they are not using any digital tools for work or business, despite the high levels of smartphone ownership. Of those who are, email is the most commonly used tool, followed by search engines and word processing applications (Figure 17).

FIGURE 17:

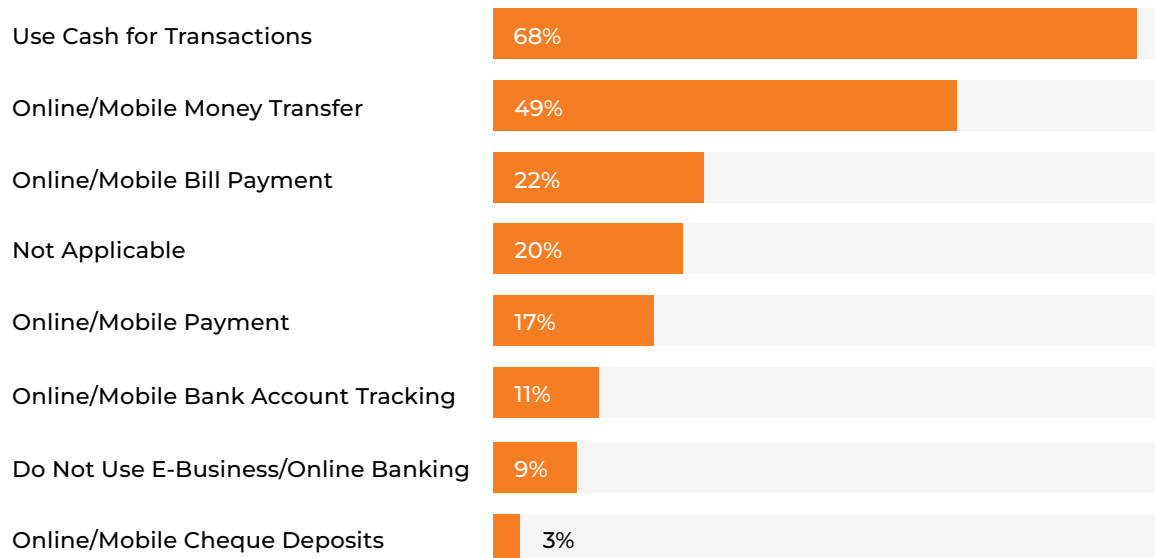
Digital applications used for work or business



Ugandan youth report that they continue to rely mainly on cash for transactions in their professional endeavors, despite the availability of a wide array of fintech tools. They primarily use fintech solely for mobile money transfers, with low levels of adoption of other tools for e-banking and e-business (Figure 18).

FIGURE 18:

Fintech used for work or business

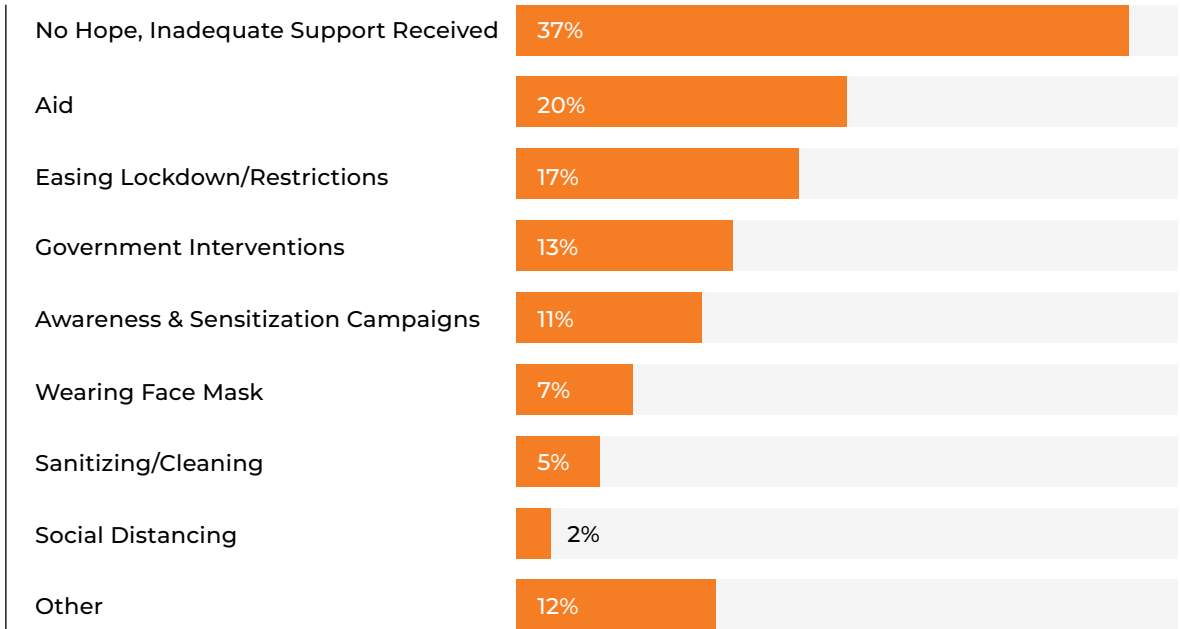


SUPPORT NEEDED

37% of young women and men in Uganda cannot identify any sources of hope to help them bounce back from the effects of the pandemic. Emergency aid and easing of lockdown protocols were the most commonly identified source of hope (Figure 19).

FIGURE 19:

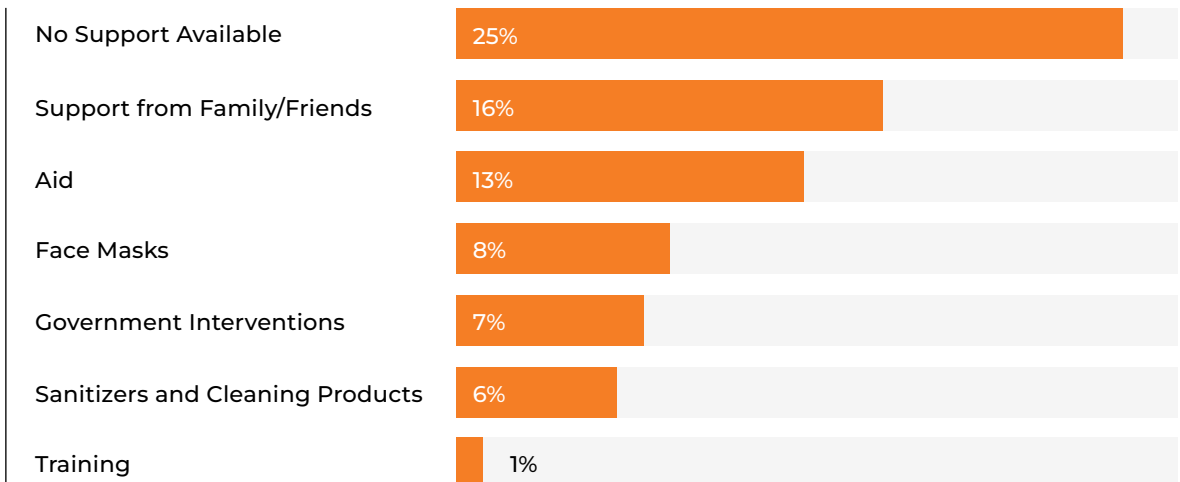
Sources of hope



25% of youth also indicate they are not aware of any support available to help them cope and recover. Of those who have accessed support, they have relied primarily on help from family and friends/ 16% have accessed emergency interventions focused on the most urgent and short-term needs, such as provision of food aid and health supplies (Figure 20).

FIGURE 20:

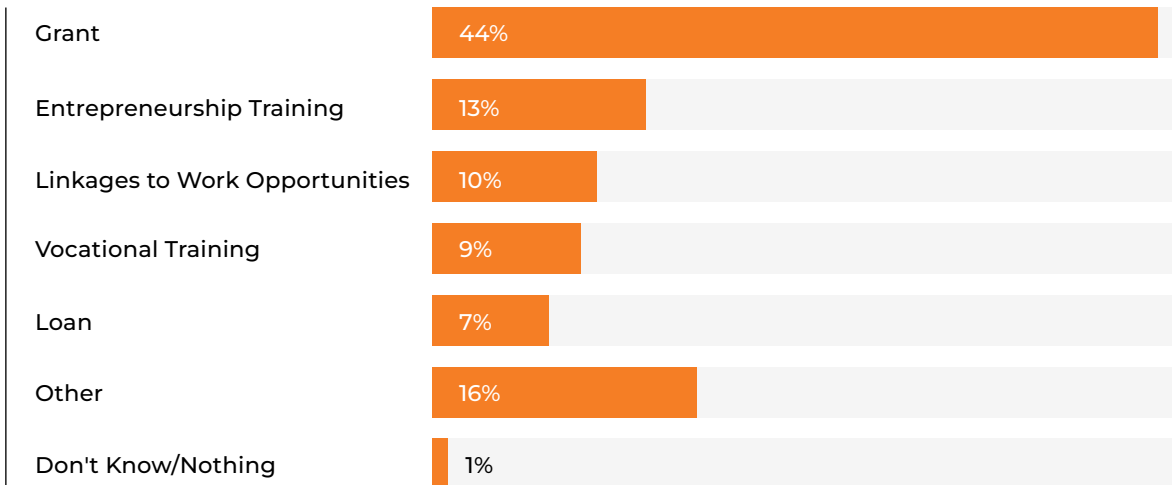
Support available



Youth identify financial aid in the form of non-recoverable grants as the predominant support they need to get back on their feet. 13% of youth also identified entrepreneurship training, and 10% linkages to work opportunities as other support services that could help them recover their livelihoods (Figure 20).

FIGURE 21:

Support needed



Ugandan entrepreneurs report they need, on average, \$1,680 of capital to recover their businesses post-pandemic.



\$1,680

Average capital needed for recovery

\$243

Median capital needed for recovery

\$0

Minimum capital needed for recovery

\$18,360

Maximum capital needed for recovery

Conclusions

There is a need for flexible, demand-driven programming to support the diverse needs of youth

- + Youth livelihoods journeys are non-linear, unique and vary in pace. The most vulnerable youth often don't qualify for existing supports and services, and are being further marginalized. A one-size-fits-all approach does not meet the diverse demands of young women and men, and services tailored to their unique circumstances are critically needed.

Co-design pandemic recovery and support strategies with youth to ensure that solutions respond to their unique needs and situations.

- + Eligibility requirements for accessing government and institutional support are not favorable to youth. As such, youth are often not able to access services to help them start and grown businesses, or access new labour market opportunities. Youth specific entrepreneurship and employment programs need to be designed through extensive consultation with young women and men.

Despite high levels of digital access, Ugandan youth struggle to use new technologies to improve their livelihoods.

- + The high cost of data and limited connectivity in rural areas pose a barrier to youth uptake of new products and technologies. Digital services should be localized and take connectivity challenges into account. Products need to be designed that are responsive to youth needs and connectivity challenges.

- + Youth entrepreneurs need targeted training to effectively integrate digital technology in their business endeavours. Rapid digitization of commerce means that youth-run businesses must make digital pivots to keep pace with new market conditions and consumer demands.

Youth need short-term emergency support that is aligned with longer-term social and economic recovery.

- + Longer term recovery efforts need to focus on helping youth entrepreneurs and waged income earners need support to access competitive, higher wage sectors that are more resilient to economic shocks.
- + Expanded access to training and coaching in the areas of life skills and business development will support youth to be more resilient and take advantage of emerging opportunities.



Young people conducting community clean up.


dot.



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