WORKING WITH RURAL YOUTH

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In 2014, the USAID-funded Uganda Community Connector (CC) project carried out a learning activity to determine how the project might better address the livelihood needs of one of its key target populations: rural Ugandan youth. The assessment focused on identifying the preferences, cultural norms, barriers and practices which inform and drive the decisions youth make around entrepreneurship and broader economic development. The results are now being used to inform and adapt project interventions. The learning exercise was conducted by Leah Newman, a consultant engaged by the CC project, in conjunction with CC partner Village Enterprise (VE). The results and recommendations are presented here.

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USAID FROM THE AMERICAN PEOPLE
Community Connector
The Integrated Nutrition and Agriculture Project

THE CC PROJECT CONTEXT

The USAID Community Connector (CC) project improves the nutrition and livelihood outcomes of communities that district leadership identified as the poorest and most food insecure in 15 districts of Uganda. A situation analysis CC conducted early in the project revealed that youth under 25 years are a vulnerable population that needs CC project interventions; by end of the first 18 months of operation, however, only 8% of the CC's 57,400 beneficiaries were youth. Because of low youth participation, the CC project asked partner Village Enterprise (VE), a microenterprise development nonprofit, to target its activities to youth. During FY2013, VE targeted at least 60% of its youth beneficiaries in Dokolo, Kole, Kiryandongo, Masindi and Lira districts.

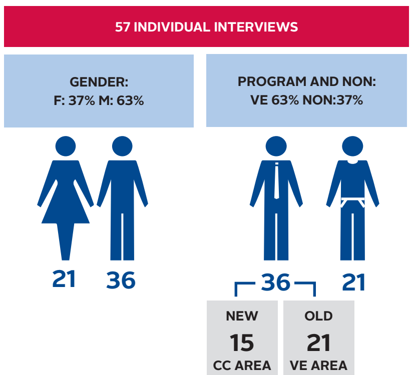
In the first cycle of implementing the VE microenterprise development model[1], it became clear that adjustments were needed to recruit enough youth to reach CC's targets for youth inclusion. CC, therefore, designed a learning activity to look at how the VE model must be adjusted to include more youth and to better meet their livelihood needs, such as their business preferences, and overcome youth-specific barriers to sustainable economic development.

THE LEARNING EXERCISE

CC/VE conducted individual, semi-structured interviews with youth to identify preferred businesses and training, time constraints and other services youth access. CC/VE frontline staff (Business Mentors) contacted current and potential CC/VE program business owners and used a snowball approach to generate a list of 183 potential interviewees in seven districts. From these lists, the Learning Lead randomly chose 60 youth for interviews. Field Coordinators contacted selected youth and 57 were interviewed (see interviewees' characteristics in Figure 1). Of 21 non-VE participants interviewed, 81% would have qualified for the program.[2]

Eight focus group discussions (FGD) were conducted in Lira (where the CC/VE program is just beginning)[3] and Ngora (outside the project area but where VE has operated for many years and business owners are completing the program). Interview analysis showed that successful microenterprises will vary by youth segment because of business preferences, cultural norms and available resources. To understand this further, FGDs in each area were segmented by marital status

FIGURE 1: LEARNING EXERCISE PARTICIPANT CHARACTERISTICS.



[1] The Village Enterprise framework rigorously targets poorer segments of the community and provides training in enterprise development and management, mentoring, seed capital of $150 per group of three households and a business savings program.

[2] VE mandates beneficiaries to have a Progress out of Poverty Index (PPI) score of 39 or less (indicating a 67% likelihood a family lives below $1.25/day).

[3] At the time of this learning activity, CC/VE interventions were still nascent: target households had been identified, business groups had been formed and individuals had begun to receive trainings; actual businesses had yet to start.

and gender. Those stratified by single/married included both men and women; those stratified by sex included both married and single. All FGDs had a mix of CC/VE and non-VE participants. Participatory games such as "rocks and fishes,"[4] voting activities and discussion questions were used to better understand perceptions, behavior and/or to estimate preferences. Data collection and analysis began in late April and continued through mid-June 2014.

WHAT ARE THE CONSIDERATIONS IN TARGETING YOUTH LIVING IN CC/VE AREAS?

Consider the Distance to Markets

Interviews and FGDs revealed that other programs are not available in remote areas where CC and VE generally operate (for example, Ngora is over 30 kilometers from Soroti town, which has financial services). Interviewees are a two- to three-hour walk from the nearest market. Farming services, such as rentable ox plows and seed and fertilizer distribution, are available in some places, but lack of disposable income prevents taking advantage of these opportunities. Only 14% of interviewees overall, and none in CC project areas, can reach formal financial services such as microfinance lending institutions. Even when available, lack of collateral and distance prevents them from seeking financial services. Moreover, and especially in the CC area in Lira, youth fear taking out loans. They have no models of loans having benefited their neighbors. Where village savings and loan associations (VSLAs) have been operating, youth would like to take out a loan after they receive appropriate training. In other areas with low access to financial services, as in Lira, they have heard or seen detrimental effects to their neighbors.

YOUTH PERCEPTIONS ON LOANS

"With loans they want collateral but I have nothing to use as security."

– Okello, married male from Lira

"The interest is too high and yet we get too little profit from the businesses we can do"

– Harriet, single female from Lira

"Repayment schedules are too difficult to adhere to given our sources of money are not consistent."

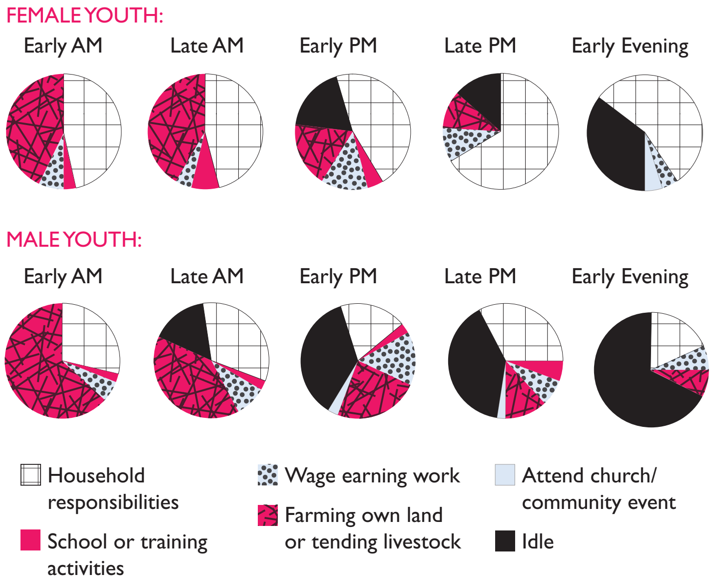
– Viki, single female from Lira

[4] "Rocks and Fishes," played during FGD, helps youth think through the barriers to economic success and solutions to overcome these barriers. Rocks represent barriers and fish represent swimming toward solutions.

Consider Sources of Information for Youth

Most youth rely on news and information primarily from radio, friends, and community members. They learn of opportunities at weddings, funerals, and other community gatherings. Information is passed through SMS messages. Youth stated they are slow to believe in available programs without concrete results or validation from friends, neighbors or local officials, especially in new CC areas where few stories of successful interventions exist. Mobilizing current VE/CC youth business owners to reach new youth participants may help ease fears.

FIGURE 2: TIME USE OF YOUNG MEN AND WOMEN IN LEARNING AREAS



Consider Time Use by Youth

Sole use of an age range (18–25 years) to characterize youth does not capture the diversity in time use and culture that must be considered when helping them choose a successful microenterprise. For example, young women spend considerable time with household responsibilities near the homestead. In contrast, though young men farm, such as tending livestock, they have far more idle time (see Figure 2 above). Many young women wish to enter retail, but this might not be feasible if the shop is too far from home and/or interferes with daily household responsibilities. These factors influence the types of businesses young people can successfully run. The goal is to identify business opportunities that will sustain income for the individual and the family, balanced within cultural norms, market realities and current skills.

WHAT WOULD BE THE OPTIMAL TYPES OF ECONOMIC ACTIVITIES FOR RURAL YOUTH?

Consider Preferences to Business to Employment

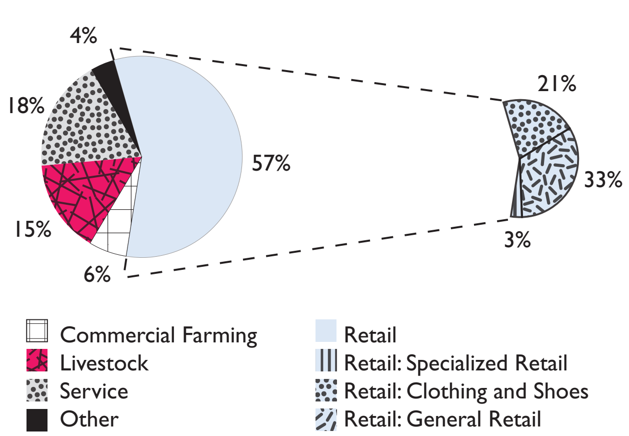
Youth overwhelmingly prefer to own a business over being employed. Most do not have the skills to "fetch good jobs." Youth perceive employers as untrustworthy and believe that owning a business allows for easy management, proper planning and increased profits. The few who prefer employment lack the skills to start a business.

> **YOUTH ON ENTREPRENEURSHIP VERSUS EMPLOYMENT**
>
> "All the profits made will entirely be mine and I can plan well on how to improve my business."
>
> – James, Lira
>
> "I would prefer my own to avoid being exploited by someone else."
>
> – Okello, Lira
>
> "Because I did not go to high level of learning so cannot get good government job and I do not know where I will be next year."
>
> – Harriet, Lira

Consider the Preferred Economic Activities

Youth prefer non-farming (production) businesses. The retail and service industries are not only seen as more profitable but also more practical since many youth do not yet own land for farming and livestock businesses. Of non-VE youth interviewed, 75% prefer non-farming businesses. For VE youth, 47% desire non-farming businesses while 33% prefer commercial farming. FGDs explored more specific business preferences and revealed a strong tendency toward retail (agricultural or non-agricultural). Retail includes selling farm inputs, produce and staples (grains, roots, legumes, chicken, oil, sugar and soap), selling clothing and shoes and specialized retail such as a butchery or drug (inputs) shop.

FIGURE 3: BUSINESS PREFERENCES OF YOUTH BY SECTOR



Addressing Barriers to Economic Success

Youth face perceived and real barriers to starting successful microenterprises. Overwhelmingly, youth note a lack of capital as their primary barrier. Other barriers or "rocks" that prevent them from overcoming or "swimming to" economic success are: lack of skills/training, poor transport/roads/infrastructure, lack of space or land, lack of knowledge/education, materials, market and support/mentoring.

Individual versus Group Businesses

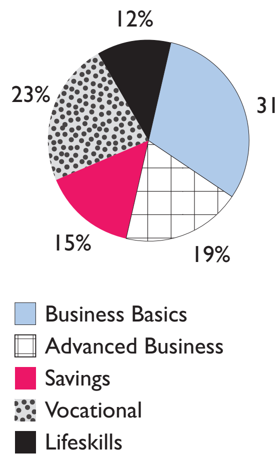
The majority of youth said they prefer to own a business by themselves. Youth identified lack of skills, land and support as barriers to economic success, so VE program participants are trained on the benefits of sharing ideas, skills and responsibilities. Business groups of three members allows for the spread of risk by pooling times and resources. A youth who misses a training sessions will still receive the knowledge from a fellow group member. Even after receiving this training, however, almost half of the youth (48% of individual interviews) still prefer to work alone. Individual versus group business is an area where youth preferences must balance youth needs and market demand to achieve success.

WHAT IS THE BEST TRAINING TO DELIVER TO RURAL YOUTH?

Youth Preferred Training Content

Youth wish to mix different trainings, including basic business concepts (profit, loss, business identification and management and record keeping), advanced business skills (marketing, value addition and diversification), vocational training, savings training and life skills (reproductive health and sanitation). In addition, 60% of those interviewed know a family member who saves formally or informally; although less than 20% save, 98% see savings as important. Those who do not save may benefit from motivational talks on savings from peers.

FIGURE 4: TYPES OF TRAININGS PREFERRED BY RURAL YOUTH



Nearly all participants see skilled training as desirable. Though youth prefer vocational training, executing such programs would need careful consideration in remote locations where demand for services like tailoring and welding may not be sufficient.

Preferred Training Tools

Participants said they learn best through role-plays and relevant examples. They want: a) to learn from existing successful businesses and b) trainings specific to their business interests. When asked about learning from videos, responses varied by region; 67% of participants confirmed that this is a good training tool, but in Lira, only 45%. Those who disagreed cite language barriers and lack of interactivity. In Ngora, with greater access to video halls and exposure to English, 81% of youth agree that videos are a helpful training method.

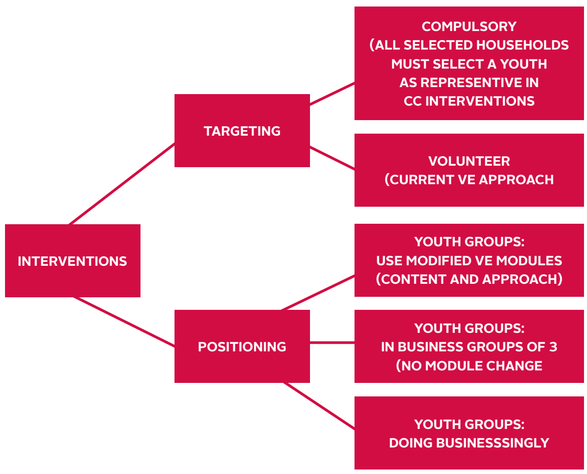
> **YOUTH ON TRAINING WITH OTHER YOUTH**
>
> "The youth have things in common. The old people will have different ideas and experiences that will not match."
>
> – Helen, single female from Ngora
>
> "With the youth you can talk to and correct a fellow youth. A youth cannot correct an older person, they will scold you."
>
> – Otim, single male from Ngora

Youth want to be trained with other youth (98%). Currently, VE trains people in groups of all ages, unintentionally creating an environment where youth do not feel comfortable or free to learn at their own pace. Noting similar issues, 76% of youth would feel most comfortable with a knowledgeable and approachable trainer close to their age.

THE WAY FORWARD: FROM LEARNING ACTIVITY TO ADAPTATION

The learning activity results were presented to representatives of CC's livelihoods partners, Self Help Africa (SHA), FHI 360 and VE to improve follow-up activities and adaptations to be implemented in FY2015. USAID Uganda viewed the results and proposed adaptations to be made in CC interventions in five districts.

FIGURE 5: PROPOSED NEW DIRECTION OF IMPLEMENTATION



FHI 360 is exploring engaging 850 households to deploy a more youth-sensitive CC/VE model to incorporate youth's opinions to improve project participation. Most new groups will continue to receive the current model as it relates to targeting and positioning; the rest will incorporate the lessons from this learning activity (see Figure 5). In the next stage, CC will adjust its monitoring and evaluation (M&E) to: a) assess whether recruitment changes lead to changes in types of youth enrolled and whether it affects business savings group performance; and b) assess whether making CC/VE interventions more youth sensitive affects business group performance. This will help highlight how modifications affect performance of youth businesses and standard of living for CC households. Continued M&E will validate how preferences correlate with business performance and increases in livelihoods for CC households. All changes will balance cultural norms and family obligations with business and training preferences for all youth segments.

"Targeting" is how youth are selected for inclusion in VE's program. "Positioning" is how the content and method of interventions are designed and implemented in order to track business and HH performance.

The M&E efforts to address learning questions may include a) evaluating effects of targeting changes by comparing performance of business savings groups by using difference-in-difference analysis, and b) analyzing effects of changes in positioning by comparing the performance of business groups (defined by business value, consumption and expenditure, PPI scores of the household) and by performing a difference-in-difference analysis of the type of group formed (single vs. group) and the type of training received (modified versus standard).