

## Covid-19 effects and responses in Kampala's informal sector:

### Promises for social justice and resilient livelihoods in the face of multiple crises

Policy brief

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Kampala continues to face multiple socioeconomic challenges arising from the Covid-19 pandemic and its aftermath. The pandemic has had far-reaching implications for urban informal workers and residents. They continue to face the worst impacts of the pandemic, due to congestion, urban poverty and deficiencies in basic infrastructure – including roads, water, sanitation, energy and healthcare facilities.

Yet recovery requires a lot of resources and time to address income insecurities, livelihood shocks, vulnerabilities and risks. There are multiple, interconnected risks facing Kampala's informal communities and workers, which will require joined-up solutions. This briefing draws on the Covid Collective three-year research programme to outline the Covid-19 effects on informal workers and residents, along with their responses, and highlights promises for social justice and resilient livelihoods in the face of multiple crises in Kampala, Uganda.

### Key highlights

- > **Kampala has a thriving urban informal sector** which provides crucial livelihood opportunities for the majority of the population.
- > **The Covid-19 pandemic has had multidimensional effects on informal residents and workers**, with unemployment and lost incomes leading to food insecurity and a rise in criminality and other anti-social behaviours.
- > **Exclusionary urban reforms resulted in evictions of residents and traders through the Smart City Campaign**, thereby worsening negative socioeconomic effects of the pandemic as well as grassroots relations with state agencies.
- > **The Covid-19 crisis exposed the vulnerabilities of disadvantaged communities**, presenting several opportunities for action to help informal residents and workers cope with challenges of the pandemic.
- > **Grassroots organisations provided emergency assistance from late 2020**, including providing water, sanitation and hygiene kits, and advocating for a more locally inclusive health system.
- > **Increased localisation and inclusion of local actors in health programmes led to higher levels of vaccine uptake**, despite vaccine hesitancy.
- > **Moving forward, there are opportunities to co-produce inclusive reforms with informal workers and residents that can address longstanding urban challenges in the context of multiple crises.**



## Background

Kampala is Uganda's economic, administrative and commercial hub, and is home to approximately 1.7 million people. The city has a thriving urban informal sector – encompassing informal housing and businesses – which provides crucial livelihood opportunities for the majority of the population. Over 80% of the urban economy is informal, with individuals operating in open spaces, streets and road reserves as vendors, *boda-boda* riders and taxi drivers. Spatially, informal settlements comprise 60% of the urban area.

The informal sector in Kampala is characterised by land tenure and property rights insecurity, inadequate housing, basic infrastructure deficiencies and unregulated economic activities. Further, the sector faces multiple socioeconomic risks and vulnerabilities, exacerbated by security threats, limited participation in urban governance, environmental degradation and climate hazards.

The Covid-19 pandemic has had multidimensional effects on informal residents and workers in Kampala, which can be categorised in two significant ways. Firstly, the crisis exposed the vulnerabilities of disadvantaged communities and presented several opportunities for action to help informal residents and workers cope with challenges of the pandemic. Secondly, it encouraged new avenues towards inclusion of informal workers and residents of informal settlements within Kampala's planning regime.

## Livelihood impacts of the Covid-19 pandemic

**The Covid-19 crisis exacerbated livelihood challenges, inequalities and poverty among individuals living in low-income settlements and relying on the informal economy.**

The predominant impacts included high unemployment rates, leading to economic poverty, increased living costs, decline in household wellbeing and economic struggles for businesses.

**Many businesses closed during lockdowns due to economic shocks, compounded by rising costs of transportation and merchandise caused by inflation.** The gendered formal job market in Uganda – where men typically have more stable incomes – was disrupted, leading to a loss of income for many men. This was exacerbated by a sharp increase in commodity prices, due to higher costs of petroleum products, inflation and partly as a result of Russia's invasion of Ukraine in February 2022.

**With over 82% of Kampala's residents employed in the informal economy, unemployment levels rose to over 60% and 72% of the population faced reduced incomes during the crisis.** Overall, there was decline in living standards and hardships related to feeding families, finding work and sustaining livelihoods.

**Food insecurity was a pressing issue, with many households relying on only one meal per day and limited dietary diversity.** The prices of food items and essential commodities

rose significantly (Table 1), while most people had either lost their jobs or had very limited purchasing power. The general food insecurity and poor dietary intake increased pressures on both men and women to work harder to get money for meeting household demands.

**Table 1: Price increases for essential items**

Food and non-food commodities	Average normal price (UgX per kg)	Average increased price (UgX per kg)	Percentage increase in price (%)
Soap	3,500	8,000	129
Maize grain	900	2,000	122
Dry cassava chips	1,000	2,000	100
Maize flour	2,000	3,800	90
Dry beans	2,400	4,500	88
Sugar	3,000	5,000	83
Vegetable oil	3,500	9,000	74
Groundnuts	3,000	5,000	67
Salt	1,200	2,000	67
Plantain (matooke)	493	802	63

**Youth unemployment emerged as a major challenge across all informal settlements,** leading to negative social consequences – such as increased drug abuse, youth criminality and exploitation of young girls for sex, resulting in a rise in teenage pregnancies.

**Criminal gangs emerged in the central business district (CBD) and its suburbs,** targeting individuals and stealing their property, often causing physical harm. Motorists travelling at night and using specific routes – such as the Northern Bypass, Entebbe Express Highway and roads between settlements – are particularly vulnerable to these criminal activities, which are primarily perpetrated by urban youth groups.

## Vulnerability among informal workers and residents

**The effects of the Covid-19 crisis were unevenly distributed among different social groups in the informal sector,** with only a few being somewhat resilient. The most vulnerable groups included hawkers, street vendors, youths, women, widows, single mothers, *boda-boda* riders, bar owners, casual labourers, the elderly, people with disabilities (PWDs), chronically ill individuals, school-going children and school teachers working informally.

**Some groups – such as market vendors, retail shop owners and food stall operators – showed more resilience** due to demand for their products. However, casual labourers working in Chinese and Indian industries were particularly

hard hit, experiencing pay cuts and job losses. Restaurants, food vendors and photographers suffered because of falling demand for their services, especially given high living costs.

**Youths and women were especially vulnerable, lacking the skills and resources to start or restart small businesses or access meaningful employment.** Widows, single mothers and children faced psychological distress, with some children being pushed into labour markets and girls being exposed to prostitution and sexual abuse. The education sector suffered as a significant number of learners dropped out of school due to poverty, teenage pregnancies, early marriages, and child labour. The elderly and PWDs lacked access to social safety nets, while casual labourers struggled to find employment opportunities.

Additionally, the Covid-19 crisis exacerbated challenges related to urban sprawl, environmental degradation, and climate change, leading to evictions from wetlands and catchment areas. The enforcement of laws related to the environment and infrastructure development was selective, disadvantaging low-income residents while allowing the rich to exploit and degrade the environment.

## Health impacts and vaccine uptake

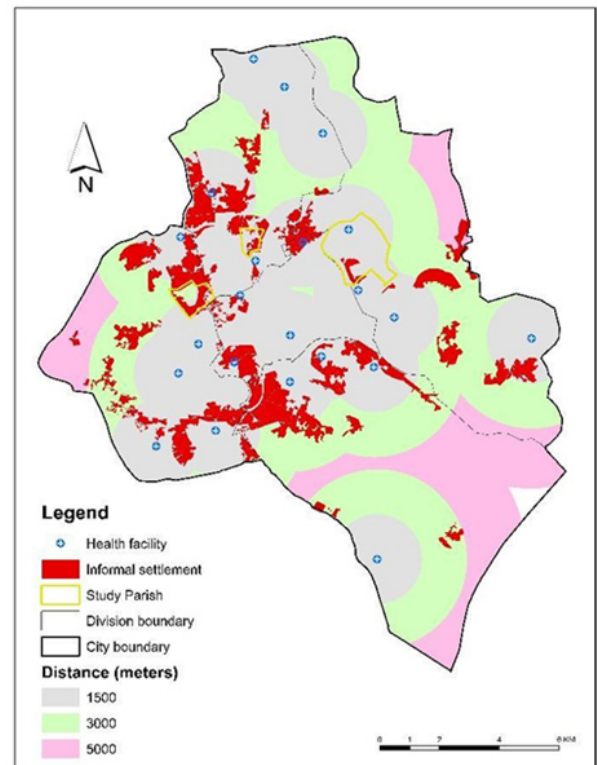
To ensure a smooth vaccine roll-out processes, the Government of Uganda designated 21 health facilities as vaccination centres across Kampala's five divisions. Makerere University Hospital, Mulago Hospital, Kampala Hospital and Kololo independence grounds were also opened up for vaccination, during the periods of high Covid-19 infections in 2021 and early 2022.

**However, the majority of the urban poor had to travel between 1.5km to 3km to access vaccines** (Figure 1). Enabling access and uptake of vaccines across the urban populations in informal settlements, including the most vulnerable, prompted religious and cultural institutions as well as the private sector to lobby for vaccines from the government to facilitate vaccination.

**We found vaccine hesitancy due to lack of trust in health systems, misinformation and misconceptions that youths were immune to the virus. However, there were significant gains thanks to increased inclusion of Village Health Teams (VHTs) and Health and Hygiene (H&H) officers in health programming and action,** and widespread awareness raising about the safety of vaccines, including multistakeholder vaccine campaigns.

**Relatedly, we found that vaccine uptake benefitted from locally inclusive health systems for preparedness, adaptation, response, recovery and resilience, involving VHTs, civil society organisations (CSOs), local leaders, government, religious and cultural institutions and private sector.** These increased uptake of vaccines amongst informal workers and residents through various health campaigns, progressively highlighting the importance of prioritising local-level health programming and stakeholder engagement in crisis management and vulnerable groups protection.

**Figure 1: Vaccines access and location of designated health facilities**



Source: Sseviiri et al. (2023)

## Coping with the pandemic effects

The strategies adopted by marginalised groups to increase their resilience included **wearing masks and gloves, street vendors shifting locations to access a shrinking market and minimise the virus spread, hairdressers and barbers offering services at clients' homes and traders/vendors diversifying merchandise to meet changing demands.**

**Informal workers also embraced digital technologies to sustain economic exchange, social cohesion and interaction.**

These were mainly used for delivery of food items and services, relying on savings and loans from social networks and grassroots financial systems.

**Grassroots organisations provided emergency assistance from late 2020.** This included providing water, sanitation and hygiene kits, and advocating for a more locally inclusive health system. Such initiatives supported health resilience among communities, although limited resources hindered efforts to train and facilitate local healthcare providers and procure personal protective equipment (PPE).

**Regarding the National Slum Dwellers Federation of Uganda (NSDFU), many of their projects shifted focus from livelihood empowerment to health-focused programming and action.** The federation partnered with the government to train H&H personnel and VHTs to offer localised health services, including Covid-19 emergency responses, conducting door-to-door sensitisation and supporting vaccination and testing programmes in settlements. The

collaboration also enabled successful health operations for other health crises, including the Ebola outbreak in September 2022. Federation members received PPE from various sources through the VHTs to mitigate the spread of Covid-19 and prevent potential lockdowns and restrictions.

### **The Covid-19 crisis had a significant impact on the funding resources and support for the low-income communities.**

Many donor institutions experienced funding cancellations, cuts and repurposing, reducing the opportunities for new donations. Funding for upskilling and economic development programmes was diverted to pressing health and sanitation challenges, and recovery support to small and medium enterprises.

The NSDFU is remobilising saving groups, encouraging members to revive savings and repurpose funds for livelihood diversification and asset accumulation, with the aim of enhancing community resilience against future shocks.

## Reforming the urban space? Exclusion and inclusion of the informal sector

### Informality under exclusion

**Compounding the pandemic effects , the implementation of the Kampala Capital City Authority's (KCCA) so-called "Smart City Campaign" from January 2022 further marginalised the informal sector.** The smart city strategy is an ambitious vision to decongest Kampala, while making it an inclusive, resilient and well-planned city that provides economic opportunities for all. But while key goals include enhancing citizen engagement and city resilience, the campaign has disproportionately targeted informal livelihoods that employ the majority of Kampala's residents.

**In an effort to decongest the city, the majority of informal workers – including *boda-boda* riders, hawkers, roadside traders and street vendors – have faced or are being threatened by the smart city rhetoric with the suspension of their operations.** A *boda-boda* free zone was created, which will see riders denied access to the city's CBD when fully

realised. Such exclusionary reforms ignore the vital role that the informal sector plays in the local economy and worsen the already dire situation for informal workers and residents.

"We have an outdated plan that is almost three decades old and not related to contemporary trends in development and urban trajectories... The last detailed plan was done in 1993 and yet there is no capacity of physical planning across the city to address all these challenges... The evictions lately witnessed from wetlands, streets and roadsides are not inclusive because there is no law allowing street vending but people are ignorant about it... The evicted persons have not been planned for and therefore it is very hard to get spaces where they can work from while in the city."

– Physical planner, Kawempe Division

**Heavy security is always deployed to evict several traders and riders, preventing them from operating within the city's spaces.** This has resulted in major losses in income and merchandise, along with unemployment and inappropriate legal actions that include imprisonment, fines and bribery. Many informal traders and transport operators continue to work without proper licensing or permits, putting them at risk of eviction or confiscation of their vehicles, goods and merchandise.



**The Covid-19 crisis also presented city and state authorities with an opportunity to implement wetland restoration initiatives, mainly in low-income communities' workspaces and residential areas.** KCCA and the National Environment Management Authority (NEMA) launched evictions of vendors and traders operating in ecologically sensitive corridors of Lubigi and Ggaba, thereby depriving them of their workspaces. Eviction threats and enforcement continue despite shrinking urban spaces to accommodate informal workers and residents within the city. In turn, these evictions only further entrench the economic crises facing informal workers and enterprises in Kampala.



## Claims and efforts for informal sector inclusion

**Informal sector workers employed collective bargaining to advocate for inclusive policies that provide access to workspaces.** For instance, market vendors operating along certain streets in Rubaga division were relocated to Namungoona market, and spaces in various markets were identified to accommodate street vendors. KCCA is progressively securing land in the CBD and other divisions to accommodate evicted street vendors and hawkers. These complement past informal sector integration and regulation efforts such as the Kampala Sunday Street trade market in 2015. However, the lack of land for urban expansion and the limited space available to accommodate the large number of informal traders threaten meaningful regulation and management of the informal sector.

**During the Covid-19 pandemic, boda-boda riders and taxi operators harmonised their associations to strengthen their negotiating power against the KCCA.** The KCCA presented guidelines and regulations to decongest the city by limiting the number of *boda-boda* riders and designated pick-up locations. This led to a shift from fragmented and conflicting associations to collective action among all associations to address regulatory concerns. Engagements were initiated with various ministries and the KCCA, although achieving success is still challenging due to diverse interests among individuals, association leaders, government entities and ministries.

**Further efforts have been made to engage stakeholders, with a focus on the voices of transport operators' associations, to streamline boda-boda and taxi operations in Kampala.** Stakeholder meetings – organised by organisations like the Friedrich Ebert Stiftung (FES) and the Urban Action Lab (UAL) at Makerere University – have facilitated transparent regulation of the informal transport sector and discussions on issues around digitalisation and the use of information and communication technology (ICT) in *boda-boda* operations. These have provided spaces to collectively address unlawful behaviour and criminality, and promote integration within the city by collaborating with KCCA, municipal authorities, police and relevant ministries. Similar community engagement and uptake activities continue to incrementally increase across all informal settlements.



**Several initiatives have been implemented to support vulnerable social groups recovery, but challenges exist in the equitable distribution of benefits.** These have been through government programmes for community development targeting youths, women, people living with disabilities and children to support and promote their recovery. Training in business and financial management has been provided, and groups of female market vendors, traders, HIV-positive individuals and youths have been mobilised to establish or enhance business enterprises. Cash grants disbursed to these groups have helped build economic resilience and transform livelihoods, but the funds have been insufficient to reach all vulnerable populations affected by the crisis.

The limited availability and unequal distribution of social protection initiatives highlight the need for a multistakeholder approach involving CSOs, the private sector, government entities, city authorities, and communities to ensure transparent, equitable distribution of resources. Additionally, local leaders have encouraged youths and business operators to access loans from private financial institutions to aid in their recovery from the economic impacts of Covid-19.

**While service delivery deficits persist in waste management, WASH (water, sanitation and hygiene), and transport, there have been positive developments in the health sector.** The government, particularly the Ministry of Health (MoH), is recognising the importance of community-level health services and care for vulnerable populations in the informal sector. The MoH is leveraging VHTs and H&H personnel to provide inclusive health services. The KCCA is also acknowledging the potential of localised health services for low-income communities. This has led to the implementation of innovative healthcare delivery models such as mobile clinics, health bazaars and door-to-door health and sanitation programmes to facilitate timely information, guidelines and support for neighbourhood health systems preparedness and response to multiple shocks. Such efforts have resulted in decentralised health services – including vaccination, health awareness campaigns, treatment of chronic illnesses and community-based healthcare facilities – especially with the active participation of VHTs and H&H officers. However, limited resource allocation, only short-term stipends provided to VHTs, project-based facilitation and the need to build local capacities remain significant obstacles to strengthening local health systems.



## From response to reforms beyond the pandemic

Although the informal sector has long been side-lined by city authorities, the Covid-19 pandemic effects led to the recognition of its vulnerabilities, risks and capacities as well. Historically, the government viewed the informal sector as a nuisance to urban planning and often dealt with using heavy-handed tactics. However, during the pandemic, the government recognised the vulnerabilities of low-income communities and implemented relief programmes and initiatives to support livelihoods and businesses. Consequently, the pandemic has led to some inclusive changes, fostering a more cooperative relationship between the informal sector and government.

While there are still significant service delivery gaps – especially in transport, waste management and WASH services – promising developments have been observed in the health sector. Localised health services were introduced, leading to increased awareness and response to health risks. Efforts have also been made to allocate urban workspaces to evicted traders and vendors and meaningful dialogues for inclusion. These provide entry points to supporting and mainstreaming inclusive responses to urban challenges.

Drawing on pandemic experiences and realities, urban actors should consider the following recommendations to foster post-pandemic social justice and resilient livelihoods in the face of multiple crises for informal workers and residents:

- > **Provide urgent and immediate social protection during crises**, as a critical safety net for resilience and recovery. Existing social protection schemes need to be strengthened and enriched for the most vulnerable groups.
- > **Address bottlenecks to social justice and resilient livelihoods.** Best practices of workspace allocation, economic empowerment and localised healthcare need to be scaled up, analysed and documented to facilitate learning from experiences, challenges and opportunities.
- > **Invest in digital infrastructure** to sustain work patterns through networking, communication and economic exchange.
- > **Develop capacities and training to help informal workers and residents acquire the skills and knowledge needed to increase entrepreneurship and employability**, aimed at building more resilient livelihoods and urban economies.
- > **Centre community engagement and collaboration within all efforts to promote social justice and resilience**, through understanding needs and realities to inform inclusive, effective and equitable responses.
- > **Foster solidarity with the informal sector** to build a sense of community belonging and shared responsibility, promote information sharing and consequently enable resilience and social justice.

- > **Prioritise working with local communities and networks for programming and action in all urban sectors.** These efforts should also aim at increasing legal representation and legal rights of informal actors.
- > **Provide financial support for local economic development** through savings and enterprise creation as well as livelihood empowerment.
- > **When implementing urban reforms, introduce constraints around the use of police, security and military units**, while also prioritising inclusive local governance processes and minimal displacement of low-income residents.
- > **Normalise evidence and analysis-based decisionmaking** to inform actions, programming and policy development necessary for informal sector revitalisation and integration.

## About this brief

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**Photo information (by order of appearance):** 1. Neighbourhood Health Services delivering Covid-19 vaccinations - ACTogether Uganda; 2. Area of Kampala's CBD where violent crackdowns on informal workers usually occur - Isaac Kasamani; 3. An evicted household from Lubigi wetland - David Lumu; 4. Community engagement activity with low-income settlement residents in Kampala - Urban Action Lab (UAL), Makerere University; 5. A traffic police officer explaining rules and regulations to transit operators - ACTogether Uganda.

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