

Uganda National Youth Policy Model and Job Creation in Kampala

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***Abstract.** This paper explores the contribution of the national youth policy model to job creation in Kampala, Uganda. Government adopted a National Youth Policy (NYP) in 2001 based on the model of "targeted sub-groups of youth". The cardinal objective of policy was to enable sub-groups of youth access public funds and create their own jobs. The current study used a specially designed questionnaire to gather responses from 226 youth to test for realization of the above objective. The analysis of the results revealed that in the youth's perception, only 54% agreed with the view that "targeted sub-groups of youth model" had led to creation of own jobs. Given the fact that the number of youth who had jobs were few, the study proposed adoption of a Sector Based Business Model (SBBM). A regression model predicted that this (SBBM) would lead to more jobs being created.*

Keywords: Targeted sub-group youth model, Microenterprise, Job creation.

Introduction

The paper explores the contribution of the Uganda National Youth Policy (NYP) to job creation in Kampala. Unemployment especially of young people is one of the daunting problems that has dogged Uganda for a generation. Unemployment or lack of jobs for the youth has often been associated with poverty, violence, internal conflicts, prostitution, risky migrations, redundancy, drugs, death, crime and negative cultural practices. The consequence of all that is that, 63% of Ugandan in-mates were youth. In view of this bleak and drab situation, government formulated a NYP of 2001.

The NYP stated on the outset that "most of the youth fail to get jobs and end up in urban slums and streets. They engage in unproductive or anti-social activities like prostitution, thuggery, drugs and substance abuse... They increase pressure on the few urban facilities and amenities. Poverty, unemployment and underemployment were the main problems affecting the youth" (NYP, 2001) hence the realisation that a panacea to the situation was to give the youth jobs.

Statement of the Problem

In view of the above realisation, the second and seventh objectives of the NYP indicate that government was to avail financial resources for the youth to be economically empowered. The objectives read: (ii) To

promote social and economic empowerment of the youth"; and "vii) To mobilise resources for youth programmes and projects at all levels" [NYP, chapter 7.3 (ii) and (vii)]. Table 1 shows the situation of the youth unemployment in 2001.

Table 1: Situation of youth unemployment in Uganda in 2001

Issue	Percentage	Comment
Youth unemployment	3.95	Youth unemployment refers to the share of the labour force ages 18 to30 without work but available for work.
National unemployment rate	2.18	This refers to unemployment of the labour force that is without work but available for and seeking for jobs.
Labour force	10.11 (millions)	Labour force comprises people ages 18 and 65 who engage in production of goods and services during a specified period. It includes the employed and unemployed but seeking work. Not everyone who works is included like unpaid workers.
Dependency ratio	108.63%	This is the percentage of people who are supported by the working people.

Source: *Global Economy Indicators, 2016.*

In Table 1 it is very clear that youth unemployment rate of 3.95% was higher than the national average rate of 2.18%. This meant that the youth were more badly off as far as jobs were concerned. This therefore required giving more focus on the youth unemployment. Put differently, there was an urgent need to create jobs for the youth on a massive scale.

Related Literature

There are several youth policy models. A model is an arrangement which provides clarity around a long-term set of investment priorities and goals. Kamara (2008) identified three models of youth policies. These were: (i) *Population-based youth policy model*. Such policies and strategies were universal because they sought to apply to the entire youth population as well as any sub-groups that made up the youth population. (ii) *Targeted sub-groups youth policy model*. The youth policies in this model focus on a single facet of youth development or a particular sub-population of youth. (iii) *Targeted individual youth policy model*. The youth policies in this model were designed to address personal barriers. Such policies would include personal issues like treatment and rehabilitation programme for affected youth.

Whereas Kamara (2008) identified three models of youth policy, the *Creative Commons* (2012) categorised 36 youth related models. The difference between the two arose from the fact that Kamara was concerned with categorising the key focus of youth policies. Yet for the *Creative Commons*, the concern was on youth participation. So the debate that emerged was on what should guide the decision models on youth policy. Kamara argued that the key beneficiary is determined beforehand whereas the *Creative Commons* were on methods of involving the youth.

After exploring the existing models, this study noted that the *Targeted sub-groups of youth policy model* of Kamara had a relationship with Uganda's approach. The NYP stated that certain categories of the youth had been identified for special attention due to their vulnerability and circumstances. These groups therefore needed special programmes. They included: School dropouts; the female youth; Urban youth migrants; Youth in situations of armed conflict and disaster areas; Youth with disabilities; The illiterate youth; Domestic helpers; street youth; Orphans; Youth infected / affected with HIV/AIDS; · Sex workers; Youth who are terminally ill; Youth addicted to drugs and substances; The unemployed youth and the like (NYP, 2001 chapter 9). These were the categories that were targeted by the NYP. It was decision of government that the youth livelihood funds would be extended to the above targeted sub-group of disadvantaged youth (YLF, 2013).

The NYP defined a youth as person who is between the ages of 18 and 30 years (NYP, 2001). A good number of the youth falling in this age category were unemployed (Brookings, 2014). The youths in Uganda constitute 78% of a population of close to 34.6 people (UBOS, 2014). This implied that about 27 million Ugandans were youth. Of these more than one million had no jobs. This was partly the reason why the dependency ratio in Uganda has consistently been above 100% (globaleconomyindicators.com).

It was deemed that with NYP, would enable the youths to start up micro-projects and create employment. In spite of the good intentions of the national youth policy, the complaints about youth unemployment in the country have persisted unabated (Choksi, 2015; Ndagire, 2014; Mo, 2012). This situation raised the question of what effect has the national youth policy had on job creation in the country.

As far as policy and job creation were concerned there were varying views among scholars. There are scholars (Taylor 2015; Sorge 2015) that were in favour of government being in charge of the initiative of job

creation through planning and managing the input resources that supported job creation. However as much as there was this view on the other hand there were authors (Rugasira, 2016) who suggest that job creation should be given to private individuals who are capable of employing other individuals if given the resources. This debate showed that there had been many views to job creation initiatives. Given the above view the following null hypothesis was formulated; "The NYP had no significant effect on job creation."

National Youth Policy and Job Creation

As far as policy and job creation were concerned there were varying views among scholars. Some argued in favour of government being in charge of the initiative of job creation (Taylor 2015; Sorge 2015; Abbas & Asghar, 2010; Chigunta (2002). Other authors like Daley-Harris (2007) debated coupling government interventions with microfinance institutions activities. Furthermore, (Rugasira, 2016) suggested that job creation be given to private entities like the chambers of commerce. This debate though interesting did not focus on whether the NYP had succeeded in attaining its objective of job creation.

Job Creation

Job creation is a critical issue the world over. Economies are considered performing well if they deliver jobs to most members of a country's labour force. The term job creation has been defined in various ways by different authors. For instance Klette & Mathiassen (1995) described job creation as the "difference in employment in all establishments which increase employment between the two time periods" (p.5). On another hand, job creation is defined as the notion that employment is created in response to some situation (McInnes, 2012).

Job creation has also been described by some other scholars as models (Mortensen & Pissarides, 1994; Kelly, Dubb & Duncan, 2016) and by others as theories (Carlsson, Eriksson & Gottfries, 2006; Samuelson, 2012), and thirdly as strategies (Webb 2013; OECD, 2014; Conroy & Deller, 2014). There are several models which have been used by countries and organisations to create jobs. The models included the following:

(i) *The growth model for job creation.* This model focused on the high investment, use of the private sector, encouraging companies to use technology, and making connections to the world markets through establishing infrastructure in the air, on land, on water and by internet.

All these growth aspects would lead to increased jobs in a particular economy (Forbes, 2009; World Bank, 2013). Whereas it was important to take growth seriously, the current study was more concerned with the assessment of how much the national youth policy had achieved in at least having the most energetic cohort of the population engaged in some productive and remunerable work.

(ii) *Planning for the future model*. Whereas many scholars offered models of job creation, Manyika, Lund, Auguste, Mendona Welsh & Ramaswamy (2011) argued for making projections for the future demographics. This was a useful model because every year there are millions of youth who seek employment. So it was advisable to plan ahead and not focus only on these within youth population cohort (Bongaarts, 2009). On the other hand it focus was put on sectors where jobs were expected to exist. For instance in Uganda, it was stressed that the most promising sectors for youth employment included agriculture, ecotourism, telecommunications, financial services, etc. (Aung & Glenn, 2011).

(iii) *Youth empowerment for national development goals model*. This model was advanced mainly by African Union (Ezin, 2011) and sought to integrate the youth to the nations' development agenda. The main focus was on general development in which the youth have a share. It did not seek to disaggregate the youth from other cohorts of the population. Given the rampant unemployment and underemployment across many African countries, the "youth empowerment for national development goals" was an understandable model. However, other scholars (Paglia & Room, 1999) seem to have viewed the youth as a population cohort with different problems and for that matter needed to be attended to distinctly. Micro-project is akin to entrepreneurship. The entrepreneurship focus propels economic growth and job creation (Baumal 1996; Mair & Marti, 2009). The debate between integrating the youth in national development programmes or handling their issues separately or encouraging among them entrepreneurship for the sake of economic development may be valuable when national policy makers consider the kind of strategy to be employed to create jobs for the youth.

Each of the above models was worth noting except that the ensuing debate neither addressed the concerns of nor the foci of the current study. For that matter, it could be noted that there are gaps in the existing debate and on models of job creation that are relevant for the youth in Uganda.

(vi) *Microenterprise development was another model of job creation.* It was noted that this model or strategy when used in the United States, it led to job creation for a quarter a century (Badal, 2010; Edgcomb & Thetford, 2016). Not only micro-entrepreneurs with higher incomes who were more likely to create jobs but also the working poor created jobs for themselves and others as long as they accessed loans. In view of that apparent benefit, they two authors recommend that governments and local governments to extend financial support to micro-enterprise development. This model was seen as a poverty alleviation strategy (FIELD 2010, Edgcomb & Thetford, 2016). In concert with above observations, Garibaldi and Mauro (2000) contended that in the 1990s the USA was very successful at job creation. However, most of the created jobs were low-skill and low-wage like retail jobs. A study by IMF had come to a similar conclusion not only in USA but also in Australia and Canada between 1983 and 1994 (Larsen, 1997). It would appear that in developed economies which are fully monetised, microenterprises tend to do better than their counterparts in the developing economies where the monetisation of the economic sector was only a fraction. A good chunk of the population operated informally and for the most part outside the monetised sector.

Although one would have expected the firm size to influence jobs created, the study on this subject by Haltiwanger, Jarmin & Miranda (2011) in the United States found that start-ups and young businesses created substantial number of jobs. Similar results were obtained in OECD countries where small and medium sized enterprises played a central role in creating jobs (OECD, 2016). So it was not necessarily big organisations that created more jobs.

Although micro-enterprise development has been praised as a successful model in job creation especially development countries, there was still need to analyse the contribution how much micro-projects could contribute to job creation given the facts that the Ugandan economy is not as developed and the USA or the OECD countries. Whereas the micro-projects tend to perform successfully in developed countries the same does not apply to developing economies like Uganda. This is because the economies of developed countries are about 99% monetised or formal, while those of developing countries are largely subsistence based or informal. For instance in Uganda about 69% of labour force are engaged in the informal sector (ILO, 2012) for that matter it is less likely for the micro-entrepreneurs to succeed easily in the informal sector.

Purpose of the Study

The purpose of the study was to assess the contribution of the Uganda National Youth Policy on Job Creation for young people in Kampala Capital City Authority.

Methodology

The study was conducted in the five divisions that make up Kampala Capital City Authority (KCCA), which was one of the 27 districts and urban centres that received the initial youth livelihood funds (YLF) in the 2013/2014 financial year.

A sample of 226 youths was used for this study. A cross sectional design was adopted and as such respondents were drawn from all the five divisions, from categories of microenterprises, both female and male. These responded to the questionnaire which was the main tool.

The youths who participated in this study as respondents had to provide answers to each and all of them. Apart from the section on demographics the rest of the four sections which carried the main variables of the study were Likert scaled as follows: “strongly agree” = 5; “agree” = 4; “neither agree nor disagree” = 3; “disagree” = 2; “strongly disagree” = 1. The scale measured the respondents' perceptions of the items on the tool. Furthermore, the scale allowed for all the needed quantitative computations like Cronbach alpha coefficients, mean, percentages, correlations, regression, path analysis and others to be done. A CVI of .870 was obtained, which was quite high (Amin, 2005; Saunders *et al*, 2009). Cronbach's alpha test was used to ascertain the consistency of the instrument (Table 2).

Table 2. Results of the Cronbach alpha test

Scale (section / variable)	Cronbach alpha
1 National Youth Policy	.785
2 Public Funding	.886
3 Micro-projects	.875
4 Job creation	.774
Average	.830

The reliability coefficients on individual scale and on average (0.830) as revealed in table 3.2 were > 0.75 and for that reason for sections on the instrument to be regarded consistent and reliable. The scales accurately measured internal consistence of scales. Each scale had an alpha score greater than 0.75 which is recommended for social science research (see for instance Sullivan, 2001: 303). This implied that the results from these

variables would be reliable because they truly represented the variables they claimed to stand for.

Findings and Discussion

The key objective of the study was to analyse the contribution of the Youth Policy to job creation in Uganda. The findings revealed that 59% of the youth were aware of the education, training and capacity building provisions of Youth Policy. This implied that the Youth Policy was known by the youths. Furthermore, it was found that a big percentage (77%) of the youths who were involved in this study as respondents had had small-scale enterprises (with capital not exceeding UGX 5m). This was money loaned to youths in groups or individually by Government through programmes created under the NYP.

Through the establishment of National Youth Funds and specifically the Youth Livelihood Programme (YLP) which was introduced in September 2013, the government significantly boosted youth schemes by allocating UGX 265 billion (about US\$ 100 million) to the Youth Livelihood Programme (YLP) over a five-year period (that is 2014 - 2018). YLP has three components aimed at enhancing the youth's ability for business management: (i) skills development, (ii) livelihood support, and (iii) institutional support. It was deemed that these three would make job creation possible.

Table 3: Youth Projects in KCCA

	Sector	Number of projects	% implemented
1	Agriculture	43	28
2	Service	20	13
3	Industry	15	10
4	Vocational	27	18
5	ICT	3	2
6	Creative industry	44	20
	Total	152	100

Job Creation under National Youth Policy in KCCA

Kampala or Kampala Capital City Authority (KCCA) as officially known was selected to constitute this study because of the following reasons: (i) it was one of the 27 districts and authorities to receive the initial YLF funds; (ii) it was one of those authorities which represented the urban setting; (iii) KCCA is one of the places where there have been many demonstrations by jobless youth; and (iv) it is one little geographical area but with very large number of youth projects (152).

These factors influenced the decision to select KCCA as a study area for the current study.

The need for jobs by the youth in KCCA at the time of this research was 12 percent. This was about seven times more than that in the rural areas which was at 1.7 per cent without jobs. So unemployment was much more pronounced in Kampala. For that reason job creation was urgently needed.

It was noted that government used projects as one of the strategies for creating jobs for the youth. For this study it was envisaged that there was an endeavour to create jobs through the 152 projects in KCCA. All the five divisions of: Central division, Kawempe, Lubaga, Nakawa, and Makindye had youth projects. It is appropriate to argue that number of jobs created were as many as the number of members in projects. For instance when each project has an average of 13 members it means there were 1,976 jobs in Kampala. Besides the divisions, the parishes and projects that had been sponsored by the Youth Livelihood Fund by the time of this field research are pointed out in table 8.8. The fourth column Table 8.8 presents the name of jobs created in each division. It is noted that Nakawa division and Makindye had the biggest number of jobs created. It was only the Central division which had few jobs created in comparison to other divisions of the Authority.

Table 4. The breakdown of projects to create jobs in KCCA

Division	Parishes	Number of projects	Number of jobs
Central division	Kisenyi I; Bukesa; Kagugube; Kamowkya I; Kamwokya II; Kisenyi II	21	195
Kawempe	Bwaise; Kazo Angola; Kikaaya; Kyebando Kanyanya; Makerere; Mpererwe; Mulago; Muluka; Wandegeya	27	403
Lubaga	Busega; Kasubi; Lubaga; Luby; Lungujja; Kasubi; Mutundwe; Najjanankumbi; Nankulabye; Bakuli; Namirembe; Ndeeba Mutundwe; Natete; Wankulukuku	33	572
Nakawa	Banda; Bukoto; Butabika; Kiswa; Kyanja; Mbuya; Luzira Prisons; Mutungo; Naguru; Upper estate; Ntinda	36	650
Makindye	Bukasa; Buziga; Gaba; Katwe; Kibuye; Lukuli; Luwafu; Makindye	35	611
Total number of projects created		152	1976

The youth creation projects in Kampala district had 152 projects. The government has spent UGX 1,541,209,910. The implication of this was that a group of 13 members needed about UGX 10,139,538 to create an average of 13 jobs or UGX 3,379,846 to one job for one youth on average and holding other factors constant.

However, the urban context presents a different set of challenges. For instance, to achieve the national youth policy (NYP) objectives it necessitated to include prioritization of infrastructural development. This meant that monitoring of youth projects where new jobs were being created was to receive little attention. High mobility of the youth which in several instances caused an impediment to project management. Consequently, job creation was not handled smoothly.

In spite of the various challenges stated above, the youth were certain that the NYP had contributed to job creation.

Majority (54%) of the youth were confident that some jobs had been created. Those who stated no (46%) had argued that proper and secure source of income, it was difficult to firmly say that there were jobs. The further contended that a job was one that enabled the holder to make ends meet. Yet many of those who had received the YLF and opened projects were not in position to meet their basic needs.

When the null hypothesis, "The National Youth Policy had no significant effect on job creation" was tested, it yielded the following results. First, a bivariate test indicated that there was a low positive significant relationship between the national youth policy and job creation [$r(224) = 0.396, p < 0.01$]. This implied that with a national youth policy in place, it was possible to create some jobs for the young people.

Secondly, the hypothesis was subjected to a simple linear regression test. This yielded the following results: the model summary had an R^2 of .140. This meant that the national youth policy explained 14% of the job creation for the youths in Kampala. The results also showed that the relationship between the national youth policy and job creation was linear [$F(1, 224) = 37.182, p < 0, 01$]. From this finding it should be noted that a unit change in the national youth policy causes a proportionate change in job creation. Since the coefficients of regression were $\beta = .396, p < 0.01$, it was appropriate to conclude that null hypothesis was rejected and instead the alternate hypothesis "the national Youth Policy has a significant effect on job creation", was supported.

Recommended Sector Based Business Model of Job-creation

Given the fact that with the current national youth policy not many jobs were created, there was need to change strategy from the

microenterprise to a macro based approach using the Sector Based Business Model (SBBM). This was expected to create a much larger number of jobs than the micro-projects were able to. To ascertain this, a prediction of possible number of jobs was done using a logistic regression model.

Number of Jobs to be created

Regression model would incorporate a rate of change based on the historical productivity improvement trends. Regression analysis is used to predict the number of jobs that will be created. The following regression model was built for the purpose:

$$y = A + Bx$$

Why $y = \text{Jobs}$

$x = \text{Projects}$

The above two are variables

Then A = minimum requirement

B = regression coefficient

The above two are constants

So, $y = A + Bx$

$$A = \bar{y} - B\bar{x}$$

$$B = \frac{\sum xy - N(\bar{x})(\bar{y})}{\sum x^2 - N(\bar{x})^2}$$

SI	Micro-projects (x)	Jobs (y)	xy	x ²
1	21	195	4,095	441
2	27	403	10,881	729
3	33	572	18,876	1089
4	36	650	23,400	1296
5	35	611	21,385	1225
N=2	$\sum x = 152$	$\sum y = 1976$	$\sum xy = 78,637$	$\sum x^2 = 4,780$

$$\bar{x} = \frac{\sum x}{N}$$

$$\bar{y} = \frac{\sum y}{N}$$

$$\bar{x} = \frac{152}{5}$$

$$\bar{y} = \frac{1976}{5}$$

$$\bar{x} = 30$$

$$\bar{y} = 395$$

$$B = \frac{\sum xy - N(\bar{x})(\bar{y})}{\sum x^2 - N(\bar{x})^2}$$

$$B = \frac{78637 - 5(30)(395)}{4780 - 5(30)^2}$$

$$B = \frac{78637 - 5(11850)}{4780 - 5(900)}$$

$$B = \frac{78637 - 59250}{4780 - 4500}$$

$$B = \frac{19387}{280}$$

$$B = 69$$

$$A = \bar{y} - B\bar{x}$$

$$A = 395 - 69(30)$$

$$A = -1675$$

Past levels of various projects are examined for statistical relationships with staffing levels. Forecasted levels of the retained indicator(s) are entered into the resulting model and used to calculate the associated level of job creation. The total number of jobs created using the micro-project model was 1976. The number of desired jobs under the SBBM was an increase of 5% more if the model was adopted. When these figures were subjected to regression, they produced the resulted below:

$$y = A + Bx$$

$$y = -1675 + 69(99)$$

$$y = -1675 + 6831$$

$$y = 5156$$

This implies that if the existing 1,976 jobs are subtracted from the total number of 5,156, it would mean that SBBM has the ability to deliver 3,180 additional jobs with the same capital of UGX 2,190,309,910 during the same period of five years. Assuming the SBBM is labour intensive and not machine intensive.

In view of the findings and the conclusion, it is true to argue that study achieved its objective.

In conclusion it is worth noting that public policy is necessary if jobs are to be created especially for the youths. So the need for a robust national youth policy is critical to the achievement of employment goals.

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