

**RESTLESS
DEVELOPMENT**

**WHAT DOES
SUCCESS LOOK
LIKE? SUPPORTING
YOUNG PEOPLE TO
REACH THEIR LIVING
ASPIRATIONS**



CONTENTS

EXECUTIVE SUMMARY	3-4
BACKGROUND	5
METHODOLOGY	6
FINDINGS	7-24
RECOMMENDATIONS	25-26

EXECUTIVE SUMMARY

Our previous research shows that young people are making a living in a complex economic environment, where formal employment opportunities are not sufficient to absorb the labour supply. They have told us that they respond to this challenge by using a portfolio approach, combining different activities—employment, self-employment, and domestic work—to get by.

To support them appropriately in this complex journey, we needed to learn more. In this research, we listened to young people in 3 areas in Uganda: to what they are currently doing to make a living, to what their aspirations are, and to what gets in their way. Here's what we learned.

We learned that young people have high aspirations for the future, largely in self-employment. Success for them means not only expanding their own businesses but expanding them to the level that they can employ other young people like themselves. However, where they want to be in 5 years is in a position to meet their basic needs—particularly home ownership and educational attainment. Their experience challenges us to redefine our metrics of success to reflect what they expect and to consider how we can support them to support others.

We learned that the support that young people receive from their parents has a direct relationship with whether they pursue the economic activities that they aspire to. This support need not just be financial; they stressed the importance of emotional support. Apart from their families, young people suggested that this is a role that community leaders can play as role models and mentors. Their experience challenges us to change how we approach supporting young people: that we not only work with them directly but also bring their families and community leaders into the process.

We learned that young people often build their skills by learning from those in their social networks—from their families, friends, and community members. When reflecting on which skills they felt they needed, young people stressed that they needed a diverse range of skills in order to respond to potential exogenous shocks. While they recommended that skilling is a role that organisations can play, their experience challenges us to rethink our role from skilling in specific enterprises to skilling in resilience, supported by facilitating connections to local mentors for enterprise-specific skills.

We learned that, while most young people face challenges with getting the capital they need for the businesses they aspire to start, some young people have found creative ways around this. They describe mobilising finances from their social network to get started. They also do not show a linear process towards delivering on their aspirations, explaining that they have started small with businesses that have low costs as they look towards reinvesting profits into developing those businesses they aspire to. Their experience challenges us provide more comprehensive support—beyond providing start-up capital to identifying easy-to-enter enterprises and skilling on portfolio management.

We learned that, although most financial support options target business start-up, young people face financial challenges across the life of their business—particularly in keeping them operating and expanding them. Those who have businesses struggle with high competition, fluctuating input costs, and strict tax structures, though some young people have developed creative strategies in response. Their experience challenges us to consider shifting from providing start-up capital to new businesses to providing business development support to young people who already have them.

BACKGROUND

Restless Development Uganda has been undertaking projects and programmes under our Living goal for some time. However, we acknowledge the need to continue investigating not just the impact of our programmes but also the issues that they are responding to.

With new clarity around how we support young people's needs through our Living goal globally, we identified the need to revisit how young people make a living in Uganda:

- What challenges do they face?
- What have they already done creatively solve them?
- What are their hopes for the future?
- How can we help them get there?

Through the support of the Segal Family Foundation, we were able to ask young people in the areas we work directly through our peer-to-peer research approach. We intend to use these findings for future Living programme design. We will also use them to inform others of how they too can provide the support that young people say they need.



Bosco and his sister Irene working at his shop in Uganda

METHODOLOGY

Because we intend to use these findings to inform our work, we focussed the research on the three areas where we have a physical presence: Kampala, Jinja, and Karamoja. While this allowed us to make use of our existing resources, we were sensitive to the bias that doing so could bring into the data. In order to mitigate this bias, we ensure that all communities in which the data was collected were communities that have not been reached through our existing programming.

In order to help us better understand young people's needs from their own perspective, we used our youth-led research approach: We worked with young researchers¹ – selected from the areas we intended to study – to lead every step of the investigation process.

Our young researchers' engagement began through a foundation training. In this training, the programme team presented the four key questions (above) that the research would engage with, and the young researchers developed the data collection instruments, based on the questions that they determined were most important to answering these research questions.

Based on the questions that the young researchers identified, this research used a qualitative research design, combining rich insights from focus group discussions and semi-structured interviews with young people.

Data collection followed a three-phase approach, comprised of: i) a phase of focus group discussions with young people to surface key insights, ii) semi-structured interviews to add more granularity to these initial insights, and iii) another phase of focus group discussions to verify that those perspectives held by individuals resonated with other young people more broadly. The resulting sample was reflective of the experience in young people living in urban and peri-urban areas around these three cities and predominantly included young people who were running a small business.²

Following data collection, young researchers came back together for an analysis workshop. In this workshop, they led the process of identifying key themes in the data through a deductive thematic analysis approach: Young researchers coded the data using pre-specified codes of interest, identified emerging themes, and then re-verified these against the original dataset to ensure that every emerging theme had a strong basis in the data. Finally, they mapped evidence-based themes against each other and built them out in detail, which became the basis for this report.

1. We advertised for this role through the alumni networks from previous programmes. Therefore, the majority of these researchers had previously been volunteers with Restless. While chosen to be representatives of their areas, they were not drawn directly from the targeted communities in order to reduce bias.

2. While the former was part of the selection criteria for communities, the latter was not part of the selection criteria for young respondents. That there was this prevalence in the data could either suggest that most young people in these areas are running their own small business or that our data collection missed some crucial experiences and therefore further research is needed.

FINDINGS

While young people have high aspirations, their immediate priority is securing their basic needs. However, success for them is not only personal; it is when they can give back to other young people.

Young people have high aspirations of what they would like to achieve in their businesses in the future.

When asked to describe where they would like to be in the future, several young respondents described their future businesses in superlatives: that they would have the best or the biggest version of the business they are passionate about. Below are some examples of such aspirations:

“I want to open up a large farm, growing vegetables demanded internationally.”
– A young person in Kampala

“I want to become the biggest farmer in whole [sic] of Karamoja.”
– A young person in Karamoja

“I lay bricks for sale. I want to be the biggest supplier of bricks and buy a truck to distribute those bricks to customers.”
– A young person in Karamoja

“I want to become best photographer with a good studio dealing with quality.”
– A young person in Kampala

“I want to open a huge shop retailing electrical appliances, like wires and bulbs.”
– A young person in Jinja

As the quotations show, the young people we spoke with have diverse interests in terms of the types of products they would like to sell and the businesses that they would like to run. However, for all of these young people, the unifying aspect of their aspirations is that they all desire scale: that their businesses will be “large”, “huge”, “biggest”, and the “best”.

For some, these aspirations are not disconnected from what they are already doing. Instead, they express that they would like to expand their current business to a larger scale. As a young person in Karamoja described, “I want to expand my brewing business and have a bigger cereal bank with more stock, to see a bigger sales return.” Another young person in Karamoja running a small saloon explained that she wants to “open a bigger unisex saloon five years from now, dealing both with men and female [sic] hairstyles”. This desire to for expansion suggests that, for young people already engaged in an income activity, more support could be given to developing what they are already doing than training them in new ones.

Interestingly, none of our respondents described wanting the “best” job, though. Their aspirations were in self-employment, not formal wage employment. Our data do not allow us to answer why this is.

It could be because our sample had a high number of those already working in or towards their own business, though this was not part of the selection criteria for respondents.

This is something that we have seen in other youth-led research projects that we have conducted. More research into young Ugandans aspirations is needed to further unpack why young people aspire to have their own businesses more than to have attractive jobs working for someone else. Perhaps it is not just because this is more desirable but because in the context of low and unreliable employment options this is a more attainable aspiration.

However, while their business aspirations are ambitious, what young people say they want to have achieved in 5 years is more closely connected to securing their basic needs.

When describing where they would like to be in 5 years, there were two main themes that emerged across young people's responses. They reported that they want to have their own homes and that they want to either to attain a higher level of education themselves or support others in their family to do so. These are some selected quotations showcasing these wishes:

"5 years from now, success would be when I build my own house, and I am able to educate my children and provide them with basic needs."

"In 5 years time, I will have finished my O-level and then go do a course, which will enable me to improve my standard of living and be in position to educate my siblings. With the business I will be owning [sic], I will be earning good money. So I will be owning a big house."

"In 5 years time, I should have built a house for my family, gone back to school, and been able to provide the needs for my family."

"Success to me in 5 years will be when I have built my house, and I am no longer paying rent. I should be having a stable business, and all my children should be going to good schools."

"In 5 years time, I should have developed seriously. I should be having enough money and owning a permanent house. I should be in good health and afford health care services, feeding my family, and expanding my business."

For all of these young people, building a home for themselves and their families is important. Only one young person describes that this home should be “big”. Instead, what appears to be more important is that they have built it themselves and own it. There are even more quotations not included above that show the same wishes.

The same is true for the value placed on education: there are more quotations that were not included above. For some, the desire is to secure a higher education for themselves, whereas for others, it is about ensuring siblings or children secure a good education. However, either way, education was mentioned by almost every young person.

Only one young person reported wanting to achieve a higher economic level than that. That particular young person described that he wanted to be “rich and wealthy”. However, it was interesting that more young people did not also report the same. Instead, young people largely reported that they just wanted to have a comfortable life.

Therefore, while young people’s pathways to securing a living are diverse, just as their ambitions for their businesses are similar, so too is their definition of what a successful life looks like. If securing these basic needs—home ownership, educational attainment, and access to healthcare (mentioned less frequently)—are what success looks like to young people, perhaps this are also how we should be measuring the long term impact of the support we provide to them to make a living. That their 5 year plans are a humble desire for a comfortable life, does that mean that they are more achievable?

When thinking about where they would like to take their business, young people do not just think of themselves; they also want to help other young people like them.

The young people whom we interviewed overwhelmingly showed a high level of interest in using the success that they aspired to achieve to support other young people like themselves.

Some young people expressed that were they able to achieve success, they would provide support and advice to others to help them do the same. A young person in Karamoja explained, “If I receive [sic] my 5 year dream, I will become a consultant for the rest of the youth when they are in need of support and guidance.” This respondent was not unique; others also expressed that they identified being successful with being able to support others to do the same.

Often, young people spoke of how they would share their ideas with other people. However, one young person in Kampala suggested taking this technical support a step further, explaining, “I would gather them from the community and call them for training. In this training, I will teach them about the skills I have.” Irrespective of whether this support takes the form of providing advice to complement more comprehensive training, what all of these young people display is an appetite for dispersing the knowledge that they have found key to their success.

However, more young people in our sample expressed that they would like to do more than providing knowledge—that they would like to provide employment opportunities for other young people. As a young person in Karamoja explained: were he able to open a mechanic workshop, he would be “focused to [sic] employ other young people too with mechanical skills, and those without will receive training to make repairs at a subsidised price.” Lending his skills and guidance is only one part of what he hopes to offer; he also hopes offer employment opportunities.

He is not alone. Below are some other selected quotations from other young people who aspire to employ young people like themselves, were they to achieve success:

From a young person in Kampala: “In 5 years, I should have opened a big supermarket and mechanic shop, where I will be employing many youths.”

From a young person in Jinja: “I want to finish pursuing my career of being a teacher. Then later, open up a [private] school of my own, then employ young people with a similar passion and profession.”

From a young person in Karamoja: “I want to become the biggest brewing brand in Karamoja, dealing in quality brew and providing employment for other young people in Karamoja.”

Though these voices come from young people in diverse regions with diverse ambitions, for all of them being able to support the employment of their peers was a part of their vision for success.

However, none of the young people we interviewed is able to do so now because none has the business scale to do so. For these young people, doing so requires being able to expand their businesses. A young woman in Jinja described that “after expanding [her stationery shop, she] will employ more jobless young people in [her] community.” Similarly, a young man expressed that, “I want to own a company. When my business grows bigger, I will be employing other youth.” For these young people, employing others remains an aspiration, not a reality.

Could the future of employment be in supporting these young people to achieve the scale they report wanting to see in their businesses to enable them to employ others? What support would they need to be able to do so? Considering that several respondents mentioned the difficulty of expanding their businesses, perhaps more attention can be paid to this than to start-up support because of the knock-on effects these aspirations suggest doing so would have.



**IF YOUNG PEOPLE HAVE A
MODEST VISION FOR WHAT
SUCCESS LOOKS LIKE IN
THE SHORT TERM AND AN
ENTHUSIASM TO HELP
OTHER YOUNG PEOPLE LIKE
THEMSELVES, WHAT GETS
IN THEIR WAY, AND WHAT
CAN BE DONE ABOUT IT?**

Young people describe 4 key areas where they need more support: emotional support, support gaining skills, support starting up their businesses and support expanding them. How some young people describe solving these problems for themselves suggests what we can do to support others.

Young people relate their ability to pursue desired activities to the support—both financial and emotional—that they receive from their families. They highlight that community leaders could also play a role in providing the latter.

Whether negative or positive, young people describe that the support they receive from their families has a direct effect on whether and how they pursue various income activities.

Young people who have not received support from their families describe this as a key hindrance to engaging in the activities they aspire to.

A young man in Karamoja described, “I can only start my dream economic activity if my parents provide me with some little financial support to add on to what I have.” Another young person similarly explained, “There is limited support in terms of finance, land, and other resources from my family. Hence, I have failed to progress in my endeavours.” In the perspective of these young people, finances and direct capital resource are what they need to start to start the income activity of their choice.

However, other young people who describe receiving limited family support speak instead of support more broadly than just in financial terms. They also speak of a lack of emotional support. A young person in Kampala who aspired to be the best photographer described, “My family have a negative mentality about my professional [goal] of becoming a photographer...it has not enabled me to engage in this activity.”

For this young person, it is not that their family has withheld financial support to pursue their aspirations; it is that they have withheld emotional support.

A young person in Kampala expanded on this to explain why a lack of emotional support was impactful, “My family members are not supportive. They take long to listen to my ideas. You have first to prove yourself to them, otherwise they might not be in a position to help out so you don’t fail.” From this description, it is not that family support is needed to start an activity; it is rather that family support is needed as a safety net to help in shocks to their business.

Conversely, for young people who mentioned securing exactly that kind of support, they remarked that this support acted as an enabler to them pursuing the activities that they aspired to.

Where family support has been particularly significant in the stories of young people is in training them to do the income activities that they do. Some young people described acquiring the skills that they needed on agriculture and livestock rearing through their parents and experientially through the work that they did together on these activities at home.

Others describe learning the trade from their parents who own businesses. For example, a young man operating a maize mill in Jinja explained, “My father owned a milling machine. He trained me on how to operate the machines and do elementary mechanical service. Now, I am running my own machine.”

However, while this support may be readily available, it might not always match young people’s aspirations, as many desire to do something different than what their parents have done. A young person in Karamoja mentioned, “I inherited some goats from my father. So I had to continue rearing goats and selling them as I earn.” In this young person’s description, rearing goats is something that he engages in because that’s what is in front of him, not because it is his aspiration.

However, perhaps it is best to see this kind of support not as the end point to a young person’s search for a living but instead as a meaningful start—a leg up to reach other aspirations. Young people describe income activities not as something they stick to but as a largely self-financed journey; so perhaps this young person will be able to invest the income he gets from goat rearing into something else more closely matched to his aspirations.

However, in the experience of a young woman in Jinja, emotional support could also be simply hearing a young person’s creative idea and supporting them in achieving it. She described the support that her mother gave her, saying:

“I was vending charcoal with my mother and realised it is a good business. Thus, I shared her [sic] the idea of opening another outlet somewhere. My mother like it and provided me with capital to start. Now, I want to open another one.”

Her mother did provide her with financial resources to develop her idea. However, what she provided first was a listening ear.

In the perspective of some respondents, this is precisely the role that families should be playing. As a young person in Kampala suggested:

“Families should be able to support youth in their homestead. For example, if they can contribute towards ideas and ventures that family member want to engage in rather than waiting for them to get formal employment.”

In the absence of employment opportunities, what can families instead provide to support young people?

We cannot think of young people alone when designing responses to their needs. Instead, we need to also acknowledge that they are situated within a larger ecosystem of other non-youth actors, and we need to design responses that operate at the level of the ecosystem, as opposed to engaging with young people in isolation.

Beyond their families, young people suggest that community members can also play a role in supporting young people to achieve a meaningful income by providing emotional support.

Some young people suggested that community leaders could play a strong role in helping young people see the “value of wealth creation, starting up a business,” as a young person in Kampala suggested. However, what is implicit in this suggestion is that this is what young people need: behaviour change communication to change their mindset towards entrepreneurship. However, if our respondents are any indication, young people actually display a positive perception of entrepreneurship, higher than that for formal employment.

What other young people report as more important is “counselling them to believe in themselves,” as one respondent explained. Another young person in Kampala explained, “I would involve all leaders in my locality to give youths a psychological boost.” According to these young people, it’s confidence to pursue their ambitions that these young people can gain from their leaders. A young person in Kampala suggested how this might be done: “I would organise motivational leaders to speak to the youth, organise events that bring the youth together, like sports events, music [sic].”

The young people whom we spoke with clarified why community leaders should play this role: because they have unique influence.

A young person in Kampala explained, “Local leaders—for example, local chairman, religious leaders, youth leaders, and influential people in the community—should talk to young people [...] because young people listen to them.” A young person in Kampala expanded on this, explaining that she would “involve political leaders from my area [because] the chairman has more information and influence in the community.” Support can start from the home, but broad-based community support must include those whose voices are influential in the community.

Young people acquired their initial skills through informal channels from those in their social network and community. They called for further mentorship in diverse skill areas to build their flexibility.

While some young people called on others to support them in developing their skills, young people whom we spoke with most often described learning from those in their social network or those they approached in their community.

With respect to human capital, young people described a situation that many have analyzed before: Some noted that they had the skills to run their businesses and explained that other resource barriers were more prominent. However, for every one young person who felt this way, there were at least two more who explained that they lacked these skills, particularly practical skills and those in business planning and management.

They called upon NGOs to fill this gap, either delivering skills training directly or supporting them to access quality training through other service providers. To a large extent, this is happening, but there are also some gaps. What is more compelling is how some young people described filling this gap by themselves and what they thought others could do to support them.

Several young people described learning the skills to conduct their income activities through the mentorship of those in their social network.

Below are selected quotations from young people who have done so:

“I have been mentored by some relatives who are in the same line of business. The uncles in this business have supported me to overcome some of the challenges that I’ve faced in [this] business.”

– A young person in Kampala

“I learnt to fry chapati by visiting friends’ stalls and asking for a moment to try out making chapati, and from those friends, I have successfully learnt making a chapati.”

– A young person in Jinja

“A friend introduced me to poultry-rearing, taught me various skills of birds rearing, vaccination, feeding. I am very confident about rearing poultry, just looking for money to start my own.”

– A young person in Jinja

Two things about this experience are interesting: First, young people identified where they could learn skills at no cost through the support of those in their social network. While it is unclear how closely these business ideas match with those they would wish to be doing, this still represents a meaningful step in taking initiative to start their own ventures. Additionally, those whom they describe reaching out to showed a high willingness to help them, without fear of eventual competition.

Combined, this suggests that perhaps other young people could take a similar strategy, mapping what they want to do against who they might know who could teach them.

Other young people described using creative strategies to connect with mentors who were not directly in their social network. A young person in Jinja described getting someone in their social network to facilitate a connection, explaining, “A family friend connected me to a mechanic who trained me in motorcycle repair at a fair price.” Where another young person was not able to identify people he knew directly, he struck “small deals with drivers so that [he] get[s] an opportunity” to practice driving himself.

For these young people, not knowing someone to mentor them does not necessarily mean that they seek formal training programmes. In fact, for the young person who paid drivers to learn, such programmes were not affordable. Instead, a mentor could also be someone that they paid a smaller transaction fee to.

Could this be a model of support to formalise? That is what young people suggest. A young person in Jinja explained, “young people need mentors and supervisors” to support their aspirations. One in Kampala also explained who could fill that role, suggesting that successful local “entrepreneurs in business should mentor them on how to deal with economic activities.” While their call for mentorship is clear, it is less clear who would be a good fit to be mentor.

Whereas the young people who have secured mentors or informal trainers have done so largely on their personal initiative, doing so requires knowing whom to approach and how. Not every young person has that knowledge. Perhaps, however, this is the appropriate role for NGOs and community leaders to play—a matchmaking role, identifying and approaching those in the area who could best act as a mentor, given the needs young people express.

In order to respond to changing economic conditions and shocks, young people ask for training in diverse skill areas to enhance their flexibility and adaptability.

Aside from business management, young people did not go into a lot of detail describing specifically which skills they felt they needed. Instead, some young people highlighted that what they and their peers need is not a specific skill set but a range of skills.

These respondents called for “equipping youth with skills in different activities to enable them to adapt”, as a young person in Karamoja described. Another young respondent expanded on this saying, “I believe that the youth need different trainings on how to operate in different economic activities, thus being able to have any changes in their activities.” What they are asking for is something other young people echoed: training in a diverse range of skills to enhance their flexibility.

While securing start-up capital remains a barrier for many, young people describe creative strategies to address this: securing seed capital from those in their social network; starting with businesses that have low entry costs; and reinvesting profits into new businesses more closely linked to their aspirations.

While some young people we interviewed expressed that securing capital is a key barrier they face to starting an income activity, others described starting small with businesses that have low costs of entry and then reinvesting profits to diversify into those they would like to pursue.

Young people whom we interviewed often spoke of a lack of capital as a key factor delimiting them from engaging in the income activities of their choice.

When describing the financial struggles that they have with their businesses, some young people described barriers that are already on the radar of many seeking to deliver support: They explained that even where they have developed a business plan, they have not been able to secure start-up capital. Young people we interviewed spoke of difficulty in accessing loans provided by financial institutions and also spoke of the struggles they faced in paying back loans. Describing that information asymmetries and unfavorable restrictions constrain their ability to access start-up capital through government funding schemes, these young people called for this to be the role of NGOs—providing seed capital to establish their businesses.

However, for every young people who called on NGOs or government to play this role, there are more who identified that they have funded their businesses through other means: by funding their enterprises themselves or by mobilizing those in their social network.

Young people we interviewed described saving from existing income activities to enter into others: A young person in Kampala described “saving part of [his] salary to raise capital for buying land and constructing [school] buildings.” Another in Karamoja described that “after accumulating some small money from her [retail shop, she will] later open up a side income in cereal banking.” These experiences were echoed by other young people in our sample. Not only do these young people and others like them showcase a savings culture, they also display an appetite to use their savings to reinvest in their income portfolio—not for asset accumulation.

However, while developing a savings culture is important to success, as one respondent described, this is not a panacea for all young people because it requires having an income activity to start with, which is not the case for every young person.

To respond to this gap, some young people instead described pursuing businesses that required less start up investment. Below are the voices of some young people who have done so:

From a young person in Karamoja:

“Most of these activities like [my] brewing don’t require much capital to start. It makes it easier and very manageable to start.”

From a young woman in Jinja:

“I started that business [poultry rearing] because I could manage it. It required capital I could afford; and [I] also bought in small quantities. To avoid the burden of much capital required, I rear these from my household.”

From a young person in Kampala:

“I selected this [agricultural] activity because it requires little capital and can be done on part-time basis.”

The experience of these young people suggests that across regions, there are diverse options for which types of income activities have low barriers to entry. Perhaps more support could be given to help young people identify which businesses and which business models have accessible entry costs.

For none of these young people are these businesses their eventual aspiration. They are a meaningful start but not a permanent choice. Instead, once accruing enough savings for investment, as those young people above, perhaps they would choose to pursue something else.

Where young people are not able to secure enough finances through their own means to pursue their business ambitions, they described seeking support from members of their social network.

Some young people described receiving financial assistance through their family members—either through direct payments or in-kind support in the form of assets. A young person in Kampala described receiving the former: “I have received financial support from my uncle, and I use his shop to market my products.” Instead, others described receiving assets that they could either use—such as land to grow their produce—or sell to raise capital for their businesses—such as cattle and other livestock.

Where family members were unable to offer financial support, young people whom we interviewed looked to their friends and others in their community to help support them financially. A young person in Karamoja described, “I have received financial support from my friends, through helping me with the little money I used to buy sorghum and maize for brewing.” Similarly, another young person in Karamoja described receiving financial support from a “stakeholder within [his] community so as to invest more in [his] small grocery shop, since [he] already had good clientele.”

What is intriguing is not just that young people feel comfortable asking friends and others for money but also that they find this a useful strategy—that their friends and community members do indeed provide them the financial support that they request. This suggests that there could be more untapped potential in mobilising financial support for young people’s enterprises at the grassroots community level.



For young people who can join them, savings groups can offer a more formalised structure to access the same localised financial support that other young people describe gaining from their social network.

Young people whom we interviewed often explained that being part of a savings group had a positive effect on their businesses, particularly as a source of start-up capital. A young person in Kampala explained that the savings group he was a part of “helped [him] so much, mostly in adding working capital to [his] business.” However, the benefits that young people describe of being a member of a savings group are not just in terms of access to capital but also in what it has taught them. As a young person in Kampala described, “joining a saving club also has created positive [sic] in my life because I have developed a saving culture, which has helped my in my business.”

However, young people do describe some limitations to savings groups structures: They require often require an initial investment, which some young people we spoke with explained they did not have. Others explained that they took loans from savings groups that they were later not able to pay back.

While savings groups can offer young people a more formalised structure to do what others are already doing—accessing support from those in their social network, they are not without their challenges. That young people mention them frequently could just be because savings groups are a common structure, but this does not mean that they cannot be improved. Further research would be needed to understand how.

For those young people who have a business, they often struggle with expanding their businesses due to the twinned challenges of the rising costs of inputs and high competition.

Among those seeking to support young people's entrepreneurship, there is already an awareness of the support young people need when setting up a business—as well as products and programs designed to respond to this. Less attention goes to supporting those entrepreneurs once they have established their businesses.

However, several young people explained that this is exactly where they are struggling. A young person in Karamoja explained, “I have inadequate capital to support the progress of my mini supermarket. I am finding challenges in expanding it, and a lot of my money is going out a lot.” What this young person expresses is a challenge that other young people we spoke with echoed, highlighting the key challenges they face that impact their ability to maintain and expand their businesses: the fluctuating—mostly rising—costs of inputs and competition.

Beyond the expenses of starting up, young entrepreneurs explained that securing inputs is a constant challenge for the continued operation of their business because of price fluctuations.

A young person in Karamoja described the anxiety he felt in managing how price fluctuations affect his business: “I have not been able to manage the challenge of price fluctuations because prices increase generally in all places.” Managing all of that simultaneously must be overwhelming in his personal experience, but it is not unique. Young people mention that these fluctuations are a challenge for all goods—both primary inputs supplied from within Uganda, such as agricultural produce, as well as consumer goods manufactured externally.

In terms of primary inputs, respondents gave examples of firewood for cooking, maize and sorghum for brewing local alcohol, and produce for food kiosks, among others—all of which they described as increasing in price. In particular, the young person who gave the example of firewood connected this price increase to reduced supply.

In all cases, they described that the high prices of these inputs have had a significant impact on their businesses: For the young person buying firewood to cook food, this has affected business volume, whereby she buys “smaller quantities leading to less food being cooked”. For the young person brewing local alcohol, purchasing input has “cleared all her finances to continue running the business”. The latter highlights how this challenge can impact young entrepreneurs: not just detracting from the profit margins but also depleting the operating costs of their businesses.

Those whose businesses rely on manufactured products describe a similar challenge. A young woman in Kampala mentioned, “I have not been able to overcome the challenge of increased and unreliable prices with the tools I use and products like nail polish. This has affected my business so much.” Another Kampala salon owner explained that this has “been limiting me to benefit [sic] from this business”.



Young women sewing in Uganda

Of all of the input costs that young people mentioned struggling with, across all businesses, the most common complaint was the rising cost of utilities.

Young business owners explained that they have recently experienced increases in the prices for water and electricity. A young person in Kampala explained that increases in these utilities costs have “affected the way I operate my business.” Another young person explained that because of these increases, she “has not been able to overcome some of the challenges [she] face[s] in the business, like competition.” As such common inputs, particularly in businesses of a specific scale, these increases put pressure additional pressure on young people’s businesses. These increases magnify other challenges, such as competition, because they reduce the responses that young people can take to respond—such as reducing prices.

This does not only affect the costs and profit margins of young people’s businesses; it also affects the business that they can bring in when those fluctuations are also represented in the price of what they are selling. A young person in Karamoja explained, “Price fluctuations keep changing, where you buy goods at a higher price and sell at a higher price, hence leading to low numbers of customers buying the good.” Another young person in Kampala who is operating a food kiosk explained that it is not just that customers are unwilling to pay these increases but instead that they do not understand them: “It is hard for customers to understand sometimes why there is a rise on the menu, hence losing some customers” [emphasis added].

Young people in all regions of Uganda described that high taxes are a hindrance to the profitability of their businesses.

In Karamoja, in Jinja, and in Kampala, young people we interviewed all complained about the high taxes rates that their businesses are subject to and how this negatively impacts their profits. A young person in Jinja specifically stated that “high taxes rates [...have] affected [my] businesses, which results into [sic] having limited working capital.” Other young people echoed this explaining that high taxes minimise their profits and therefore have impacts on where they can take their businesses, particularly in terms of reinvestment and expansion—the first things to go.

A young person in Karamoja complained about the magnitude of the challenge: that it is not just that taxes are high where your volume is high, “taxes increase whether you have sold or not.” He described that this is “making [him] want to close it.” Therefore, the structure of taxes has impacts not just on whether young people’s businesses grow but also on whether they choose to still keep operating them at all.

A young person in Kampala also mentioned that these taxes are imposed not just on physical products but also on technological innovations. Where innovators must pay high taxes alongside the high and often non-compensated costs of developing an innovation, this context deincestivises investment in innovation, which has a high potential to change more lives.

More data must be collected to establish exactly how taxes affect young people’s businesses and what can be done about them.

Young people note a high level of competition in their chosen businesses, though some demonstrate a high level of investment in low-cost marketing strategies.

The young people we interviewed told us that they experience a lot of competition in the market, particularly those who are in Kampala. A young person in Kampala explained:

“There is a lot of competition in the area where I am operating from. I deal in food, and there are many big restaurants compared to my food kiosk. So you find difficulties sometimes operating or getting customers.”

A young woman faced a similar challenges in a different business, “There are many saloons in the area, and it is very hard to set prices which are favorable because we all provide the same services, and at the end, there is not money for expansion.”

Part of the challenge could be that young people are developing more of the same businesses side-by-side in what is already a saturated market. However, another challenge could be in how these young people develop their customer base.

A young person in Kampala explained the challenges that she experienced with competition: “I have faced a lot of challenges in competition, and I have failed to get along with it because I don’t have enough capital for competition.” Another young person in Kampala corroborated this perception, saying, “Most businesses need a lot of marketing and advertising to attract many to buy from you.” Others echoed this feeling.

However, while marketing does require capital, some young people described the low-cost ways they use to market their business or develop a customer base, beyond displaying standard good customer care skills.

Some mentioned strategies to go the extra mile to build customer loyalty: A young man riding a boda boda in Karamoja explained that he “usually gives a free lift to [his] customers in their hard moments. Hence, this has helped [him] win their loyalty.” A young woman in Jinja described that she offers discounts and “gifts to [her] customers who buy in plenty” as well as “offer[ing] them packaging materials.” She had found that doing so has had positive effects on how they support her business.

Other young people developed innovative strategies to get their brand or their goods out to potential consumers. A young person in Kampala explained that she gets the message out to potential customers by “walk[ing] around, wearing a branded shirt and giving out flyers” to get them familiar with her juice business. Moving a step beyond getting the word out by directly meeting the customers, a young person in Karamoja remarked that she found being stationed in one place minimised her sales; so instead, she “moves around the community to locate customers,” which has in turn increased her sales.

Beyond selecting different businesses with less competitive markets, these creative ideas can suggest a fresh, low-cost perspective on building a customer base. Perhaps this is a role then for the mentorship that young people say they would like to offer to their peers—crowding in creative marketing solutions and acting as positive role models of thinking innovatively.

While young people have designed creative ways to help build a loyal customer base, including incentive offers, they report having had more challenges than success with allowing sales on credit.

Every young person that described allowing customers on credit mentioned that, by doing so, they faced financial challenges. A young person in Kampala summarised the challenge by explaining that the “majority of people or customers never want to pay back their debts.” For those who do pay back their credit sales, young business owners still face a challenge with time scales: that “they take long to pay”, as a young person in Jinja explains. This impacts profits as well as plans for reinvestment and expansion.

Other young entrepreneurs should be counselled against doing the same. This could be incorporated into the mentorship model suggest above. Alternatively, dialogues could be organised where young people can learn directly from the experience of their peers, as well as familiarise themselves with how others have explained this to potential customers.



A young woman making necklaces out of beads in Karamoja, Uganda

RECOMMENDATIONS

Redefine what success looks like

For the young people we interviewed, success does not look like achieving a certain income level. Instead, their vision of success is modest: to expand their businesses, own their own home, and have access to quality education and healthcare. We should rethink how we measure the impacts of our policies and programmes to ensure that they are delivering what young people say success looks like. In line with their vision, we need to ensure that we are not just focussed on the quality of their income but instead on how we are supporting improvements in the comprehensive quality of their life.

Beyond start-up, support young entrepreneurs to expand their businesses

While many programmes focus on supporting young people to become entrepreneurs and set up businesses, more could be done to support those who already have businesses expand. That young people are enthusiastic about employing other young people but are unable to do so at their current business scale suggests that there is untapped potential to support more young people to earn a meaningful living. As a starting point, these entrepreneurs could be taught creative marketing strategies and how to build a customer base, in order to better compete with other businesses. Additionally, further research could be done to determine what other constraints prohibit the expansion of their businesses and what could be done to respond to these.

Where focussing on start-up, look beyond providing capital

Young people we interviewed show that they have done a lot with the capital that they have mobilised themselves, either independently or through those in their social network. While this grassroots financial access could be better formalised through savings groups and other similar structures, young people's experience suggest another way to provide support.

Support could come in the form of long-term goal planning, suggesting a pathway by which young people can reach their aspirations. Such planning could look initially at identifying businesses with both low costs of entry and low competition and could then suggest options on how to reduce start-up costs. This could be done alongside business plan consulting on how to grow a portfolio of income options aligned with aspirations—built through a strong plan of how to reinvest profits—along a longer time horizon.

Rethink who should develop young people's skills and how

Often CSOs and NGOs focus their programming on the direct delivery of skill-building interventions. However, young people's experiences suggest a response where organisations play a different role: Instead, organisations could provide a matchmaking role—connecting young people with those who have the skills that they seek through mentorship or through apprenticeships.

Where small transaction fees are needed, then organisations could investigate subsidising these to facilitate young people receiving the right kind of connections with the right people. Instead of developing parallel skill curricula, then, more investment could be placed on determining identification criteria for potential mentors and supporting them to deliver on this role.

Additional emphasis could be placed on ensuring that young people can access a diverse package of skill support around a core question: How can we support young people to develop the flexibility and adaptability to respond to economic shocks? Perhaps linking them to more than one mentor could be helpful so that they can develop a range of income options. More emphasis could also be placed on developing resilience, particularly at the household and community level.

Don't just target young people; bring their families and communities visioning success

Programmes must acknowledge that young people do not exist in isolation in their fundamental design. Young people live in a complex social ecosystem, where the support from they receive from others—their families, their friends, and those in their community—has a direct impact on how they make a living and how successful they are at doing so.

Programmes must engage not just with young people independently but also be designed to crowd in the support of family members and community leaders.

How can this be done? Family support groups can be established in parallel to youth groups to make them partners in delivering on young people's aspirations. More touch points can be incorporated for parents to better understand the aspirations of the young people in their household. Community leaders should be approached to act as role models or coaches, providing a motivational boost for young people in their community. In order to formalise these roles, connections between young people and these community leaders should be facilitated.

Establish policies that incentivise businesses

This research does not set us up to make recommendations on how taxation structures should be revised. However, it does show that current structures of taxing businesses, imports, and utilities are de-incentivising small businesses, by depleting business profits and contributing to young people's decisions to close their businesses. More effort should be placed on assessing which policies could instead incentivise businesses.