



A Rapid Assessment of the Effect of the **COVID-19** Lockdown on Livelihoods and Micro, Small, and Medium Enterprises in Uganda

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Executive Statement

Since the outbreak of the COVID-19 pandemic, Uganda has instituted two lockdowns—in March 2020 and June 2021. The second lockdown to contain the spread of COVID-19 has had far-reaching effects on a wide range of businesses. A rapid assessment was conducted to assess the lockdown effects on businesses in greater Kampala metropolitan, covering; market vendors, teachers, transport sector, fuel stations and households. The study results revealed that the lockdown led to a significant reduction in sales and profitability by more than 60%. At the same time, business costs increased by more than 40%, and that female owned businesses were relatively more affected compared to those owned by males. The study also found that the lockdown affected employment as many lost their jobs due to movement restrictions, and employee lay-offs by businesses. The study findings indicate that with diminished cash flow and/or business activity, there is a need to support businesses through loan restructuring, affordable and patient financial support, and tax incentives. Also, interventions to ensure readiness of markets and other essential business areas or activities to operate in a lockdown situation are important. In addition, there is a need to scale-up vaccination against COVID-19 and open schools (with stern monitoring of SOP adherence) to minimize further COVID-19 adverse effects on the education sector and related negative spillover.

The rapid assessment also surveyed community leaders to gauge the short-term impacts of second lockdown on households. In addition to businesses, the lockdown affected households by increasing food insecurity, domestic violence, early child marriages, and un-wanted pregnancies. School closure has affected teachers through job loss and reduced income, and children through reduced learning. A number of teachers have considered abandoning the teaching profession hence posing huge threat to future human capital development efforts.

Introduction

Uganda adopted several containment measures to address Coronavirus (COVID-19) pandemic. *Since the outbreak of the COVID-19 pandemic, Uganda has instituted two lockdowns—in March 2020 and June 2021, characterized by restrictions on public transport and a dusk to dawn curfew. The second wave has had more devastating public health consequences, with the number of recorded cases more than doubling during the two months of May and June 2021. Specifically, the number of reported cases increased from 50,721 at the beginning of May 2021 and reached 100,288 at the beginning of July 2021. In tandem, the COVID-19 related deaths increased more than six-fold from 350 at the beginning of May 2021 to more than 2100 by July 2021. The only viable hope of containing the pandemic is through massive vaccination of the population. However, due to the limited global availability of vaccines, a small proportion of Ugandans have received at least one COVID-19 jab like many other African countries. The number of Ugandans who received the COVID jab increased from 330,000 at the end of April 2021 to 672,000 by the end of May 2021 and had reached 1.376 million by the end of August 2021, as more vaccines became available.*

Since August 2020, the Economic Policy Research Centre (EPRC), has been implementing a 3-year collaborative study on the Socio-Economic Impacts of COVID-19 on Business Enterprises in Uganda under the International Development Research Centre (IDRC) Canada supported COVID-19 Responses for Equity (CORE) Initiative Project. The broad objective of this study is to produce evidence to inform policies, measures, and strategies to mitigate socio-economic impacts of COVID-19 on the MSMEs, as well as interventions required to re-activate the resilience of the Ugandan economy in the post-COVID-19 era. During the second lockdown, EPRC conducted a rapid assessment of the lockdown effects on enterprises and livelihoods. The objective was to understand the effects of the first and second lockdown on economic activities. The survey was undertaken in July 2021 and covered fuel stations, retail outlets, market vendors, fuel stations and other businesses in the Greater Kampala Metropolitan area (i.e. Kampala, Wakiso and Mukono districts). This policy note focuses on agro-related businesses—including market vendors, teachers and households.

Approach used in the rapid assessment

Ten communities/Local Council 1(LC1) in which major markets in Kampala Metropolitan are located were selected for the rapid assessment survey. In Kampala district, four divisions were selected, namely Kawempe, Lubaga, Central Division, and Nakawa. In Mukono and Wakiso, three (3) communities—where the largest markets are located—were selected. The specific communities selected are presented in Table 1. Accordingly, a total of 151 respondents (46 females and 105 males) were interviewed using a semi-structured questionnaire. Data was collected through face-to-face interviews. Direct interviews were conducted with traders in sampled markets, community, and market chairpersons, boda-boda riders, special hire (truck) operators and fuel attendants and managers. During the rapid community survey, the research team used the LC system to trace taxi and special hire drivers and teachers within their respective communities.¹ Both quantitative and qualitative data was captured and used in reporting findings in this policy note.

Table 1 Sample sizes by category of survey respondents

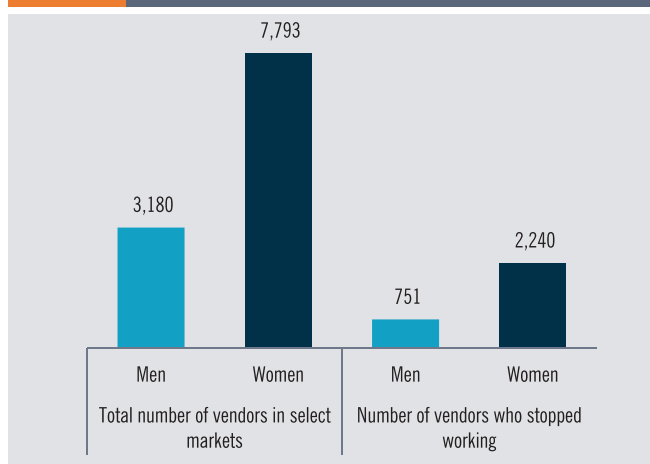
Category of respondent	Sample sizes		
	Total	Men	Women
Chairpersons in charge of the select market	10	08	02
Market vendors	60	29	31
Operators of fuel and gas stations (5 managers & other staff)	10	07	03
LCI Chairpersons	10	07	03
Transport operators (20 boda-boda riders; 11 truck drivers; 4 special hire drivers; 3 Taxi drivers; 2 Tukutuku riders; and a pick-up driver)	41	41	00
Teachers in private schools	20	13	7
All respondents	151	105	46

Effect on agro-related businesses

The lockdown affected businesses in several ways as explained below.

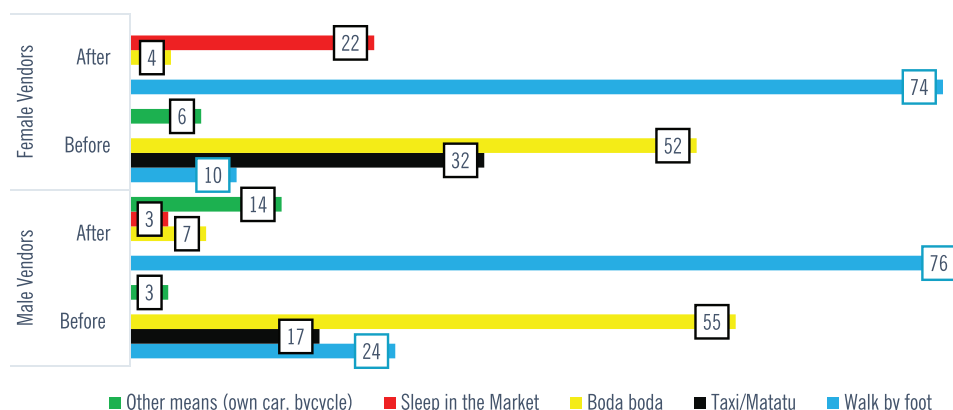
Loss of employment: More women than men stopped working, which exacerbated the gender inequalities. Figure 1 shows the number of vendors who stopped working in the market due to the COVID lockdowns. According to information gathered from market leaders, when the lockdown was introduced, 28.7% of women stopped working compared to 23.6% of men. The main reason for stopping work was long distance.

Figure 1 Total number of vendors and those that have stopped working due to lockdown



The main reason as to why business people stopped work was long distances, and those who could not walk to work because they resided far from their work places stopped work. Many vendors walked from home to work since all other means were stopped (Figure 2). On average, women who continued working walked longer distances compared to men – the travel time to work is 77.5 minutes for women and 39.1 minutes for men. Therefore, since they walk, they reach work late and had to depart early to meet the dusk curfew conditions. Also, many vendors, especially women,

Figure 2 Means of transport to market before and during lockdown



had to commute by foot to access supply markets. For instance, many women in Kireka farmers market indicated walking by foot to Nakasero Market—the primary source of agricultural produce. Such commutes were not without incidents, as some women reported encountering thieves on the way who could snatch their bags and money. Insecurity threats increased with the distance walked.

Reduced sales: For market vendors, sales value was reduced by more than 60% during the lockdown (Figure 3). This was primarily due to limited movements of would-be customers—many relying on *Boda Bodas* and private cars to move—and the reduced purchasing power arising from the disruption of various income sources. The decline in demand was more severe in the second lockdown (June–July 2021) than the first lockdown (March–May 2020) because most customers’ incomes had not yet fully recovered. The reduction in the number of customers was also attributed to the fears of contracting the COVID-19 and the harassment of customers by security forces enforcing COVID SOPs.

Furthermore, many agri-related businesses sell to other significant purchasers that closed during the lockdowns, such as schools, restaurants, and other institutions. Worse still, due to the decline in purchasing power, businesses reduced stock to avoid wastage, hence reducing their profits. Some of the traders indicated that;

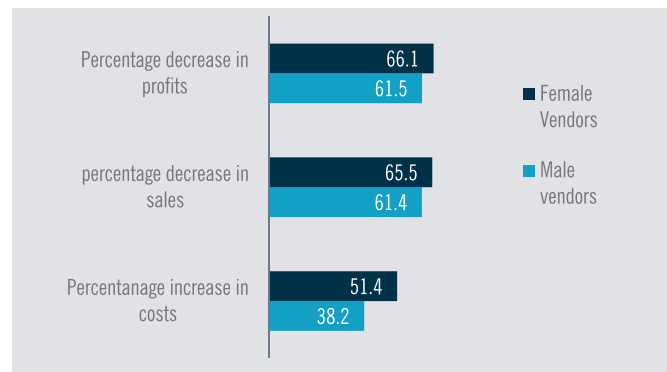
“Before the lockdown, I would buy a bag of beans at UGX 300,000 and sell it in two days, making a profit of UGX 15,000. But currently, it takes a full week to sell the same bag. By the time it gets done, I cannot even see the profits because I would have consumed it -KII with a grain vendor, July 2021.

“I had supplied schools beans and Posho and they locked down before receiving my payment, and this also happened during the first lockdown”. I have lost all my capital”—KII with a grain trader in Nakawa Market, July 2021.

Furthermore, the declining sales led to a significant increase wasted or spoiled produce given that many agri-related businesses deal in perishables such as fruits, vegetables, and fresh food that have a shorter shelf life. Most traders reported that the food was rotting in the market because of limited demand. Vendors reported that the COVID disruptions eroded their working capital and hence had to depend on credit purchases from suppliers to re-stock.

I rely on credit purchases from suppliers who pay after selling. However, with vegetables rotting because of low demand, I am no longer able to pay all the debts – KII with a vegetable vendor in Kireka farmers market, July 2012

Figure 3 Percentage changes in profits, sales, and operational costs experienced by vendors



Reduction in profits: The profits for all vendors have declined by over 60% (see Figure 3 above). Female vendors reported experiencing a more severe decrease in profits than male counterparts. Many traders are incurring losses due to reduced demand coupled with the increased cost of doing business. The agri-related traders reported that they only rely on *boda-boda* riders to transport produce from the source and other transport needs. The vendors reported that *boda-bodas* have more than doubled their rates. Also, the trucks which bring the produce from the villages have hiked the price. For instance, a bunch of *matooke* costs Ugx 4,000 to transport from Mbarara to Kampala. Despite the increase in costs, many vendors reported that they could not increase the final price because many consumers struggled financially. This, thus, leads to losses. Indeed, most vendors reported that they are keeping in businesses to maintain customers and keep themselves busy, but the business has become less profitable.

Increased Business Costs: The cost of doing business increased by more than 40%, with significant variations between female and male-owned businesses. The business costs for female-owned businesses increased by more than 50%, while those of male-owned businesses increased by 38% (see figure 3 above). There are several reasons for increased business costs, including limited access to transportation means and the restrictions put by the government regarding truck movements.

“Currently, only two people are allowed on the truck. Therefore, we are unable to go upcountry to stock food item. We thought about pooling resources to send a few people upcountry to stock but some members do not trust their colleagues. Therefore, we have to rely on a few middle men who have trucks but these have significantly increased the prices since vendors do not know the price at which they buy from the farmers” -KII with a market vendor, July 2021.

The high cost of supplies, especially perishable food items, was attributed mainly to transport restrictions that made traders rely on intermediaries who charge higher prices. The ban on inter-district travel also hindered some farmers from using *boda-bodas* to deliver supplies to traders in the market.

Transport restrictions have been the most significant contributor to increase in the business costs by making supplies expensive. Before the lockdown, trucks, taxis and private cars were also used to transport food items (such

as fish, tomatoes, etc.) from production sites to markets, especially small-scale vendors. Currently, farmers wait for a lorry or truck until it's full, which takes time. The trucks are also more expensive since they are few. In addition, before the lockdown, vendors would use public transport to go upcountry for stocking produce. During the lockdown, they relied on brokers who inflated the prices since the vendors lost information about farm gate prices. For instance, a tomato vendor indicated that;

Before the lockdown, I could go to Mbarara using a bus, buy tomatoes from the farmers and put them on a track and I board a bus back to Kampala. That way I would be able to buy at a favourable farm gate price. But currently I rely on middle men who own tracks. But these add margins which increase to cost of supplies.

The prices of manufactured food items have also increased due to a reduction in production because of the restrictions in the movement of factory workers. Factories whose workers were using public transport and could not afford on-site accommodation reduced production due to a decline in the workforce, thus driving the prices upwards. In addition, the delays of tracks at the border cause artificial shortages, increasing prices of imported goods.

Beef related businesses were the most affected because they were hit by two shocks- COVID lockdown and the animal quarantine, which has been imposed in most districts along the cattle corridor due to foot and mouth diseases. Therefore, the closure of cattle markets coupled with the transport restrictions contributed to hiking the prices. Currently, only a few traders who can access livestock farms can supply cattle for beef. In addition, the demand for meat has significantly declined more than other agriculture products because the meat is expensive and considered a luxury. When incomes fall, households replace meat with cheaper substitutes such as beans.

The increased COVID cases lead to increased demand for fruits such as lemons and oranges, which were mostly used as natural remedies to treat those with the virus and as immune boosters for those not infested. Most farmers responded by hiking the price of lemons at the farm, which affected businesses trading in these products.

Taxes exacerbated the effect of the lockdown on businesses. For instance, the increase in fuel prices owing to the UGX 100 increase in tax on fuel effective July 2021 was cited as a major contributor to increased transport costs passed into the vendors.

Cheating by the suppliers and boda-bodas: Since many vendors rely on boda-bodas to shop for them, there were reported cases of delivering fewer quantities than ordered and goods of poor quality. Market vendors have no choice regarding what to stock and also cannot negotiate for the price. In most cases, when vendors complain, they get counter-accusations from the boda-bodas who transport and the wholesalers, each accusing the other as being the cause of less quantity and poor quality. Women were the most affected by cheating and delivery of poor quality. This is because many men vendors resorted to riding their bikes or hiring and riding to markets and individually do the shopping, which many women were not capable of doing.

Failure to pay creditors and rent: Many vendors are operating using loans, and a number of them are not able to pay their monthly instalments, yet there has not been loan restructuring. There is thus a fear by many that they will lose their collateral. Banks and money lenders no longer lend to vendors due to the increased risk of default. Also, many traders are no longer able to pay business rent.

Default by customers who buy on credit: Many vendors who supply schools and restaurants reported that they could not recover the payments after closed schools, and restaurants are struggling to operate. This has depleted their capital since they supply large quantities of produce.

Increased competition. Due to the closure of other sources of livelihoods, the number of people engaged in selling food items has increased. Several teachers, especially nursery and primary teachers, most of whom are women, have established stalls selling food items in markets.

Challenges in observing COVID-19 SOPs by businesses: Generally, market vendors have embraced wearing face masks and hand washing. Management of the markets put in place hand-washing facilities and instituted stringent measures to enforce mask-wearing, including suspension from the market. In other markets, such as Nakasero and Nakawa, the management deployed enforcement officers who kept moving around the market. However, most of the vendors have cloth masks, which are visibly dirty and not properly used. *“Some vendors wear masks only after seeing enforcement officers. They wear masks because of fear for management rather than protecting their lives”* Some customers do not want to maintain social distance since they want to select the pieces they want from the stall. Furthermore, social distancing is challenging to observe, especially during morning hours when trucks are off-loading, and vendors are stocking. It's therefore essential to enhance sensitization about SOPs.

Gender-based challenges

While the lockdown containment measures affected men and women, there were some specific gender-based challenges.

Challenges faced by women who sleep in the markets: Some female market vendors slept in markets due to the lockdown, and these face some challenges such as mosquitoes. This was most common such as the Kame Valley market in Mukono, the New Farmers Market in Seeta and Farmers market Kireka in Wakiso and Mukono districts where mosquito nets were not distributed.

Health hazards: the findings revealed many markets without facilities such as washrooms and poor sanitary conditions. For instance, women in Famers market-Kireka reported that the restrooms in the market are privately owned and close at 6 PM, limiting women's access to a decent facility. Similarly, those in Kame Valley Market-Mukono reported that there is no shower room in the market, so they wake up early and shower from the open space; in New farmers market Seeta, the drainage is poor, and when it rains, water flows through the market which affects those who sleep in the market.

In addition, the findings revealed that women with underlying health conditions could not access health care because health facilities are not found near the market amidst the transport restrictions. Women who fell

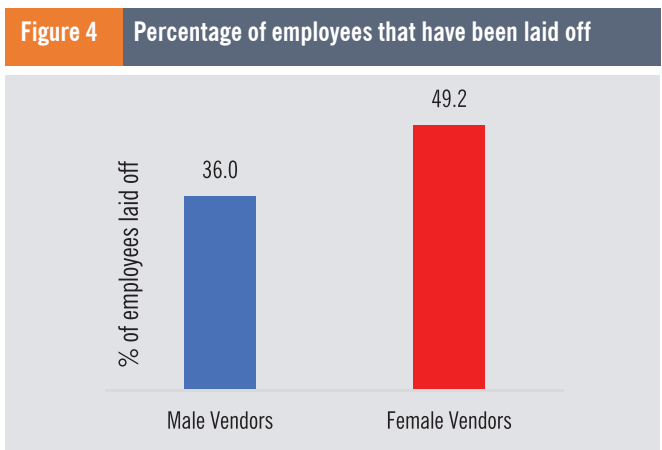
sick of various illnesses had to walk long distances to access medical care, while the young female vendors and workers could not access sanitary pads.

Women have been affected by the pandemic more than men: Vendors reported that most women are attacked by thieves when commuting to and from work. Women are also denied loans during the lockdown because they only use their businesses as collateral.

Copying strategies adopted by businesses

In response to the Covid-19 to effects of containment measures on businesses, many MSMEs have adopted some coping strategies such as:

- a) **Cost minimization.** Many vendors have laid-off workers, reduced wages, and reduced general expenditure to ensure business continuity, which resulted in joblessness affecting an extensive section of people. Figure 4 shows that female-owned businesses laid off more workers (almost 50%) than male-owned businesses that laid off about 36% of workers.



- b) Changing enterprises from perishable products such as tomatoes, avocado and yellow bananas to less perishable agri-related commodities such as onions. A female KII revealed, *“that there is a growing trend of women going into cottages, adding value, growing mushrooms and others increasingly joining service industry...”* In addition, others who were dealing in various products have reduced to very few.
- c) Borrowing money from friends and financial institutions to boost their dwindling capital.
- d) Reducing output/supplies to avoid losses. Traders currently stock according to customers’ demands. They have also improved on preservation methods to avoid food items getting rotten. E.g those engaged in trading smoked fish usually re-smoke it to prevent it from getting spilit.
- e) Depleted savings to re-invest in the business. According to a female KII, *“lockdowns have made most women use their capital...”*

I reduced weekly bags of ovacado I used to stock from 5 to 1, beans from 5 bags to 1, peas from 5 bags to 1, and matooke from 150 to 3 bunches – KII with a male agri-business vendor, July 2021

- f) Selling household assets (e.g electronic appliances such as motorcycles and livestock) to clear pending loans, invest in the businesses, and sustain families.

“When the lockdown was instituted, I had a loan I was servicing. I decided to sell my three cows in the village to pay off the loan and invest the rest in the business” -a grain trader, July 2021.

I had a motorcycle (boda boda) which was generating for me side income, but when the first lockdown was instituted, I decided to sell it to invest in the business and sustain my family. The second lockdown found me with some savings which I have re-invested in the business due to deterioration of capital since some money is used to buy food. My husband is no longer working and therefore I have to buy everything at home” -Female tomato vendor, July 2021.

- g) Some traders have improved bookkeeping to organize their books and present them to the creditors, e.g. banks, but also to use the same information to get credit after the pandemic

Support offered to businesses during the lockdown

The primary support to vendors is related to Standard Operating Procedures (SOPs). The vendors reported that they had received support related to enforcement of SOPs, and in some markets such as Nakasero, Busega and Kalerwe, women have received mosquito nets. The market management has been instrumental in enforcing SOPs through the instituted covid task force teams that ensure market social distancing. Who enters the market washes their hands and wears a mask. However, challenges remain;

- Some markets have many roadside sellers who don’t enforce SOPs because they are not under market management. For instance, in the New Farmers market, Seeta, the market management reported that their traders were not making enough sales because many customers prefer buying from roadside sellers who don’t require them to wash hands and put on masks.
- While markets in Kampala reported that they are supported by KCCA and some NGOs such as UNICEF to buy water and soap, many markets in Mukono and Wakiso had not received any support. The market management complained that water and soap for SOP observance are costly

Support required

Cheap and patient capital. Before the lockdown, most vendors were relying on SACCOs and money lenders, but these are no longer able to lend to traders since the money is still trapped among borrowers due to the low repayment rate. In addition, the lenders have also become more risk-averse due to the increased risk of default among traders. Consequently, these have reduced loan amounts. For instance, a vendor in the Nakawa market indicated that *“if one used to get a loan of UGX 1 million, now the lenders can give that person only UGX 200,000”*. Some SACCOs require one to first save before getting a loan, yet currently, traders have nothing to save. Furthermore, these lenders typically charge higher interest rates ranging from 20 percent to 50 percent. A trader in Busega market indicated that;

Groups that used to lend money to traders are no longer capitalized since people withdrew their money when the lockdown started.

“Before the lockdown, we were getting loans from money lenders but they were also very expensive. For instance, you would apply for a loan of UGX 100,000 and you are given UGX 80,000 (UGX 20,000 is retained by the lender as insurance fee). And you are expected to pay back UGX 120,000 after one month. If we can get loans at 5 percent interest rate, that will support us a lot” -KII with a market vendor, July 2021.

Rescheduling of loans. Vendors who were servicing loans requested loan rescheduling to allow some time for the businesses to recover. However, most of these have loans from microfinance and money lenders.

Halt the payment of the daily market levy until the end of the lockdown. Each vendor pays 1,000 Ugx per day as a market management levy in many markets, which many cannot afford, meagre sales, and many are struggling with the pandemic effects.

Financial support to SACCOs. Support SACCOs by capitalizing on them so that they can extend cheap credit to the business community. Need to capitalize SACCOs to enable access to affordable credit

Reduce taxes. Vendors pay double taxes on stocked *matoke* in the district of origin as well as in the district of destination

Effect of COVID-19 Lockdown on Households

There has been a reduction in household income due to a slowdown in business activity and the number of income earners at the household level. Some of the female vendors had their husbands engaged in the transport sector (mainly taxi drivers), severely affected by lockdown. Consequently, traders are worried about school fees when schools re-open after the lockdown. Payment of utility bills (electricity and water) at home is also a challenge due to reduced income. In addition, the income shock coupled with the high cost of COVID-19 treatment disrupted the implementation of planned projects at the household level. One of the vendors indicated that;

I had saved some money before the lockdown, but my father in Mbarara contracted COVID-19 and was admitted for two days. I was asked for UGX 2.3 million which I got from my past savings yet I had planned to use the money to expand my business -KII with a market vendor, July 2021

Reduction in income has resulted in the scarcity of food at home. This challenge has been exacerbated by the increase in expenses since all the children are staying at home. As a result, some households have reduced the number of meals per day and adjusted the food menu to cheaper food items. Most of the vendors interviewed indicated that the number of meals has been reduced by one and that they only buy what is affordable, especially posho and beans.

We used to eat three meals per day before COVID-19 lockdown but when the lockdown was instituted, we reduced the number of meals. Currently, the children eat two times a day while adults eat once – KII with a market vendor, July 2021.

Food insecurity has dramatically increased and is positioned a considerable threat of hunger, especially in low-income neighbourhoods. In communities such as Busega, it was reported that several households are eating banana peelings, and every morning, they go around gathering the remains and peelings for food.

Domestic violence increased. Most of the sectors closed, men dominated employment in these sectors. It was reported that now women are taking care of households which changed gender roles and strained relationships. Women vendors sleeping in markets also triggered violence in homes with accusations and counter-accusations that women are starting other relationships in markets. Women blame men for indulging in other relationships when women are away.

Child neglect has increased. Cases of parents dumping kids at the LCI chairperson offices and police were reported in Nakasero and Kavule cell in Mukono district. This is driven by breaking families where parents separate and/or hunger and starvation.

The requirement of vendors to sleep in the market is perpetuating child labour. Some vendors left the responsibility of looking after infants to under-age children since their mothers are entirely staying in the market. In addition, the mothers are worried about their girl children getting spoiled since there was no one to guide and advise them. For instance, one of the vendors in the Kame Valley market in Mukono indicated that;

“My oldest child is a girl aged 11 years and she is the one currently looking after the young ones. The management of this market strictly requires all vendors to sleep here. You can only go home during the day for a few hours to check on the children. If you sleep there, management will dismiss you from the market. Worst of all, their father was caught up in Gulu district, so these children stay without any adult person at home. Am also worried my girl who was in p.6 is growing old and may end up learning bad habits since there is no adult person at home” -KII with a market vendor, July 2021

Teenage pregnancies are on the rise, and it was reported that parents send young girls to go out and look for money by indulging in prostitution. Also, hungry girls are easy to lure with little money into prostitution.

Child pregnancy increased because many children are not in school and are influenced by peer pressure, especially when parents are busy working and children are alone.

Working single mothers faced the challenge of taking care of their families, especially those who are sleeping in markets. Many single mothers indicated that they left their families under the supervision of children and were worried about their security and possible influence from peers. Also, there are so many child-headed homes because, when the lockdown came, many parents were locked away from home.

Depression is increasing, and people are traumatized with a lot of insecurity, especially the teachers who have not returned to their jobs for over a year

Criminal activities such as theft and drug abuse increased, largely driven by increased poverty and peer pressure.

Families are struggling with other diseases, and it is reported that the country might lose more people to other conditions than with COVID. For instance, it was reported that HIV patients had stopped taking medicine because of hunger, but some couldn't access hospitals to pick their medications. Even those suffering from other diseases could not seek medical treatment because transport is expensive, fear of catching COVID-19 from the congested medical centres, and others could not be allowed to travel even with LC1 letters, claiming that the police would ask for bribes.

Children's stay at home is a big concern to parents, and many believe that this will affect learning, and many will not return to school when they are eventually opened. Also, many vendors were not sure they would take back children to school because of the struggling businesses.

Household Coping Strategies

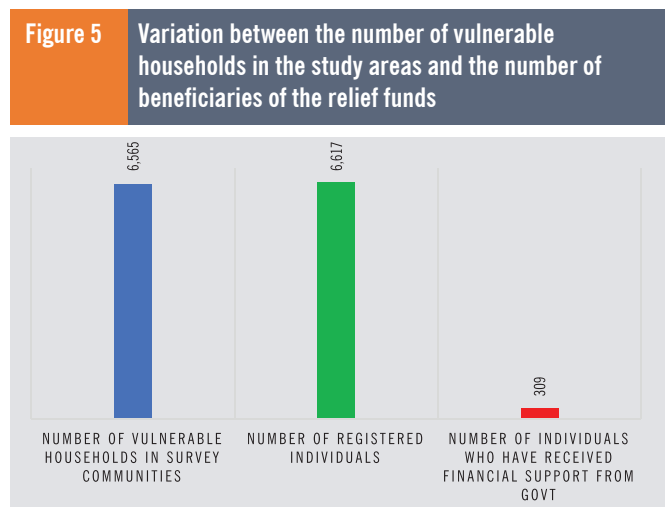
Due to the COVID-19 triggered lockdown, many households could not maintain their livelihood status; they adopted negative responses such as reduced food intake and begging from the seemingly well-off people. Below we provide a list of what households are doing to survive;

- a) Reduced food rations and quantities even for young children. Most households are having one meal a day and have switched from expensive diets such as meat to posho and beans
- b) Cost-cutting by laying off domestic workers such as maids and limiting consumption/purchase of other household items
- c) Many households are using herbs and traditional medicine to cut on medical expenditure but also to avoid the challenges associated with travelling during the lockdown
- d) Many households have stopped contributions to Village Savings and Loan Associations (VSLAs) and hence stopped savings to reserve money for food.
- e) Most people have resorted to begging. They approach the leaders and other well-wishers.
- f) Change of businesses and careers. Many teachers have moved into trading agricultural produce to sustain their families

Household support

Unlike in April 2020, where the government offered COVID relief to vulnerable households in kind (the food was provided through door-to-door delivery), in June 2021, the support was given through cash transfers (equivalent to UGX 100,000 per household, and the modality used was mobile money. In both instances, the social assistance targeted urban households—disproportionately affected by the lockdown and curfew measures—as many informal sector workers were put out of work. In both cases, concerns were raised about the appropriateness of the targeting and delivery method for social assistance. In the rapid assessment survey, we inquired from households whether they had received the COVID funds. The community leaders interviewed indicated that less than 5% of the

households had received the funds (Figure 5).



Very few have benefited from the government's financial relief because the method of delivery was characterized by many challenges such as:

- a) **Poor targeting:** Individuals with no mobile phones and the national identification number (NIN) were not targeted, yet the poorest have no phones. In slums of Kampala and Wakiso—notably Busega and Kasokoso, the chairpersons reported that the poorest in those communities have never held a phone. However, evidence from the national households reveals that phone ownership among the poorest households in urban areas is relatively widespread. Specifically, the 2019-2020 UNHS shows 52.4% and 46.2% of urban households in the poorest 10% (decile 1) of the Ugandan population have a mobile phone and operate a mobile money account, respectively (UBoS, 2021). Hence, the challenge with the targeting mechanism may have been the lack of comparability between the registered mobile money account and the National ID. On the other, without such stringent targeting, such schemes risk experiencing massive fraud.
- b) **Lack of involvement of LC1s and other local leaders in identifying beneficiaries.** For example, in many LC1s, especially in Mukono, the town clerks directly selected people without the involvement of the LC leadership. In Kavule cell and Kikooza LC1 in Mukono, the LC1 were not given a number and criteria to select beneficiaries. They only heard that some of the people in their communities had been selected to receive money and others had received it. The leaders reported that the selection of beneficiaries was not based on vulnerability but more based on networks and relationships. According to the local leadership, many vulnerable people were not registered, and they never received support. They were not aware of the criteria used to identify beneficiaries.
- c) **Less effective approaches in identifying and registering the poor.** In Nansana East 2 Parish, they reported that people self-selected into support. Only those who went to the municipality were registered. They never involved local community leaders in identifying leaders to identify beneficiaries.

- d) **Lack of a standard, clear and well communicated criteria for beneficiary selection.** Where the local leadership was involved in the identification, the criteria were not uniform and not well communicated. Sometimes, they left it to chairman LC1 to select the beneficiaries.

Effects of the lockdown on private teacher's welfare

Livelihood deterioration due to lack of earning. Private teacher's earnings were lost, and the worst hit were teachers of the lower level (kindergarten to primary four) who did not return to teach since the first lockdown. This category of teachers last earned (received a salary in either February or March 2020). The second category of teachers started earning when upper classes re-opened in September-October 2020 through May 2021. However, almost all of them experienced salary cuts, in the range of 10% to 50%, depending on the school where they have been teaching. From June 2021 to date, this category is also surviving without earning. Due to lack of earning, teachers can hardly feed themselves and their families.

Loss of decent accommodation for teachers. Most of the teachers who have been renting before the lockdown have been evicted due to rent payment default. The lockdown has rendered them financially incapable of affording house rent. After the eviction, many of the teachers are now using classrooms in the schools where they used to work for accommodation/shelter. Some teachers have resorted to sharing a single room (two or three families) to share the burden of rent, but even with this, they can't still afford to raise the rent.

Difficulty accessing medical care and utility payment. Most of the teachers cannot access healthcare –due to a lack of current earning. Besides, those with chronic health conditions cannot walk long distances to health facilities to access care. The teachers are also failing to pay for utilities such as; water and electricity, given that they are not earning. Some have experienced instances of water and power disconnection due to failure to pay for the services.

Loss of self-esteem. Teachers have lost respect and value in the community. It was reported that the children and community at large have lost trust in teachers. Many teachers are now washing clothes in the parents' homes of the children they used to teach, just to get little money to buy food. Some teachers are making and selling chapatti on the roadside, competing with their former students. Many girls (daughters to teachers) have been made pregnant during the lockdown. All these are affected teachers and resulted in the teachers' loss of self-esteem among the community. Because of this humiliation to teachers, as observed from the field, a large section of teachers contends that – *"in the next five years or so, people will not want to become teachers"*.

Likelihood of major exodus from the teaching profession. Most of the teachers interviewed reported that they are considering leaving the teaching profession, given the gross magnitude of the damages or humiliation inflicted on them by this crisis. They contend that the teaching profession has not helped teachers, and policy makers seem not to be paying attention to the sufferings that teachers are going through.

Those who have moved on to engage in other economic activities (such as retail shops, market vending, and chapatti making, among others) reported that they would never go back to class even if schools re-open normally.

They discovered that one could generate much more income from such small businesses alone than a teacher does. One of the teachers who currently work together with casual market labourers in Kalerwe market ("wheelbarrow pushers") revealed that;

A wheelbarrow pusher makes on average 100,000/= in a day – a primary school teacher can never make that money. In less than a week, the wheelbarrow pusher makes at least twice the salary of a private primary school teacher.

The likely exodus of teachers, if not averted, will be highly detrimental to the human capital development efforts of the country.

Complete closure of schools and unemployment. Several schools were reportedly closed completely or are about to close business, to allow school owners to venture into other businesses. This will render thousands of teachers jobless.

Teacher's survival mechanism during the lockdown

Some teachers have never devised any survival mechanisms, and these mainly depend on handouts (food and cash) from friends, relatives, former student's parents, and other well-wishers. Those with some survival mechanisms reported the following as their ways of survival during the lockdown;

- Market vending and retail shops. However, many businesses are just struggling due to inadequate capital and low demand during the lockdown.
- Casual work includes loading and off-loading goods in markets, washing clothes for pay (including clothes for the parents of the kids they used to teach), digging for pay, compound cleaning, tea making, and fetching water for pay.
- Private coaching and online teaching. However, most teachers have now stopped private coaching due to parent's inability to afford given that most of the parents also have difficulty earning due to the lockdown. Online teaching is only for teachers in big schools that can afford to invest in the teaching techniques and have well-to-do parents. The majority of the teachers cannot migrate to digital teaching, especially those who teach lower levels because they are not skilled.

Conclusion and Recommendations

The covid-19 lockdown has greatly impacted MSMEs and households. Many people have lost their jobs due to the closure of some businesses (e.g. schools) while others have been laid off. Women have been the most affected by the challenge of employment loss associated with the lockdown. For example, in the surveyed markets, 49% females compared to 36% males were laid off; similarly, 28.7% and 23.6% female and male market vendors, respectively, stopped working at the introduction of the lockdown.

People's welfare has greatly been impacted because of reduced or no income at all. For the MSMEs that are still in operation, the operating costs have increased, demand for goods and services has reduced remarkably, and business capital is eroding. The lack of money has caused some

people to move to less decent accommodation and to be disconnected from utilities like power and electricity.

Unfortunately, the government relief of Ugx 100,000, which was meant to help households in the lockdown period was never received by very many truly vulnerable people. The relief money was reportedly received by a paltry 4.7% of the persons registered to receive the relief in the surveyed communities. The process of identifying and delivering the relief money to the most deserving was not properly guided.

Households have been faced with increasing incidences of gender-based violence (child neglect, child and teenage pregnancy), depression and loss of self-esteem arising from prolonged joblessness, and the possibility of never finding a job even after the lockdown has been lifted.

Our findings also indicate that the lockdown is associated with adverse tax revenue effects. This will have far-reaching implications on the fiscal operations.

We note that many people do not have a sustainable strategy for keeping afloat in terms of coping strategies. They have stopped saving with their SACCOs and depleted their savings to buy necessities, while others depend on irregular handouts (food and cash) from relatives, friends and other well-wishers.

Most MSMEs responded to the lockdown by implementing cost-minimizing strategies such as reducing the number of goods stocked, reducing the different types of goods traded (especially the highly perishables ones), laying off workers and cutting salaries retained employees.

On the positive side, some people have responded by exploring new sources of livelihood, including conducting online classes (by some teachers), market vending, and engaging in casual work like washing clothes in people's homes for pay. However, most of these new engagements are on a small scale and face several challenges; as such struggling businesses due to limited capital and extremely low demand, and the entrepreneurs are just hanging in there.

Recommendations

Private schools:

- a) Fast-track the delivery of the government (i.e., presidential) promise of 22 billion Shs. for the private teachers' SACCOs.
- b) COVID-19 relief fund should prioritize private school teachers. Other forms of relief (e.g., food) can also be provided for private school teachers. This is because of the dire situation that private school teachers are in.
- c) Support from private sector players. The teachers call upon private sector players whose businesses used to be significantly supported by education institutions or schools to rescue teachers. Companies or businesses such as; bakeries, stationery producers and suppliers, juice companies, and food companies, among others, used to rely on schools as their major client base. However, in this crisis, all these big businesses have remained silent and have never shown interest in helping teachers. It is therefore essential to dialogue with them so that they can provide support to teachers.
- d) Re-opening of schools should be done when all teachers and learners have been deliberately vaccinated. Once re-opened, strict adherence to SOPs must be enforced for all schools. The teachers interviewed contend that schools that are not in a position to implement SOPs should not re-open.
- e) Co-payment of private school teacher's salaries by the government. The government should consider contributing to the compensation of private school teachers.
- f) Train teachers to acquire additional skills for survival, e.g., tailoring, cake making, craft making, and liquid soap making.
- g) Allow girls who became pregnant during the lockdown to go back to school after delivery.

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Endnotes

- 1 The teachers could not be traced directly through their schools, since they are not operating during the lockdown and hence could not be accessed through their work places.

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