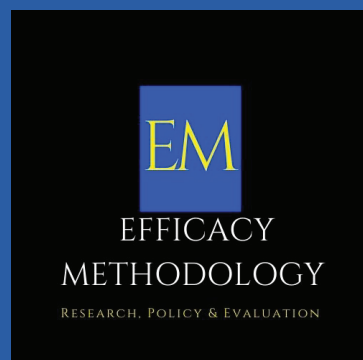


Unearthing Youth Unemployment Dilemmas: Policy Alternatives to Ameliorate Youth Contributions to Uganda's GDP

Benard Cankara and George William Masha

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Introduction

A World Bank report suggests that despite the favorable demographic dividends tilting in favor of Africa, the limited investments in the young populace pose a huge dilemma to the continent. Approximately there are 1.8 billion young people globally and the World Bank (2014)¹, projects that by 2050, over 29 percent will reside in Africa. Currently, youth unemployment and underemployment in sub-Saharan Africa is higher as compared to other regions especially Southeast Asia and Europe. A study by the World Bank ² indicates that the youths account for 60% of all unemployed people in Africa which renders them to be dependent on the economy other than making their contributions to the GDP growth and Uganda is not any different.

The state of Youth Unemployment, Interventions and Outcomes in Uganda.

The National Youth Policy consider a youth as a person belonging to age group between 12–30 years ³. In Uganda,

more than 75% of its population are under 30⁴ and unemployed. A statistic which is considered to be among the highest in sub-Saharan Africa. In a study by Kempner (2019)⁵, she noted that Uganda's unemployment rate was at 14.3% which confirms the above assertion.

Uganda Bureau of Statistics⁶ indicate that, each year an estimated 400,000 young people enter the labour market to compete for merely 80,000 formal jobs leaving a deficit of 320,000 annually among the educated thus the level of unemployment in the country has increased significantly. Furthermore, the youth from the North and the Eastern part of the country face longer unemployment period than their counterpart of the same cohort from Western Uganda (Lakuma, et al. 2016)⁷. Which also create regional imbalance. This data, therefore, indicates that the state of youth unemployment is alarming and there is need for immediate redress. Though several efforts has been made.

¹ World Bank Group (2014). Youth employment in Sub Saharan Africa. International Bank for reconstruction and development.

² World Bank (2017). Africa's jobless youth cast a shadow over economic growth. African renewal article. <https://www.un.org/africarenewal/magazine/special-edition-youth-2017/africas-jobless-youth-cast-shadow-over-economic-growth>

³ National Youth Policy (2001). Youth Categorization of youth Age.

⁴ Among & Mutemi (2019). We want to be heard: The voices of Uganda's young people on youth unemployment. <https://blogs.worldbank.org/nasililiza/we-want-to-be-heard-the-voices-of-ugandas-young-people-on-youth-unemployment>

⁵ Kempner J. (2020). Youth Unemployment In Uganda Has Been Misdiagnosed. <https://thepalladiumgroup.com/news/Youth-Unemployment-in-Uganda-Has-Been-Misdiagnosed->

⁶ UBOS (2015). 2015 Statistical Abstract, Uganda Bureau of Statistics, Kampala-Uganda.

⁷ Lakuma C., Marty A., & Kuteesa A. (2016). Survival Analysis of Regional Unemployment in Uganda: Evidence from the Uganda National Panel Survey (UNPS)

In recent years, several interventions have been espoused by government; the National Youth Policy (2001), was strategic since it was thorough and cognizant of the youth dilemmas by categorically establishing the need for capital, improving the welfare of the youth through empowerment. These led to the establishment of a youth livelihood program, youth venture capital fund, and youth livelihood fund which has since been allocated only 265 billion Uganda shillings. Nonetheless, it's not surprising that in a study by Makumbi⁸, the youth livelihood program fell short in several aspects making it to register dismal marginal performance.

However, reports from Ministry of Gender, Labour and Social Development indicated that the YLP is making a significant impact in the communities which contradicts the facts reflected by the level of unemployment, raising more questions than answers. In fact, the NRM manifesto⁹ indicates that only 14,448 youth have been skilled and funded from millions of youths. Recently, during the 2021 elections, the young people demonstrated a close alliance with younger candidates, a factor that signaled discontent with the government's commitment to ameliorating the youth plight.

8 Makumbi R. (2018). Ndejje University: Uganda's National Youth Policy and Job Creation for Youth. <https://bulletin.ids.ac.uk/index.php/idsbo/article/view/3008/Online%20article#N1>

9 The NRM Manifestoes (2021). Securing your Future https://www.nrm.ug/NRM_Manifesto_2021-2026.pdf

In addition, the populace has raised several issues where unemployment stems from limited budget allocations, bigotry, mismatch in the skills gaps thwarting employability, youth attitude towards agriculture and financial exclusion among others.

What Is In store For the Youths in the Next 5years?

In a multiparty dispensation to which Uganda is a subscriber, the party manifestos is a strong policy tool used by the political party in government to meet the terms of the social contract with the electorate. Several political parties namely; the Democratic Party, National Unity Platform, Forum for Democratic Change, Alliance for National Transformation and all other independent presidential candidates had a promise to ameliorate youth plight. However, for this discourse, we center on that of the National Resistance Movement (NRM) to front our argument.

The NRM manifesto 2021-2026 promises to turn the youths into manufacturers using zonal industrial hubs. In the manifesto, this will be instigated through 20 regional industrial zones¹⁰.

10 The NRM Manifestoes (2021). Securing your Future https://www.nrm.ug/NRM_Manifesto_2021-2026.pdf

However, this is an excellent approach but the question that must be answered is, which region must be given first priority? (*Refer to the discussion above*).

As it stands now, the 2020/2021 budget¹¹ doesn't offer much for the young people despite the total budget being at whopping UGX45 trillion with Works and Transport taking (13%), Security (10%), Interest Payment (9%), Education (8%), Health (6%) and others with no substantial funding given directly to cater for youth development to embolden their contributions to the Gross Domestic Products (GDP).

Comparative Assessment with Other Developed Economies.

In contrast to Uganda and most developing countries, the East Asian miracle is a good example of sustainable economic transformation once the youth population are fully empowered. In fact, the former president of Malaysia, Lee Kuan Yew is celebrated for having triggered youth contributions through extensive youth empowerment programs that saw a drastic economic transformation.

11 Uganda National Budget 2020/2021: Key Investment Takeaways <https://www.ugandainvest.go.ug/uganda-national-budget-2020-2021-key-investment-takeaways/>

12 UNPF (2014). United Nation Population Fund: Huge potential for economic growth requires fulfilling the promise of youth, flagship report says. <https://www.unfpa.org/news/huge-potential-economic-growth-requires-fulfilling->

Similarly, the Republic of Korea saw its per-capita gross domestic product grow by about 2,200 percent between 1950 and 2008. And Thailand's GDP grew by 970 per cent¹².

Conclusions and Policy Recommendations

A sustainable future for Uganda will largely depend on the extent to which the government invest and empower the youths. Therefore, we recommend the following four policy alternatives for considerations.

(1) Bridging the youth's financial exclusion gap is critical for enhancing their contributions to the economy. The youth need to have access to financial credit which can enable them to make strategic investments. Therefore, the government support through the youth SACCOs, Emyooga Project and Cooperative Banks ought to be substantially increased under a serious control mechanism free from corruption and bigotry. A study by FinScope (2018)¹³ indicated that about 62% of the rural young ladies (women) under age 36 are excluded from the financial streams while, about 52% of the rural men under 36 years are equally excluded from the revenue stream which underscore that majority of the youth are not effectively contributing to the GDP owing to low level of financial inclusion.

promise-youth-flagship-report-says

13 FinScope (2018). Analysis of status of financial inclusion for women and youth in Uganda. <https://fsduganda.or.ug/wp-content/uploads/2019/02/FinScope-2018-Gender-and-Youth-Analysis-in-Uganda.pdf>

(2) A complete reversal to meritocracy as oppose to bigotry and favoritism. According to Development Research and Training¹⁴ 30% of the youths who are institutionally qualified are unable to find jobs. A study by Simson (2019)¹⁵, further revealed that over 39% of Ugandans feel that their ethnic group has disfavored them from getting good jobs. Therefore, a shift to meritocracy will help align youth with their competences and ensure effective functional governmental institutions which ensures effective contribution to the GDP of Uganda.

(3) Capital investment in youth led innovations especially in ICT sector. It is a fact the young people are increasingly adapting to the use of ICT and technology as opposed to Agriculture. But, the government response is still slow, yet effective investment can drive youth innovation towards other sector of the economy which is essential for sustainable contribution to GDP growth. A study by The Challenge Fund for Youth Employment (CFYE)¹⁶, indicated that youth in Uganda lack practical software and programming skills needed by the

industries in general and yet it's very essential for economic growth and development but still remains untapped.

(4) Ensure effective implementation of the National Youth Policy and independently outside of the structures of the Ministry of Gender, Labor and Social Development. This will allow the National Youth Council to play the central role in enabling the youth to have the necessary information regarding the functioning of its structures and guiding the programmes. Therefore, galvanizing support for the youth towards taking responsibility for the future of the country and achieving vision 2040.

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