Factors Influencing Microenterprise Survival in the Informal Sector in Uganda

Independent Study Project

Project Advisor: Dr. Francis Wasswa
Academic Director: Dr. Charlotte Mafumbo

Project Location: Kampala, Uganda
SIT: Development Studies
Fall 2015
DEDICATION

This report is dedicated to the working population of the informal sector whose voices often go unheard in their efforts to carve out space and viable livelihoods within the economy. In particular, it is for the Boda Boda riders, to whom the culmination of this research hopes to aid in increasing the sustainability and growth of their financial and job security.
ACKNOWLEDGEMENTS

This research would not have been possible without the advice of Dr. Francis Wasswa, the policy research analyst of the Economic Development Policy and Research Directorate of the Ministry of Finance, Planning, and Economic Development. He provided encouragement and guidance in both the formation and performance of this project, enabling access to the Ministry’s reports and statistics concerning the informal sector.

Additionally, Dr. Dixon Kamkama acted as a shadow advisor, connecting the researcher with the Boda Boda 2010 Association Limited Uganda Central Division, going so far as to personally drive and make the introductions.

Mr. Andrew Mwenda provided invaluable insights to the conclusion and recommendations of this report. His receptivity to research possibilities and his promotion of accountability is commendable.

The Boda Boda 2010 Association Limited Uganda Central Division opened their arms to research possibilities, enabling survey circulation. Likewise, members and staff at the company Tugende eagerly organized and translated for focus groups.
Lastly, the ever patient staff at SIT Uganda Development Studies nurtured and promoted the advancement of this project, providing advisement, translators, aid in survey distribution, and much more.
LIST OF ABBREVIATIONS

KCCA  Kampala Capital City Authority
NRM  National Resistance Movement
MFI  Micro-Finance Institution
SACCO  Savings and Credit Co-Operative
List of Terms

Microenterprise – A small business, often made up solely of one self-employed individual but sometimes including up to six employees.

Informal sector - social working outside of the legal framework, including but not limited to undocumented self-employment, free of taxation and squatting living arrangements. The informal sector is often associated with insecurity.

Formal sector – social working within the legal framework, including but not limited to taxed, contract employment with set hours and wages and property ownership. The formal sector is often associated with security.

Boda Boda rider (Boda rider) - the driver of a motorcycle or bike used for public transportation; for the sake of this study, Boda rider will refer only to motorcycle drivers.

Boda Boda (Boda) - uppercase refers to the driver of the motorcycle or bike and the actual vehicle used for public
transportation; for the sake of this study, Boda will refer only to motorcycles and their drivers.

**boda boda** - lowercase refers to the bike or motorcycle itself used for public transportation; for the sake of this study, boda will refer only to motorcycles.

**Boda Boda stage (Boda stage)** – an area where Bodas wait for passengers; a Boda rider is a member of a specific stage. Each stage has a chairman elected out of the Boda riders.

**Boda Boda association (Boda association)** – a union of Boda riders that provides services, including but not limited to road safety classes and loans; a Boda rider must be a member of a Boda stage before he joins a Boda association.
**ABSTRACT**

The economic sector of Uganda is divided into two facets, namely the formal and the informal sector. The latter is characterized by the prevalence of self-employment, microenterprises, and political vulnerability. Furthermore, the Boda trade exemplifies the features of this sector, as it acts as a major employer but fails to lead its participants to personal development due to issues of sustainability. This study investigates the Boda trade within Uganda’s capital city to evaluate the influences of informal business mortality. Kampala was chosen as the research setting for its relevance as the core of informal transportation commercial activity. Microenterprise survival was analyzed in terms of the role of Bodas as a youth employer and proxy for public transportation, the magnitude of the trade within Kampala, and the challenges that impede business sustainability and growth. Additionally, current private interventions were examined in the context of depth of mediation and real impact.

The researcher used a blend of methods to account for tool limitations. Thus, methods included a review of quantitative government publications and qualitative primary research,
specifically the use of semi-structured interviews, surveys, and focus groups. Interviewees included academic and administrative individuals involved in private organizations. Surveys accounted for both association-affiliated and independent Boda riders. Focus groups worked to supplement survey data as well as to compare the demographics and business forces for Boda riders involved in associations versus those of members of other Boda-related establishments.

Analysis exposed the ability of Boda riders to financially access and own capital as a large contributing factor to microenterprise survival. The nature of the trade, while challenging the marginalization within the economic sector, simultaneously creates social inequalities and promotes the dysfunction of governmental interventions. Thus, Boda riders rely on private initiatives for aid. Boda associations, the company Tugende, and the application Wakabi provide capital loans and support of varying degrees and rates of success.

Successful organizational involvement hinges on the ability to empower individual Boda riders, create a form of regulation, and raise the standards of the industry. However, these mechanisms exist merely as transitional solutions, for the
problems of the trade, and the informal sector as a whole, require the dedication of government and formal support in terms of education, financial accessibility, and infrastructural development.

ISP Keywords: Commerce-Business, Economics, Development Studies, Transportation
# Table of Contents

1.0. Introduction .................................................................................. 12

2.0. Background .................................................................................. 13

3.0. Statement of Objectives ................................................................. 16

4.0. Justification .................................................................................. 17

5.0. Methodology ................................................................................ 18

5.1. Data Collection Methods ............................................................... 18

5.1.1. Government Publications ....................................................... 18

5.1.2. Interviews .............................................................................. 19

5.1.3. Surveys .................................................................................. 20

5.1.4. Focus Groups ....................................................................... 23

5.2. Ethical Concerns ......................................................................... 25

5.3. Limitations of Methods ............................................................... 25

6.0. Findings and Discussion ............................................................... 26


6.2. Interviews .................................................................................. 29

6.3. Surveys ..................................................................................... 37

6.4. Focus groups ............................................................................. 44

7.0. Conclusion ................................................................................... 50

8.0. Recommendations ...................................................................... 51

9.0. Bibliography ............................................................................... 53
10.0. Appendices ................................................. 57
  10.A. Consent Form English ..................................... 57
  10.B. Consent Form Luganda ................................. 59
  10.C. Description of Interviews .............................. 61
  10.D. Select Interview Schedules ............................ 65
  10.E. Boda Survey English ................................. 68
  10.F. Boda Survey Luganda .................................... 73
  10.G. Tugende Focus Group Interview Guide .......... 78
  10.H. Wandegeya Boda Rider Focus Group Interview
        Guide ............................................................. 80
  10.I. List of Figures ............................................ 82
1.0 INTRODUCTION

Uganda has one of the highest per-capita business start-up rates in the world, as the enterprising poor are forced to seek out alternative financial options in order to make ends meet (Kristensen & Birch-Thomsen, 2013, pg. 177). However, the country additionally has one of the highest business failure rates, as a large proportion of these businesses, such as fast-food stands, roadside mechanics, and Boda Boda, are informal microenterprises directed towards unproductive ends. The youth turn to urban migration and self-employment as the answer to high unemployment, making the Boda Boda trade, or motorcycle taxis, the second largest employer after agriculture (Nasasira, 2015, pg. 1). Additionally, the informal business sector plays an essential role in Uganda, as it works to fill gaps left open by government functions and the formal sector (Goodfellow & Titeca, 2012, pg. 14). Thus, as there is a lack of formal public transportation and continuation of transport restrictions, i.e. stagnant infrastructure for growing traffic and 14-seater taxis as the only form of public transportation, the Boda Bodas act as the most efficient form of transport, rivalling only the formal, expensive special hires. The Boda trade, while
necessary to the function of Uganda, in particular Kampala, experiences the same level of insecurity and unsustainability characteristically found in the informal sector (Zanule, 2015, pg. 4).

This study investigates the sustainability of the Boda Boda trade as well as its ramifications for the riders economically and socially. Combining government publications, including household surveys, with primary qualitative research in Kampala, the study explains the high business mortality rate and gives recommendations for sensitization projects and policy changes to increase the sustainability of the informal sector.

2.0 BACKGROUND

The informal sector exists to fill gaps of employment and social services. However, issues of sustainability continue, for the sector is excluded from the security of the formal legal framework (Pietrus, 2014, pg. 8). The population of Kampala is growing such that the city experienced a growth of 10.6 million people between 2002 and 2014 ("National", 2014, pg. 6), largely due to rural-urban migration, as rural youth seek out alternate livelihoods to counteract limited economic opportunities and land-access shortage (Kristensen & Birch-Thomsen, 2013, pg.
The increased urbanization strains both the limited job market as well as the static transport infrastructure, for the shift from rural agriculture to urban employment does not translate into a growth of high value and productive industries, such as manufacturing (“Poverty”, 2014, pg. 37). Moreover, access to credit and capital is hindered by the high demand for collateral, i.e. land titles (Kristensen & Birch-Thomsen, 2013), pg. 191), thus the lack of financial alternatives supports the growth of the informal sector as a means of confronting the socioeconomic marginalization of the labor force (Pietrus, 2014, pg. 7). The expanding city, coupled with stagnant public transportation, encourages the growth of the Boda trade (Mutabazi, n.d.).

Boda riders, due to their sheer population size and function, maintain a collective power in Kampala. They represent potential as a voting bloc, political capital, and youth employer; however, their power also arises out of transportation dependence for city function. Likewise, the trade becomes difficult, if not impossible, to regulate in fear of promoting a city standstill, youth unrest, and financially-motivated crimes (Goodfellow & Titeca, 2012, pg. 13). Thus, while the trade may be hindered by a lack of regulation, it is supported by political
interventions in an attempt to harness its capacity as a voting power.

In the 2002-2003 period, the Kampala City Capital Authority (KCCA) attempted to place a tax on Boda riders, but as riders protested, the National Resistance Movement (NRM) demonized the tax as “exploitation of the poor” to rally support behind Yoweri Museveni in the 2004-2005 presidential election (Goodfellow & Titeca, 2012, pg. 13). The KCCA remains unable to control the Boda trade. In 2014, the KCCA designed an infrastructure-based policy effort to limit traffic in Kampala’s center by prohibiting Bodas; once again, politicians interfered (Nasasira, 2015, pg. 2) to maintain Boda rider’s votes.

As a consequence of government inability to standardize the trade, Boda riders need simply to find an individual or company to buy or rent a motorcycle from to begin working. Boda riders often remain dependent on these motorcycle owners, leasing the necessary capital indefinitely throughout their careers. As a characteristic of their informal work, riders are less likely to gain access to the necessary credit in order to purchase and own their business capital (Leino, 2009, pg. 2). Formal driving education is legally required but has inconsistent
implementation (Zanule, 2015, pg. 14). For instance, while motorcyclists are legally required to wear helmets when they drive (“Traffic”, n.d.), in practice, there is a disconnect between legal necessity and understanding of personal safety, as Boda riders often carry their helmets in lieu of wearing them, donning them only to evade occasional police harassment (Heuler, 2013, pg. 1). In the context of Kampala’s limited road and pedestrian infrastructure coupled with increasing vehicles on the road, the constant traffic jams result in frequent Boda-related accidents and a “fatality rate of 65 deaths per 10,000 vehicles” in Uganda (Tamala & Wamono, 2010, pg. 6). Thus, despite the high political support of the Bodas, the trade follows the trend of the informal sector of counteracting the marginalization of the workforce while simultaneously promoting inequalities of job and wage security.

**3.0 Statement of Objectives**

The overall aims of this study are to:

i) Qualitatively explain the business mortality rates of the Boda trade

ii) Investigate the factors that contribute to informal unsustainability
iii) Evaluate the ability of private initiatives in providing short-term and long-term solutions to the issues within the Boda trade

iv) Provide recommendations for economic and social governmental policy changes

4.0 Justification

The study takes place in a 6-week time frame in Kampala, Uganda. Kampala was chosen as the setting for it acts as the heart of the Boda trade in Uganda, estimating more than 120,000 Bodas working within the city (Nasasira, 2015, pg. 1). Boda Bodas are relevant to the informal sector, as they contain little-to-no barriers to entry, limiting the sustainability and security of the trade. This simultaneously increases competition as well as incidence of other social and infrastructural externalities, including but not limited to social stigma, rural-urban migration, and the increase in traffic jams and risk of accidents. However, this line of work is often the most available, if not the only, option of employment for individuals, and in particular youth (Goodfellow & Titeca, 2012, pg. 13).

The actual business mortality rate of informal microenterprises is unknown, and the time frame of this report
does not allow for the endeavor of such an investigation; nevertheless, this study uses a qualitative approach to examine and analyze the dynamics of Boda business formulation, revenue, and survival in the aim of identifying the underlying challenges to the trade, evaluating current interventions, and forming governmental policy recommendations to increase the regulation and sustainability of the informal sector.

5.0 Methodology

All research took place in Kampala, as the city acts as the epicenter of the Boda trade, thus subsequent methods and tools were chosen to both understand the depth of the trade within the informal sector and working economy as well as to account for the voice of the sector in explaining the rate of microenterprise survival.

5.1 Data Collection Methods

This study encompassed a Q-squared approach, or a combination of both “qualitative and quantitative methods” and tools (Kanbur & Shaffer, 2005, pg. 1), combining existing data with primary qualitative research. Sources were found through scholarly searches of previous studies, relevant national policies, and reports provided by the Ministry of Finance’s directorate
Economic Development Policy and Research. Primary research included interviews of individuals and institutions, both academic and administrative, as well as surveys and focus groups of Boda riders. All names, except when given explicit permission for use, have been removed to protect the identities of the participants. The primary research relied heavily on participant observation, through narrative recording, or researcher transcriptions as well as Kampala’s informal sector and infrastructure (Kumar, 2011, pg. 135). Observation also aided in the evaluation of existing reports, data, and, in particular, statistics. Due to the gender dynamic of the Boda trade, all survey and focus group participants were male. There is not a large enough female Boda rider population to enable the researcher to use gender as a control. In observation, the researcher never saw a woman involved in informal commercial transportation services.

5.1.1 Government Publications

Due to the nature of the informal sector, there is no existing data on the true survival rate of microenterprises in the informal sector; however, government publications of primary and secondary data, compiled by the Uganda Bureau of Statistics
and Ministry of Finance, Planning, and Economic Development reports were used to estimate the extent and relevance of the Boda trade to the informal sector of Kampala. Additionally, previous scholarly studies and research were considered in the formation of this study. The data from the government household surveys, poverty status reports, censuses, and employment reports were accepted as valid in the construction of this research.

5.1.2 Intervews

The researcher used a form of semi-structured interviews, where interview schedules, or pre-written questions (Kumar, 2011, pg. 138), were written beforehand, but the interviews, themselves, included an element of flexibility, using open-ended questions to account for the discovery of new information and differentiation in qualitative data. Interviews worked to provide introductory information concerning Boda-related institutions, discover challenges to Boda riders and relevance of the trade in Kampala and greater Uganda, and evaluate current processes working to alleviate the unsustainability of the trade. A total of 10 interviews were held (see Appendix 10.C for a brief description of interviews) and recorded with participant
permission. Primary interviewees included representatives of the Boda Boda 2010 Association Limited Uganda Central Division, Tugende, the Wakabi Application, and Andrew Mwenda, the founder and owner of *The Independent* as well as a director and advisor to Tugende (See appendix 10.D for select interview schedules). Additional questions were added as needed for clarification and discovery of new relevant facets. Interview results were analyzed qualitatively for comparisons of perceived challenges of the Boda trade, the role of private interventions, the extent of each organization’s involvements, and the effectiveness of those mediations.

### 5.1.3 Surveys

Surveys, containing both quantitative and open-ended qualitative questions, were distributed in English and Luganda (see Appendices 10.E and 10.F) to the Boda Boda 2010 Association Limited Uganda Central Division and to Boda riders at various stages both affiliated and non-affiliated with associations. Survey questions were written to determine demographics of the Boda rider population, success within the Boda trade, influences for entering the Boda trade, and factors of microenterprise survival within the trade. The second group of
surveys was intended to account for the voice of Boda riders who are not affiliated with an association or are members of alternate associations than the primary one used in this study. 70 were given to the association and 55 were given to the stages. In both cases, a representative was used to dispense and collect surveys, explain questions as needed, and encourage participation in order to address the challenge of researcher access to participants. The distributor of the association travelled to 10 out of their 549 Boda stages in order to account for possible differences in demographics and challenges of Boda riders across the city. At each stage, he went through the surveys, question by question, with the Boda riders as a group to ensure survey comprehension; then the participants separated, and each filled out his own survey. For the second sample of mixed association and non-association Boda riders, the distributor travelled to 30 Boda stages. Some Boda riders were unable to complete the surveys on their own, i.e. could not write in English or Luganda or did not understand the questions, so he verbally interviewed some Boda riders and recorded their answers. Question number 4, inquiring of the participant’s
household size, was removed from analysis, for results displayed inconsistencies and incomprehension of the question.

23 surveys were returned from the association and 51 from the stages. Incomplete surveys were removed from analysis as to maintain the validity of the findings; however, these surveys were kept by the researcher in order to protect the participants’ right to anonymity and confidentiality. 17 out of the 23 returned surveys from the Boda Boda 2010 Association Limited Uganda Central Division were fully completed with consistent information as well as 40 out of the 51 from the second sample. Thus, out of the 125 surveys distributed, 57 were useable in this study. A translator was used in interpreting and analyzing the surveys answered in Luganda. The survey method yields quick and numerous results; however, it limits answers, disallows participants to explain themselves, disallows follow-up questions, and does not account for misinterpretation of questions. Survey data was analyzed quantitatively through the calculation of mean, median, mode, and standard deviation or percent when applicable. Qualitative data was analyzed for frequency analysis of responses and transformed into percent quantities.
5.1.4 Focus Groups

Focus groups of Boda riders were used to supplement survey results. Two focus groups were held, each consisting of five participants. One group was compiled of Boda riders at the Wandegeya Boda stage. Non-association Boda riders were difficult to find, thus the focus group consisted of all association-affiliated riders. In commencing the focus group session, additionally, it was found that all participants were members of the Boda Boda 2010 Association, although not necessarily of the Central Division. The association is the largest in Kampala with five divisions throughout the city. The second group consisted of members of the company Tugende. These Boda riders were randomly selected from various Boda stages across Kampala and included four regular Tugende Boda riders and one Tugende VIP rider. In both focus groups, an interpreter was used to ease the language barrier and ensure question comprehension (see Appendices 10.G and 10.H for interview guides). The researcher entered each focus group with pre-written interview guides of discussion topics, and additional questions were added as needed for clarification and discovery of new relevant facets. Focus group results were analyzed
through a qualitative comparison of the open-ended questions to determine the positive and negative influences as well as the effectiveness of private interventions of the Boda trade.

5.2 Ethical Concerns

Entrepreneurs in the informal sector, and boda boda drivers in particular, are an economically marginalized group; therefore, precaution was taken in conducting interviews and focus groups. First, all participation was voluntary and with informed consent of rights of privacy, anonymity, and confidentiality. All interviewees and focus group participants signed and were given a copy of a consent form in English (see Appendix 10.A) or Luganda (see Appendix 10.B) according to participant preference. Little-to-no harm resulted from participation, as the study did not include an experiment portion, and names of participants were kept confidential. All answers were received equally, whether they agreed with the study expectations or not. The use of participants greatly benefited the study, for, without them, it would be impossible to capture the true sentiments of informal entrepreneurs and factors of microenterprise formation and survival. Ethical compensation of 5,000 Uganda shillings and refreshments was given to focus group members for
participating, and interpreters received 10,000 Uganda shillings for every hour of their time, as their involvement in the study diminished their working hours and income of that day. Survey participants were given and allowed to keep the pens to fill out the forms. Finally, all interview, focus group, and survey participants were given the contact information of the researcher and assured a copy of the study report if they do so wish to see the results.

5.3 Limitations of Methodology

Challenges included participant accessibility, language barriers, limited time frame, focus group dynamics, bias in answers, the Hawthorne effect where participants may change their answers according to what they believe the researcher wants to hear (Kumar, 2011, pg. 134), and inability to generalize the findings of the study to wider Uganda. Concerning participant accessibility, the study focuses on association rather than non-affiliated Boda riders due to the limited availability of independent riders. In answer bias, there seemed to be a disconnect between survey results and focus group answers within the Boda 2010 Association; these may be due to the use of an association administrator as a survey distributor. These
challenges were combatted with connections with associations and companies that work with Boda riders, form translators, and interpreters to promote equal participation and respect in focus groups. Neutral and open-ended questions were used in surveys (see Appendix 10.E), focus groups (see Appendices 10.G and 11.H), and interviews (see Appendix 10.D) to decrease bias. The time frame of six weeks disallowed the researcher to discover the true informal microenterprise survival rate, thus the rate was explained qualitatively through the voice of the informal sector.

6.0 FINDINGS AND DISCUSSION

Research findings are presented according to method of data collection. Thus results follow a linear analysis of contextualizing the unemployment issue and presence of Bodas, organizational opinions of Boda-related challenges and solutions, and the perceived challenges and successes of interventions. The latter was evaluated through the informal sector, using surveys and focus groups. Surveys defined the average qualities of a Boda rider and success within the trade. Focus groups worked to examine specific private initiatives as well as their real impacts on Boda riders.

6.1 GOVERNMENT PUBLICATIONS
In the 2014 mid-year measuring period, the population of Uganda was found to be 36.6 million, where 6.6 million, or 18.2%, were urban (“Statistical”, 2014, pg. 12-13). With the age of the working population legally recognized as ages 14 to 64, (“Statistical”, 2014, pg. 20), the unemployment rate is at 9.4% (“Uganda Employment”, 2014, pg. 5). Furthermore, the proportion of the population classified as working poor is 2.5 million, or 18% of the population, in the 2012/2013 measured year (“Statistical”, 2014, pg. 22). While the unemployment rate does not seem necessarily high, it must be noted that the rate is increasing due to the age distribution of the country.

Currently, approximately 50% of the population is below the age of 15, and additionally, about 50% of the labor force is below the age of 30, resulting in a labor force growth rate of 4.8% per year (“Uganda Employment”, 2014, pg. 5). The labor force increases, as the available wage-employment opportunities decrease, measured by the 50% decrease of advertised jobs in the Public Administration sub-sector between 2012 and 2013 (“Statistical”, 2014, pg. 24). This decrease in the demand for wage-labor is attributed to the combination of low firm creation and high entry and exit rates within the formal sector (“Uganda
Employment”, 2014, pg. 15). Specifically, in Kampala, the labor force was measured to be 1,105,000 persons in 2012 with a labor force participation rate of 73%; the proportion of the city’s working population classified as self-employed was 53% (“Statistical”, 2014, pg. 25).

Thus, within the 2012/2013 measured year, the working population of Uganda can be divided by employment opportunity, with the majority, 52.6%, classified as self-employed (“Statistical”, 2014, pg. 21). Considering that about 54% of households receive income from more than one source (“Poverty”, 2014, pg. 36), it must be noted that the proportion of households that rely on non-agricultural enterprises as their main source of income is 23.9% (“Uganda National”, 2014, pg. 101).

The increase in the Boda trade can be estimated through the increase in the population’s demand of loans from micro-finance institutions (MFI), intended use of loan, and subsequent vehicle registration. MFIs, rather than formal banks, are relevant to the informal working population, as informal participants often do not meet the minimum prerequisites, i.e. land titles as collateral, to qualify for formal credit. It must be noted that the age of the population applying for loans differs from the recognized
working population age such that the former measures only those peoples of a minimum age of 18. The population applying for loans from MFIs increased from 17% to 22% between the measureable years of 2009/2010 and 2012/2013; furthermore, out of the loan applications in 2012/2013, 22% were branded as for the use of working capital (“Uganda National”, 2014, pg. 102-103). Finally, as the proportion of loan applicants increases so does the rate of vehicle registration. Between 2012 and 2013, vehicle registration experienced an increase of about 38.7% (“Statistical”, 2014, pg. 54).

Overall, unemployment is increasing largely due to Uganda’s age distribution as well as the decrease in formal employment opportunities. Resultantly, the prevalence of self-employment, non-agricultural enterprises, working capital micro-credit applications, and vehicle registration are all increasing. These growths translate into an expansion of the informal sector, diversification of informal incomes, and, in particular, the dominance of the Boda trade.

6.2 Interviews

Other than one request to have his name printed in this report, all names have been removed from interview findings
and analysis. The interview participants represent individuals associated with Boda-related intervention establishments, including the Boda Boda 2010 Association Limited Uganda Central Division, Tugende, and the Wakabi phone application.

Accounting for differentiation in company terminology, the participants all agreed upon general challenges to the Boda trade. These include the lack of alternate sources of employment, little-to-no barriers to entry in the trade, social stigma, lack of knowledge of driving laws, financial literacy or motorcycle maintenance, lack of enforcement of driving laws, lack of credit availability, high collateral for credit, need for group support juxtaposed with the independent nature of Boda riders, high competition resulting in decreased profits, perceived threat from the KCCA, extortion from the police, high fuel costs, and the high risk associated with the industry.

In particular, the unavailability of credit loans leads Boda riders to rent motorcycles from individuals, associations, or companies; consequently, they get caught in a “rental poverty trap” (Tugende, personal communication, November 12, 2015), unable to pay off loans, own their capital, nor increase their income due to dependence in their self-employment. In fact,
participants mentioned that some riders sell their land titles in order to gain capital to work and attempt to save to buy the land back; however, it becomes more difficult to attain than to maintain land. Finally, risks of the trade include high incidence of accidents; combined with Boda stigma, this works to decrease the standards of the industry; customer pressure to encourage unsafe driving, refusal to pay for the service, theft of motorcycles, and client injuring of the Boda rider. Due to the risky nature and prevalence of accidents, health and capital insurances have high premiums in urban areas and are rare in rural areas. These organizations, then, seek to use private initiatives to solve public problems.

First, in speaking with the Boda Boda 2010 Association Limited Uganda Central Division, services were listed as financial and capital loans, social support, and instruction in road safety and health. The actions of the association were limited by their reliance on the central government for support, in the form of capital donation and political representation. A primary aim of the association is to bridge the gap between their informal workers and governmental powers in order to have their voices heard and rights protected. The association, itself,
contains five divisions within Kampala, each representing a different section of the city and containing a full, specialized administrative staff, thus the association, as a whole, acts as the largest informal regulatory agent on the Boda trade. The capital loans account for 500 to 600 motorcycles per year that riders can then pay off and own. Additionally, the loans act as a sort of social support or insurance, particularly for family needs and health, as the largest support stems out of weekly road safety seminars and the encouragement of AIDS awareness. Elements of social support include special ambulances for Boda riders and aid with family funerals. The success of these interventions was difficult to analyze, for survey and focus group findings, in later sections, fail to discern a clear pattern, as analysis resulted in fluctuating results.

Second, Tugende is a private company with the aim of “helping specific people climb the economic ladder” (Tugende, personal communication, November 12, 2015). Their business model is double faceted, one to address the sustainability issues of Boda riders through empowerment and the other to create a branded line of VIP Boda riders that are associated with safety and reliability. In the first facet, Boda riders must complete the
following formalities: application with recommendations, safety classes, screening, payment installments, and then capital ownership. Recommendations include those from current or previous Tugende members as to promote support and connections within the company community. The training course relates road safety laws, health motives for following the laws, i.e. wearing of helmets, prevention tactics for theft, and financial literacy. Additionally, the safety of the motorcycles is improved with the use of metal guards and helmets. Notably, Tugende was the only company, in Kampala, found to provide health insurance to its riders, including a low-cost premium in the price of the capital for the first 12 months. In the second facet, Tugende VIP riders are those specifically invited to join a second training program and given recognizable merchandise and business cards upon completion. These riders promote accountability and responsibility, increasing the standards of the trade to counteract social stigma and the threat of the KCCA. In addition, a driver directory is listed online in order to further promote liability of the VIP riders.

The driving objective of Tugende is to “empower people to own assets from which to drive their income” (A. Mwenda,
personal communication, November 19, 2015). Andrew Mwenda, a director and advisor to Tugende, promotes the private initiative of the company, for he declared ownership as the key to responsibility within the trade, citing that only three minor road accidents had occurred in the previous month out of the company’s 1500 riders. Compared to the general ratio of 50% of road accidents in Kampala involving Bodas (Tamala & Wamono, 2010, pg. 6), Tugende’s efforts appear significant. In fact, he continued to assert that these private interventions, such as Tugende, are necessary to the empowerment of the informal sector, for governmental policy changes would prove ineffective in the absence of the destruction of the old centers of power (A. Mwenda, personal communication, November 19, 2015). Thus public problems require the use of private solutions in the context of Kampala’s informal sector.

Third, the aim of the Wakabi application differs from the above-mentioned organizations. It should also be noted that the association and Tugende both work in Kampala while Wakabi is still in its start-up phase to take place in more rural settings; however, its approach to Boda sustainability is relevant in the analysis of private interventions. Wakabi is an SMS-based
application to connect Boda Boda with enterprises, such as small farmers and other entrepreneurs, to address issues of “last mile distribution”, the inability of microenterprises and small farms to move product due to lack of transport availability and affordability (Wakabi, personal communication, November 13, 2015). The application will provide support to both clients and transport suppliers, as it works to improve current distribution channels while simultaneously providing Boda riders with a sense of formalization, training, start-up capital of two helmets and a reflection jacket, and a small group of repeat clientele.

Working as a social enterprise, and not a charity, Wakabi hopes to raise the standards of the Boda industry through increased accountability, i.e. brand recognition, safety standards, and rider accountability, through the use of a one to five rating system by clients.

Wakabi differs from the other Boda-related organizations, as it requires all members to have already acquired experience within the trade and does not offer large capital loans. Instead, the “brand depends on the quality of the rider” (Wakabi, personal communication, November 13, 2015). As of now, the business model bases Boda acceptance on recommendations,
asking the elected chairmen of relevant Boda stages to recommend their three to five best drivers, requiring alternate social recommendations, and finally asking for a sign-off by a member of the Local Council, a low tier of the Ugandan government, in order to ensure high driving standards.

However, factors of Boda business mortality are planned to be addressed through road safety training courses, streamlining contact between Boda and the police to build better relations between the two and counteract theft, giving capital under contract to work for Wakabi, and payments of a weekly flat fee thus formalizing the trade as wage employment without restricting incomes under a per-ride fee. Additionally, as the application is still in its beginning phases, no health insurance contracts have been formed, but plans for a cost-effective in-house insurance are under consideration to counteract high insurance premiums and low availability in rural areas. To offset the challenge of customer pressure and theft, Boda riders will be trained to seek out social support and raise safety standards by insisting that both rider and passenger wear their helmets. Most importantly, “the riders need to all be on the same page as a
collective voice of change” (Wakabi, personal communication, November 13, 2015).

The gaps within the Boda trade have yet to be answered by the central government, thus private organizations, instead, work to address the issues of unsustainability. The challenges of Boda riders cannot be addressed by capital loans, alone, as holistic approaches are required to increase safety, financial literacy, and accountability. In particular, capital ownership has been found to largely contribute to the responsibility and empowerment of the Boda rider. Consequently, until transportation and unemployment gaps are adequately answered by the government, private interventions act as the most efficient transitional solution towards the informal regulation of Boda.

6.3 Surveys

Surveys were used to determine the average background qualifications and influences of the Boda rider population within Kampala. Out of a sample of 57 returned and fully completed surveys, the average age of a Boda rider was found to be 28.82 years, with a median of 29, mode of 30, and a standard deviation of 5.13, indicating a high instance of youth participation within the trade. Additionally, the age of the riders was more
contextualized with the distribution of years of commercial experience within the Boda trade. The average years of Boda experience was found to be 3.53 years, with a median of 3, mode of 2, and standard deviation of 3.08.

Ownership of capital, as before mentioned in the interview findings, plays a key role in the sustainability of Boda, thus the ratio of Boda riders who rent verses own their capital was measured, with discouraging results (see Appendix 10.I, Figure 1). Only 19% of the Boda riders bought and own their motorcycles, while 81% remain renting. For those renting, then, the follow-up question involved the length of the payment installment schedule of when the rider expected to pay off his loan and gain ownership. 9% of the Boda riders renting their motorcycles did not have an expected contract termination time frame. From the riders who provided payment installment schedules, the mean number of years until ownership was 1.87, with a median of 3, mode of 2, and standard deviation of 0.76 years. Additionally, as finding an individual to rent capital from stands as one of the only barriers to entry within the trade, the proportion of riders who used loans for their Boda activities was measured, finding that 77% did not use any loans, 7% received
loans from MFIs, 11% from Savings and Credit Co-Operatives (SACCOs), and 5% used formal bank loans.

The influences of entering the Boda trade was measured through open-ended questions, where the results were evaluated for frequency analysis of responses thus quantifying the qualitative data (see Appendix 10.I, Figure 2). Reasons for entering the trade were described as 20% little-to-no barriers of entering the trade, 19% need for a source of income, 18% could not find another job, 12% listed Boda as the most available or manageable option, 9% out of a desire to enter the trade, and 7% as a means for personal development or a means of rising above poverty. Other responses, accounting for 15% of influences, included time as a factor, family needs, the attractiveness of self-employment, friend influences, and the desire to gain business knowledge and experience. It should be noted that out of those who declared Boda as the “most available” option, 81% of them specifically cited education, or lack thereof, as a key reason. The distribution of education level, then, is relevant to the demographics of the Boda trade (see Appendix 10.I, Figure 3). Defined as highest level of education completed, findings reported that 2% of riders had received no formal education,
42% primary school, 51% secondary school (about equivalent to high school), 4% completed O-level (secondary school exam), and 1% completed A-level (highest level of secondary school exam). No riders listed university enrollment or completion.

Concerning involvement in the economic sector, 28% of riders claimed participation in other businesses or wage-employment while a majority of 72% listed Boda as their only source of income. There was no significant ratio of whether Boda was the most profitable or not. Out of those who listed multiple income sources, 44% declared Boda as the more profitable while the other 56% relied more heavily on their other commercial activities.

The benefits of participation within the Boda trade (as shown in Appendix 10.I, Figure 4), were listed, in order of frequency, as 35% ability to care for family and meet family needs, 24% ability to build a livelihood, including in some cases the buying of land or cars, building of houses, and the development of business knowledge, 15% aid in day-to-day life matters, such as the purchase of food and other necessities, 11% source of income, 6% friendships, and 4% self-employment, rather than working under the pressure of a boss. Other listed
items, accounting for 5% of benefits, comprised of gaining a driving permit and the ability to save money.

Next, survey participants provided quantifiable figures accounting for the extent of their participation within the trade. Thus, the average profit per day was found to be 14833.3 Uganda shillings, or about 4.47 U.S. dollars. Median, mode, and standard deviation were found to be 10000 shillings (about $3.01), 10000 shillings, and 11041.9 shillings (about $3.33) respectively (“XE Currency”, 2015). The daily profits were contextualized with the measurement of working hours per day. Average hours worked per day was 10.48, with a median, mode, and standard deviation of 10, 10, and 1.94 respectively. Furthermore, working hours does not account for actual profit, as time waiting for customers at Boda stages does not increase income, thus average passengers per day was measured as 21.93. Median, mode, and standard deviation were found to be 20, 20, and 25.57 respectively. The standard deviation was very high, as data contained a wide range of values, from as few as 8 passengers per day up to 200. The difference in daily passengers can be accounted for by the proportion of Boda riders willing to take more than one passenger on his motorcycle at a time. 51%
of riders admitted to taking multiple passengers at once, while 49% rejected the practice.

The sustainability of Boda cannot be measured by profit alone but also by the use of those profits, thus participants were asked to list their average savings per week, if any. The average weekly savings was 38590.9 Uganda shillings (about $11.65), while the median, mode, and standard deviation were 30000 shillings (about $9.06), 30000 shillings, and 30185.9 shillings (about $9.11) respectively (“XE Currency”, 2015). The large standard deviation accounts for the fact that some participants listed an inability to save money at all from their profits. Noteworthy, is the fact that inability to save was not listed as a major contribution to Boda-related challenges. Instead, relevant challenges (see Appendix 10.I, Figure 5) were cited as 25% accidents, 21% bad customers and theft, 16% traffic, 11% social stigma and lack of respect, 8% safety concerns and vulnerability, 5% police harassment, and 3% government limitations and KCCA discrimination. Remaining factors, accounting for 11% of challenges, included road infrastructure, mechanical problems, and high cost of renting capital.
As Boda associations act as one of the largest private mediators, the proportion of riders affiliated and non-affiliated was measured, finding that 86% of participants were members of associations while only 14% worked independently. This large incongruity accounts for research reliance on association-affiliated participants in later sections, i.e. in focus groups, for non-affiliated participant accessibility was difficult. Additionally, independently working Boda participants reflect a sample size that was too small to represent a control for analyzing the Boda population. Benefits of being an association member, then, were measured (see Appendix 10.I, Figure 6). Frequently mentioned benefits included 27% availability of loans through the association, 19% security or a form of social insurance, 16% general welfare, 14% aid with family matters, such as with funeral arrangements, and 11% forming of friendships. The last 13% of responses included gaining business knowledge, identification cards, driving permits, increase in customers, and the improvement of driving behavior.

Data from the surveys was then compared to focus group findings. In particular, incongruences were telling between survey results and the Wandegeya focus group, as, while
mentioned challenges were similar, success within the trade and benefits of the trade differed drastically. Surveys acted as a larger sample of participants, thus it was not surprising that the opinions of the focus group were reflected; however, their qualitative responses tended to fit in with the responses of the lowest frequencies.

6.4 Focus Groups

In the first focus group, a convenience sample of 5 Boda riders at the Wandegeya stage, the distribution of years of experience as a Boda rider contained a mean of 4.6, median of 3, and mode of 3. Answers were largely negative and contradictory. All riders cited the lack of alternate job opportunities and economic need as the main reason of entering the Boda trade, classifying it as the job one ends up with when one “fails to get a job” (Wandegeya riders, personal communication, November 25, 2015). Only one participant had an alternate source of income as a part-time mechanic, although less profitable than his Boda profits. Not only did they declare themselves Boda riders by necessity, but they related the fact that they all continued to look for alternate employment and hoped to change professions within the year.
Benefits were listed as independence, driving for oneself, being self-employed, not working under the pressure of a boss, and earning small amounts of money to pay rent, build houses, and care for families. However, the beneficial statements were all contradicted, as all of the participants admitted to renting their motorcycles from an individual, acting as their boss, and cited an inability to save money from their profits. When asked when they would stop renting their capital, participants alluded to the fact that ideally a rider would pay off their loans in small installments after one year to either an individual, company, or association; however, none would offer a personal time frame, questioning the validity of the paying-off schedule. Additionally, concerning saving ability, opinions ranged from having to live hand-to-mouth, saving as an impossibility, saving as difficult but feasible, and saving as only feasible occasionally; from those savings, participants alleged that they only could afford just enough to provide food, and no other necessary services, for their families. General challenges of the Boda trade were agreed as perceived threat of the KCCA trying to chase Boda riders out of the city, the lack of permanent Boda stages, client theft of motorcycles, lack of road recognition from other...
vehicles, and high risk of accidents. One participant out of the five admitted to having participated in an accident in the past.

All participants were members of the Boda 2010 Association, thus the researcher inquired of any association-related solutions to the above-mentioned challenges. Noted association benefits included the availability of road safety seminars, social insurance, an ambulance for riders and health support, identification cards for increased security, and loans for aid with buying plots of land. First, each rider is required to attend two road safety seminars; however, many admitted to only going to one. The identification cards were listed as both a benefit and challenge of being a member of an association, for, without one, the association would take possession of the motorcycle as part of a campaign to increase vehicle registration and driving permits. Finally, credit for land purchase was mentioned as a large benefit of association-affiliation, as one participant proudly indicated to his current involvement in the process of purchasing a plot of land to build a house.

In the second focus group, however, results differed greatly, as participants cited numerous positive factors of working as a Boda rider and subsequent financial success. The
group contained 5 Boda riders of the Tugende company, randomly selected from Boda stages in and around Kampala, one of which was a member of the Tugende VIP program. The distribution of years of experience as a Boda rider contained a mean of 8.2, median of 7, and mode of 7, where all participants except for one had been Boda riders before joining Tugende. Influences for entering the Boda trade were similar, as participants listed the lack of other available options, unsustainability of alternate informal employment, perceived inability to manage another form of employment, need for a source of income, desire for financial security, and Boda as the quickest and most available method to fulfill family needs, including food, medical services, school fees, and family status.

Cited benefits of the Boda trade were numerous and overwhelmingly enthusiastic, including the ability to pay rent or buy land without financial strain, caring and providing for families, using Boda experience to become entrepreneurs in other departments, learning the layout of Kampala, increased confidence and self-worth, financial stability, ability to send their children to good private schools. In fact, two contributors praised the Boda trade for their personal empowerment in
entrepreneurial ability, as they copied certain aspects of the Tugende business model, combined with their financial literacy training, to build other successful businesses to support their families. Participants had applied to Tugende in order to own their own bodas, become independent, and increase their incomes.

Challenges all related to vulnerability on the road and to clients, i.e. theft, customers who do not pay the agreed-upon price, accidents, reckless drivers, traffic police harassment, and traffic jams, but two participants asserted that they faced no challenges in their line of work. Answers between the two focus groups differed the greatest on the topic of saving, for all participants in the Tugende group claimed to be able to save a secure amount each week. Weekly savings contained a mean of 70000 Uganda shillings (about $21.12), median of 60000 (about $18.10), and mode of 50000 shillings (about $15.08) despite home responsibilities, sending money to their extended families, variation in weather, and fluctuating strength of the shilling (“XE Currency”, 2015).

Finally, in evaluating the effectiveness of Tugende’s interventions, the researcher inquired of the benefits and
challenges of being a member of the company. Benefits were listed as gaining new start-up capital, cultivating friendships with staff, increased clientele with brand recognition, social support, increased business and financial knowledge, generally improved status of living, financial empowerment, life insurance, ability to fight stigma against the Boda trade, safety classes resulting in improved road behavior, company regulations that account for Boda rider health, i.e. strict end work times at 9 pm, decreased pressure associated with set time payment time frame, and affiliation with a brand associated with responsibility, decreasing police harassment. Concerning challenges, four participants had nothing to contribute, and the last mentioned the company’s terms and conditions for its riders that restrict their driving time and possible earnings. One term is that a rider is prohibited from exceeding a certain mileage from his Boda stage in order to reduce long distance risks of accidents and theft interception.

The sustainability of the Tugende Boda riders was much greater than those of the Boda 2010 Association. Influencing factors of the difference could include the private company’s holistic approach to meeting a variety of Boda challenges,
financial literacy classes, social support, capital ownership, and brand recognition. The brand name, itself, adds value of increased repeat clientele, reduction of stigma, and reduction of police harassment. It appears that capital or credit loans, alone, are not enough to fill the gaps within the trade; rather, a loan on its own in some cases results in a form of a renting cycle, where riders are unable to pay off and own their motorcycles and increase their incomes.

7.0 Conclusion

The unsustainability of the Boda trade largely stems out of Boda riders’ lack of access to credit, capital ownership, and business knowledge. Additionally, systematic obstructs, such as unemployment, education inequality, road infrastructure, stigma, and social and political vulnerability contribute to their economic marginalization. Bodas exist in a duality of stigma as a marginal employer juxtaposed against their ability to fill the public transportation gap and provide political capital.

Private interventions have the capacity to alleviate Boda-related challenges if devised in a holistic manner. Tugende, for instance, creates informal regulation within the trade and raises the standards of the informal sector by empowering Boda riders
through capital ownership, educational courses, health insurance, and by rebranding them as responsible, reliable, and accountable. These organizational initiatives, though, act merely as short-term transitional solutions. Long-term adjustments must branch from changes and implementation of governmental policies. Policy implementation is required to ensure the rights of Boda riders in participating within the economic sector.

8.0 RECOMMENDATIONS

Central government interventions are recommended in the following three fields: education, financial accessibility, and infrastructure. First, to counteract the skills gap within the labor force, special focus should be placed on training and preparing the youth in the skills that are largely needed within the different economic sectors, diversifying the availability of services. Formal driving education is recommended as well as sensitization of driving safety to increase the standards of commercial transportation. Additionally, financial literacy training is estimated to improve the sustainability of the informal sector. Further sensitization of Boda riders and the informal sector for the public would benefit the Boda trade with collective support and attitudinal changes to reduce stigma.
Along the lines of economic mediations, the government could encourage financial institutions, such as banks and MFIs, to provide credit and assistance to people below certain income levels; this can be achieved through the use of subsidies or quotas. Similarly, as MFIs contribute challenges to the development of the informal sector, i.e. high collateral, high interest rates, short loan lifetime, and small lines of credit that must be incrementally increased over years in order to afford the necessary capital for informal trades, an asset capital bank could be developed. Similar to the business model of Tugende, rather than give credit loans to assist in the purchase of capital, such banks could loan the capital to be paid off in installments.

Finally, in the field of infrastructure, recommendations include the enforcing of current road safety and vehicle and driver registration laws, improving roads, paving more roads, increasing and diversifying the supply of public transportation, and dedicating specific traffic lanes to public transportation. The implementation of road safety policies should work to additionally bridge the gap between police forces and transportation suppliers.
9.0 Bibliography


10.0 APPENDICES

10.A CONSENT FORM ENGLISH

CONSENT FORM

The purpose of this study is to investigate the factors of microenterprise survival in the informal business sector, using boda bodas as a case study. All names will be kept anonymous in the study as to protect the rights of the interviewees. There is little-to-no risk in participating in this study, as standards of privacy, anonymity, and confidentiality will be upmost maintained.

My name is Natalie Clements, and I am a student at SIT World Learning, studying Development in Uganda. If you have any questions regarding the study or wish to receive a summary of results, then you can contact me at nacle001@mail.goucher.edu.

1. Rights Notice

In an endeavor to uphold the ethical standards of all SIT ISP proposals, this study has been reviewed and approved by a Local Review Board or SIT Institutional Review Board. If at any time, you feel that you are at risk or exposed to unreasonable harm, you may terminate and stop the interview. Please take some time to carefully read the statements provided below.
a. **Privacy** - all information you present in this interview may be recorded and safeguarded. If you do not want the information recorded, you need to let the interviewer know.

b. **Anonymity** - all names in this study will be kept anonymous unless the participant chooses otherwise.

c. **Confidentiality** - all names will remain completely confidential and fully protected by the interviewer. By signing below, you give the interviewer full responsibility to uphold this contract and its contents. The interviewer will also sign a copy of this contract and give it to the participant.

____________________________________
Participant’s name printed

____________________________________
Participant’s signature and date

____________________________________
Interviewer’s name printed

____________________________________
Interviewer’s signature and date
10.B CONSENT FORM LUGANDA

FOOMU EKKIRIZA
Ekigendererwa ky’okusoma kuno kwekunoonyereza ensonga eziyimirizawo obulimu obutonotono mu bakozi ba bizinensi, nga nkozesa boda bodas nga ekyokulabirako. Amannya gona gajja kukuumibwa nga gakyama mu kusomo kuno okusobola okukuuma eddembe lyamba bonna banaakwetabamu. Tewali buzubu bwonna bwojja kufuna mu kwenyiigira mu kusoma kuno, kubanga emitendera gy’okukuuma ebyama, okukweka amannya g’abantu, bijja kukuumibwa butiribiri.

Erinnya lyange nze Natalie Clements, ndi muyizi mu SIT World Learning, nsoma ebyenkulakulana mu Uganda. Oba olina ebibuuzo ebikwatagana ku kusoma kuno oba wandiyagadde okufuna ebikuvuddemu mu bufunze osobola okuntuuukirira ku nacle001@mail.goucher.edu.

2. Eddembe lyo.

Okusobola okukuuma omutindo gw’empisa eza SIT ISP proposals, okusoma kuno kwekenyerezebwa era ne kukakasibwa ekibiina ekya wano oba SIT Institutional Review Board. singa essaawa yonna, owulira nga Obulamu bwo buli mu katyabaga oba oynza okutuusibwako obulabe, osobola okuyimiriza okubuuziba ebibuuzo. Twala akaseera osome n’obwegendereza ebiwandii kidde wansi.

e. **Obutayogera mannya** – amaanya gonna mu kusoma kuno gajja kukuumibwa nga gakyama okujjako nga abuuzibwa ebibuuzo asazewo bulalal.

f. **ekyama** – amannya gonna gajja kukuumibwa nga gakyama era gajja kukuumibwa abuuza ebibuuzo. Okuteeka omukono gwo wansi, owa abuuza ebibuuzo obuvunanyizibwa obujjuvu okukuuma endagaano eno n’ebigirimu. Abuuza ebibuuzo naye ajja kuteeka omukono gwe ku ndagaano eno era aweeko gwagenda okubuuza ebibuuzo kopi.

Erinnya ly’agenda okubuuzibwa, ekinkumu n’ennaku z’omwezi

Erinnya ly’agenda Okubuuza ebibuuzo, ekinkumu n’ennaku z’omwezi.
## 10.C DESCRIPTION OF INTERVIEWS

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
<th>Interviewee/Company</th>
<th>Subject</th>
<th>Include in Interview Schedules</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 29, 2015</td>
<td>10 – 10:30 AM</td>
<td>S.I.T. office, Kampala</td>
<td>Makerere University professor</td>
<td>Research logistics</td>
<td>No</td>
</tr>
<tr>
<td>October 30, 2015</td>
<td>11 – 11:45 AM</td>
<td>Boda Boda 2010 Association Limited Uganda Central Division office, Kampala</td>
<td>Boda 2010 Association</td>
<td>Structure and function of the association</td>
<td>No</td>
</tr>
<tr>
<td>Date</td>
<td>Time</td>
<td>Location</td>
<td>Research</td>
<td>Challenges to the Boda trade</td>
<td>Present?</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------</td>
<td>-----------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>-------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>November 5, 2015</td>
<td>4 – 4:30 PM</td>
<td>Boda Boda 2010 Association Uganda Central Division office, Kampala</td>
<td>Boda 2010 Association</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>November 12, 2015</td>
<td>2 – 3 PM</td>
<td>Tugende office, Kampala</td>
<td>Tugende</td>
<td>Structure and function of Tugende; challenges to the Boda trade</td>
<td>Yes</td>
</tr>
<tr>
<td>November 13, 2015</td>
<td>11 AM - 12</td>
<td>S.I.T. office, Kampala</td>
<td>Wakabi</td>
<td>Structure and function of Wakabi; challenges to the Boda trade</td>
<td>Yes</td>
</tr>
<tr>
<td>November 10</td>
<td>10</td>
<td>Tugende</td>
<td>Focus Group of</td>
<td>Challenges</td>
<td>Yes</td>
</tr>
<tr>
<td>Date</td>
<td>Time</td>
<td>Location</td>
<td>Speaker</td>
<td>Topic</td>
<td>Logistics Yes/No</td>
</tr>
<tr>
<td>--------------------</td>
<td>-----------</td>
<td>-----------------------------------</td>
<td>--------------------------------</td>
<td>------------------------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>November 16, 2015</td>
<td>AM 12:30</td>
<td>office, Kampala</td>
<td>Tugende Boda riders</td>
<td>Boda and benefits of Boda</td>
<td></td>
</tr>
<tr>
<td>November 16, 2015</td>
<td>PM 4:45</td>
<td>Boda Boda 2010 Association Limited Uganda Central Division office, Kampala</td>
<td>Boda 2010 Association survey distributor</td>
<td>Follow-up on association function and survey logistics</td>
<td>No</td>
</tr>
<tr>
<td>November 19, 2015</td>
<td>AM 9–10</td>
<td>The Independent office, Kampala</td>
<td>Andrew Mwenda</td>
<td>Private solutions</td>
<td>Yes</td>
</tr>
<tr>
<td>November 25, 2015</td>
<td>PM 12:30–1 PM</td>
<td>Boda Boda 2010 Association Limited Uganda Central Division office,</td>
<td>Boda 2010 Association survey distributor</td>
<td>Survey logistics</td>
<td>No</td>
</tr>
<tr>
<td>Date</td>
<td>Time</td>
<td>Location</td>
<td>Focus Group</td>
<td>Challenges and benefits of Boda</td>
<td>Attendance</td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------</td>
<td>-------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>---------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>November 25, 2014</td>
<td>12:30 – 1 PM</td>
<td>S.I.T. office, Kampala</td>
<td>Wandegeya Focus Group</td>
<td>Challeng</td>
<td>Yes</td>
</tr>
</tbody>
</table>
10.D SELECT INTERVIEW SCHEDULES

Boda Boda 2010 Association Limited Uganda Central Division

1. How many Boda Boda riders do you have in this association?
2. What are the services you provide the Boda Boda riders?
3. What are the association’s biggest benefits and challenges?
4. Where does the association’s funding come from?
5. Do you hold road safety seminars? If yes, how often?
6. Why should a Boda Boda rider join an association and pay fees rather than work alone?
7. If someone acts contrary to the values of the association (i.e. theft, unsafe driving, poor hygiene, etc.), how does the association address the issue?

Andrew Mwenda, founder and owner of The Independent, director and advisor of Tugende

1. In reading some of your writing (tweets, “The Pathologies of Ugandan Democracy”), you seem to be against Boda riders in general, why are you so involved in Tugende?
2. Is Tugende the short-term solution to unemployment and transportation gap?
3. How can the solutions that Tugende uses be translated for the rest of the informal sector?

4. Is it possible to fix the transportation gap and unemployment rate without rewriting Uganda’s political system?

5. Do you have any policy recommendations for the informal sector (economic and social)?

6. Is it reasonable to expect a change in infrastructure or access to credit in the near future?

Tugende

1. Is Boda Boda the answer to unemployment? Transportation gap?

2. Is Tugende the solution to unsustainable informal microenterprises, or does it work to aid the current situation (short-term solutions)?

3. What challenges continue to exist for riders upon completing the Tugende program?

4. What is the Tugende success rate? Failure rate?

5. How does this solution translate for the rest of the informal sector?
6. Would it be possible to set up a focus group with Tugende drivers?

Wakabi Application

1. The Wakabi program addresses issues of small entrepreneurs, farmers, and social entrepreneurs, how does it aid the boda boda drivers?
2. How does a driver get involved in this program? Road safety tests? Interviews?
3. Are there any resources (classes, credit) available for the drivers?
4. For the businesses that would be using this app (largely informal), do you think the app addresses the largest contributor to unsustainability (transport)?
5. How do you see this program evolving in the future in terms of government support (ideal or actual)?
Boda Boda Survey Questionnaire

The purpose of this study is to investigate the factors of microenterprise survival in the informal business sector, using boda bodas as a case study. All names will be kept anonymous in the study as to protect the rights of the interviewees. There is little-to-no risk in participating in this study, as standards of privacy, anonymity, and confidentiality will be upmost maintained.

My name is Natalie Clements, and I am a student at SIT World Learning, studying Development in Uganda. If you have any questions regarding the study or wish to receive a summary of results, then you can contact me at nacle001@mail.goucher.edu.

1. Name and contact information:
________________________________________________
________________________________________________
________________________________________________

2. Age: ________________

3. Highest level of education completed:
___________________________________________

4. Household size:
________________________________________________
_________
5. Number of years as a Boda Boda rider:

________________________________________________

6. Did you buy or are you renting your motorcycle?

________________________________________________

7. If renting, will you at some point own your motorcycle? If yes, how long will you have to make payment for before you own it?

________________________________________________

8. Did you use a loan from any of the following to obtain the motorcycle: Savings and Credit Co-operation (SACCO), Micro-Finance Institution (MFI), or a bank. If yes, please specify which one.

________________________________________________

________________________________________________

________________________________________________

9. Are you a member of a boda boda association? Why or why not? If yes, which one?

________________________________________________

________________________________________________

________________________________________________
10. (Skip this question if you answered no to the above question.) What are the benefits of being a member of an association?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

11. Do you have any other jobs or businesses? If so, what are they? Which business is the most profitable?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
12. How much profit do you make a day from driving the boda boda?
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

13. How many hours do you work as a Boda Boda rider a day? __________________

14. How many passengers do you usually drive per day? ______________________

15. Do you ever take more than one passenger at a time? __________________________

16. Why did you decide to become a Boda Boda rider?
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
17. What do you think the benefits are of being a Boda Boda rider?
________________________________________________
________________________________________________
________________________________________________
________________________________________________
________________________________________________

18. What do you think the challenges are of being a Boda Boda rider?
________________________________________________
________________________________________________
________________________________________________
________________________________________________
________________________________________________

19. Are you able to save money from your boda boda profits? If yes, how much are you able to save a week?
________________________________________________
________________________________________________
**10.F BODA SURVEY LUGANDA**

**Ebibuuzo ebinoonyereza ku Boda Boda**
Ekitengendererwa kyo kusoma kuno kwe kunoonyereza ensonga eziyimirizaawo obulimu obutonotono , nga nkozesu Boda Boda nga ekyokulabirako. Amannya gonna gajja kukuumbwa nga gakyama mu kusoma kuno okusobola okukuuma eddembe lyabo ababuuzibwa ebibuuzo. Tewali buzibu bwonna bwojja kufuna olw’okwenyigira mu kusoma kunno,kubanga emitendera egy’okukuuma ebyama,obutalaga maanya g’abantu,bijja kukuumibwa butiribiri.

Erinnya lyange nze Natalie Clements,ndi muyizi mu SIT World Learning, nga nsoma ebyenkulakulana mu Uganda. Bwoba olina ebibuuzo ku kusoma kuno oba wandiyagadde okufuna ebikuvuddemu mu bufunze, osobola okuntuukirira ku nacle001@mail.goucher.edu.

1. Erinnya n’ebikufaako:
   ______________________________________________________________________
   ______________________________________________________________________
   ______________________________________________________________________

2. Emyaka: ______________

3. Eddaala ly’obuyigirize :
   ______________________________________________________________________

4. Obungi bw’abantu bo beera nabo:
   ______________________________________________________________________
5. Emyaka gyovugidde Boda Boda:
_____________________________________

6. Wagigula oba opangisa pikipiki eno?
_____________________________________

7. Bwoba ogipangisa, onaagulayo eyiyoo? Oba yee, kinaakutwalira bang a ki okusasula okufuna eyiyoo?
_____________________________________
_____________________________________
_____________________________________

8. Wafuna ebanja okuva mu emu ku zino okufuna pikipi: Savings and Credit Co-operation (SACCO), Micro-Finance Institution (MFI), oba Banka. Oba yee, mbuulira eri wa?
_____________________________________
_____________________________________
_____________________________________
_____________________________________

_____________________________________
_____________________________________
_____________________________________
_____________________________________
_____________________________________
10. (Buuka ekibuzo kino bwo wazemu nedda ku kibuuzo ekyawagulu.) birung ki byofuna mu kubeera memba mu kibiina ekyo?

11. Olinayo emilimu emirala oba bizinensi? Oba yee, mirimu ki oba bizinensi ki? Bizinenzi ki esinga okukola amagoba?

12. Mu lunaku okola magoba ammeka mu kuvuga boda boda?
13. Okola essaawa mmeka nga ovuga Boda Boda mu lunaku? 

14. Otera kuvuga abantu bammeka mu lunaku?

15. Otera okuttika abantu abassuka kw’omu?

16. Wasalawo otya okufuuka omuvuzi wa Boda Boda?

17. Birungi ki by’ofuna mu kuvuga Boda Boda?
18. Bisoomoza ki byosanze mu kuvuga Boda Boda?

19. Osobodde okutereka ku magoba g’ofuna mu kuvuga boda boda? Oba yee, osobola kutereka sente mmeka mu wiiki?
10.G TUGENDE FOCUS GROUP INTERVIEW GUIDE

1. Why did you decide to become a Boda Boda rider? What factors influenced your decision?

2. Do you benefit from being a Boda Boda rider? Why or why not?

3. What are the challenges to this line of work?

4. Can you support yourself and your family on the profits from driving your boda boda alone?

5. Do you have any other jobs or businesses? If yes, what are they? Which one is the most profitable?

6. Are you able to save money from the boda boda profits? If so, what are your average weekly savings?

7. What do you spend most of the money on (housing, school fees, sports betting)?

8. What are the benefits of being a member of Tugende?

9. What are the challenges of being a member of Tugende?
10. Were you a Boda Boda rider before you joined Tugende?
11. How long have you been a Boda rider?
12. Why did you join Tugende?
10. H Wandegeya Boda Rider Focus Group Interview Guide

1. Why did you decide to become a Boda Boda rider? What factors influenced your decision?
2. Did you receive formal driving education?
3. Do you benefit from being a Boda Boda rider? Why or why not?
4. What are the challenges to this line of work?
5. Can you support yourself and your family on the profits from driving your boda boda alone?
6. Do you have any other jobs or businesses? If yes, what are they? Which one is the most profitable?
7. Are you able to save money from the boda boda profits? If so, what are your average weekly savings?
8. What do you spend most of the money on (housing, school fees, sports betting)?
9. Do you have a bank account?
10. Do you think you will still be a Boda rider in a year? Why or why not?

Non-Association Specific Questions:
1. What are the benefits of not being a member of a Boda Boda Association?
2. What are the challenges of not being in a Boda Boda Association?
3. Do you want to someday join a Boda Boda Association? Why or why not?

Association-Specific Questions:
1. Have you attended a road safety seminar?
2. What are the benefits of being a member of a Boda Boda Association?
3. What are the challenges of being a member of a Boda Boda Association?
4. Have you ever received a loan from the association?
5. If someone acts contrary to the values of the association (i.e. theft, unsafe driving, etc.), how does the association address the issue?
10.I List of Figures

Figure 1: Proportion of Boda Riders Who Own or Are Renting Their Motorcycle

- Own: 81%
- Rent: 19%

Figure 2: Influences to Become a Boda Rider

- Desire: 18%
- No other jobs: 12%
- Income: 20%
- No barrier to entry: 9%
- Most available job: 19%
- Save for personal development/Out of poverty: 15%
- Other: 7%
FIGURE 3: HIGHEST EDUCATION LEVEL COMPLETED

FIGURE 4: BENEFITS OF BEING A BODA RIDER
FIGURE 5: CHALLENGES OF BEING A BODA RIDER

- Traffic: 25%
- Accidents: 16%
- Theft/Bad customers: 11%
- Police: 8%
- Safety/Vulnerability: 5%
- Stigma/No respect: 3%
- Government/KCCA: 11%
- Other: 14%

FIGURE 6: BENEFITS OF BEING A MEMBER OF AN ASSOCIATION

- Family: 27%
- Insurance/Security: 19%
- Friends: 13%
- Loans: 16%
- Welfare: 14%
- Other: 11%