



## An empirical review of youth employment policies and programmes in Uganda

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### Key messages

- Many of Uganda's youth—particularly young women—are not in education, employment, or training.
- Of those who are working, the majority are in vulnerable employment.
- Uganda has initiated several youth employment programmes providing funds, financing and training targeted to various youth populations.
- The programmes are individually quite effective but overall disjointed, limiting their effect on reducing the youth unemployment rate.
- Urgent and specific policy interventions are needed to ensure that the challenges facing Uganda's youth are addressed by the relevant authorities.

### High rates of unemployment and vulnerable employment for Ugandan youth

Most of the Ugandan youth who are working are in vulnerable employment, with inadequate earnings, low productivity and poor working conditions that undermine their fundamental rights (Ahaibwe & Kasirye, 2015).

According to the Status of Youth Employment report by the Uganda Bureau of Statistics (UBOS, 2019), 43% of the youth in employment in Uganda work for themselves as own-account workers, with the proportion for male youth (39%) higher than that for female youth (31%).

Furthermore, an estimated 39% of youth are not in employment, education, or training (NEETs) (NPA, 2021). In addition, young women are much more likely to be NEETs than young men, at 50.5% and 29%, respectively (NPA 2021).

In recent decades, the Government of Uganda has designed and implemented several interventions to improve youth employment. These include measures to create jobs, promote business entrepreneurship, and stimulate the growth of micro-enterprises. Previously, Uganda's Second National Development Plan (NDP II, 2015/16-2019/20) identified youth unemployment as a major impediment to the country's growth prospects. It thus proposed measures to improve both the labour market demand and supply-side conditions. These measures included the Youth Livelihood Fund and the Youth Venture Capital Fund.

However, the youth employment programmes and policies (YEPs) have so far failed to generate enough jobs for the youth. This

failure coupled with skills mismatch and a lack of adequate training are among the reasons for the rising rates of NEETs and youth unemployment in Uganda (UBOS, 2019).

This situation presents a major obstacle to Uganda's prospects of benefiting from its demographic dividend or achieving its development goals, including the Sustainable Development Goals (SDGs, particularly SDG 8 on decent work and economic growth).

Photo: Heinrich Boell Stiftung



## Policy Options

Several national policies and programmes currently prioritize youth employment and are aligned with the overarching frameworks of the NDP III 2020/21-2024/25 and Vision 2040.

The four flagship interventions listed below were selected based on the authors' review of existing evaluation reports and their findings from focus group interventions and key informant interviews.

### 1. Youth Livelihood Programme (YLP)

- Provides interest-free revolving funds to largely unemployed and low-income youth (ages 18-30).
- Aims to empower the target youth to realise their socioeconomic potential, increasing self-employment and income.
- Supports and encourages innovations in non-traditional skill fields (e.g., ICT and agro-processing).
- At least 30% of programme beneficiaries must be women.

### 2. Uganda Women Entrepreneurship Programme (UWEP)

- Uganda's only national programme dedicated to fostering women's entrepreneurial development, with the goal of enhancing women's welfare and that of their families.
- Implemented as a rolling programme in all districts of the country.
- Has a particular aim to assist vulnerable women, including those in poverty, and young women who have dropped out of school.
- Aims to improve women's access to financial services and equip them with the skills for enterprise growth, value addition, and marketing their products and services.

### 3. Presidential Initiative on Skilling the Girl Child

- Aims to provide young women (ages 17-30) with hands-on skills that will enable them to create jobs and generate wealth.
- A free six-month training programme in Kampala for skills including baking, confectionary, tailoring, shoemaking, hairdressing, makeup, knitting, embroidery, and weaving.
- Graduates of the programme receive a capital grant of 1 million UGX (about \$275 US) to put what they have learned into practice.

### 4. Youth Apprenticeship Programme (YAP)

- Provides (unpaid) apprenticeship opportunities for unemployed adolescents with micro, small and medium enterprises (MSMEs).
- Largely targets recent college graduates who receive free training in a range of subjects, including record-keeping, stock management, customer service, and sales and marketing help for SMEs.
- Aims to help young people gain crucial work experience while providing services to MSMEs.



## Methodology

The study employed a mixed methods research approach, drawing on primary qualitative and secondary quantitative data sources.

Primary data were obtained from national and sub-national levels through 12 focus group discussions (FGDs) with 120 participants, mainly youth employment programme beneficiaries. The FGDs were supplemented with four stakeholder workshops—with concerned citizens, youth groups, and policymakers—as well as a national stakeholder consultative validation workshop.

There were also key informant interviews (KIIs) with 83 stakeholders, including policymakers, programme implementers and beneficiaries, labour officers, youth leaders, employment officers, training officers, and representatives of workers' and employers' unions. These were supplemented with four validation workshops.

All participants were asked to evaluate the likely impact of the four selected policy options concerning their effectiveness, unintended effects, equity effects, cost implications, feasibility, and acceptability.

The main sources of secondary data were the Uganda National Household Surveys of 2016/17 and 2020/21, as well as evaluation reports on youth employment programmes (YEPs) and Uganda Annual Labour Force Survey Reports (especially for 2017/18) from the Uganda Bureau of Statistics (UBOS).

Evaluation criteria for decision-makers	Option 1 Youth Livelihood Programme (YLP)	Option 2 Uganda Women Entrepreneurship Programme (UWEP)	Option 3 Presidential Initiative on Skilling the Girl Child	Option 4 Youth Apprenticeship Programme (YAP)
Effectiveness/efficiency	Relatively efficient in creating own youth jobs	Effective and efficient in uplifting women's entrepreneurship and saving skills	Efficient and effective in skilling the girl child, especially school dropouts	Efficient in increasing youth employability
Unintended effects (positive, negative)	Spillover effects but also misuse of funds by some people	Reduced domestic violence	Start-up capital	Jobs
Equity effects (youth, gender or other)*	Relatively both male youth (54%) and female youth (46%)	Only female youth benefit.	Only for female youth	50% for female youth and 50% for male youth.
Cost implications** (and cost-benefit ratio?)	High cost of fund recovery	Low cost as it is implemented through existing women's league structures across the country.	Low cost (implemented through existing local councils)	High cost of training and upkeep of the trainees.
Feasibility (e.g. technical, legal, funding source, etc.)	Feasible	Feasible	Feasible	Feasible
Acceptability (political risk, etc.)	Acceptable	Acceptable	Acceptable	Acceptable
Conclusion	Has a high potential to create jobs for youth.	Only 30% of female youth are liable to benefit.	Has a high potential to create jobs and increase youth employability.	Has limited opportunities for youth.

\* Where we have affirmative action for persons with disabilities, minorities, or vulnerable groups.

\*\* Cost implications – High, medium, low.

\*\*\* Misuse attributed to a lack of financial literacy, and inadequate training and preparation of the selected youth beneficiaries in the areas of enterprise management and record keeping.

## Conclusions and recommendations

All four programmes should be continued. The four programmes analysed above meet their targets, however, employment policies overall are disjointed. Further, there is currently no system to integrate and coordinate the employment policies between national and local actions, limiting their effect on reducing the youth unemployment rate.

**The authors thus recommend that the Government and other actors consider the following actions to improve youth employment outcomes:**

- Create a strong institutional framework while removing barriers to youth self-employment.
  - Clear key performance indicators and an accountability framework should be applied to all youth institutions in the country, such as the National Youth Council.
- Promote youth entrepreneurship holistically (not just through credit), targeting the productive sectors with a high potential for employment creation.
- Better prepare beneficiaries to receive and use the funds, and ensure better programme monitoring, to reduce misuse of funds (particularly for the YLP and UWEP).
- Reduce political interference in the bureaucratic processes of Uganda's YEPs.
  - Such interference increases the risk of misallocation of resources for political gain.
- Root YEPs within a wider framework that places the structural transformation of the Ugandan economy at its core and that engages with its real (rather than projected) constraints.
- Ensure that youth policy initiatives are SMART (specific, measurable, achievable, relevant, and time-bound) and reinforce labour market participation, particularly for disadvantaged youth and women.
- Standardise technical and vocational qualifications, education, and training to be internationally recognised and/or certified.
  - This will increase youth employability across Uganda's borders and among international bodies and companies.
- Ensure that the labour market works well through measures including public works programmes, wage subsidies and job search assistance.



## Policy Roadmap

The authors have identified a six-step policy roadmap to implement their recommendations:

1. The Ugandan Parliament, working with the Ministries of Finance and of Gender, Labour, and Social Development, should increase budget allocation to YEPs and ensure the timely release of these funds for the efficient operation of YEPs.
  - 1.1 This should be reinforced by a clear accountability and institutional framework.
2. The Ministry of Gender, Labour, and Social Development (MoGSLD) should strengthen the YEPs' Monitoring, Evaluation, Research, and Learning (MERL) systems.
  - 2.1 The YEPs should implement more reliable MERL systems with clear theory of change, as this will be essential for the evaluation of the programmes' impact.
3. The YEP implementing agencies such as MoGSLD, Kampala Capital City Authority and all local governments should integrate business development services for the beneficiaries.
  - 3.1 This integration should be based on community social and economic needs and aimed at all beneficiaries to increase the sustainability of results beyond the provision of start-up kits.
4. MoGSLD should develop a clear resource mobilisation strategy for each YEP during the design phase.
  - 4.1 Based on the lessons learned, the new YEP should make a conscious effort to design and implement a resource mobilisation strategy that includes, but is not limited to, lobbying, and engaging various potential donors.
  - 4.2 This strategy can be strengthened by improving partnerships and collaboration mechanisms.
5. MoGSLD should expand YEPs into new locations with updated priority areas.
  - 5.1 The new YEPs should be clear and connected to the country's national development plans, such as NDP III's broader objectives, Vision 2040, and the SDGs.
6. Benchmark the new YEPs along the lines of the benchmarking in countries that have implemented YEPs successfully, making it possible to learn lessons from their successes.
7. Improve youth employability skills by providing them with internationally certified technical and vocational education and training.

## References

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### The 'What Works for Youth Employment in Africa' initiative

The Partnership for Economic Policy is partnering with the Mastercard Foundation for a three-year initiative on What Works for Youth Employment in Africa. The initiative aims to provide evidence that can drive policy reform to increase youth employment in 10 African countries: Ghana, Kenya, Niger, Nigeria, Rwanda, Senegal, Uganda, Burkina Faso, Ethiopia and South Africa.

The initiative aligns with the Mastercard Foundation's Young Africa Works strategy that seeks to enable 30 million young Africans, particularly young women, to access dignified and fulfilling work by 2030. Teams of local researchers and policy stakeholders are carrying out gender-aware policy and impact reviews in each country. The resulting analysis and findings will build a body of knowledge on youth employment policy in Africa, and will be stored in a new online knowledge repository.

For more information, please visit: [www.pep-net.org/programs/youth-employment](http://www.pep-net.org/programs/youth-employment)

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