REFRAMING YOUTH EMPLOYMENT IN UGANDA THROUGH SKILLS DEVELOPMENT, APPRENTICESHIPS, AND ENTREPRENEURSHIP

PROFILE Nabuko Claire Dorothy is a dynamic and purpose driven youth advocate and social entrepreneur. She is a certified Life Skills Coach working with KIFAD. She is also the founder of Cladona Fashions, a fashion enterprise empowering young women and girls through skills training and employment and Mbuubi Mind Developers, a Climate Change initiative promoting environmental awareness and youth-led action. Claire holds a Bachelors Degree in Social Sciences from Makerere University. Claire mentors young people in personal development, leadership and career readiness. Her work bridges youth empowerment sustainable development and climate resilience making her a rising leader in community transformation and Inclusive innovation.

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Executive Summary

Uganda has one of the youngest populations in the world, with over 70% of citizens below the age of 30. Yet, youth unemployment remains a persistent challenge, with estimates suggesting that more than 60% of young people are unemployed and about 400,000 new entrants join the labour market annually (World Bank, 2023; UBOS, 2023). This high level of unemployment not only undermines economic growth but also fuels poverty, inequality, and social unrest. The government has introduced several initiatives to address youth unemployment, including the Youth Livelihood Programme (YLP), Emyooga, the Presidential Skilling Initiative, and the Parish Development Model. While these programs have created opportunities, they face serious challenges such as corruption, poor coordination, limited reach, and inadequate alignment with labour market demands.

This policy brief analyzes the persistent challenge of youth unemployment in Uganda and calls for comprehensive action. It emphasizes strengthening skills development aligned to labour market demands, expanding structured apprenticeship opportunities, and scaling entrepreneurship support systems.

Introduction

Uganda is a country with one of the youngest populations in the world, with 78 percent of its citizens below the age of 30 (UBOS, 2023). While this youthful demographic offers great potential for innovation and economic transformation, it also presents serious challenges, especially in terms of employment. Youth unemployment and underemployment remain persistent and widespread, with unemployment rates estimated between 13 and 18 percent nationally, but significantly higher in urban areas such as Kampala (Isabirye, 2017).

Each year, more than 600,000 young Ugandans enter the labor market (AfDB, 2019), yet only a small fraction manage to secure formal employment. The mismatch between the supply of young labour and limited job opportunities has left many youths reliant on informal sector activities characterized by low productivity, low income, and lack of social protection (Byamugisha et al., 2014). In rural areas, underemployment is even more prevalent, deepening cycles of poverty and vulnerability. Many young people turn to vocational and technical training as a survival strategy, but without strong support systems, they struggle to transition from skills acquisition to sustainable enterprises (McGrath & Powell, 2016).

The government, alongside donors and development partners, has initiated a range of youth-targeted interventions such as the Youth Livelihood Programme, Youth Skilling Programs, Presidential Youth Initiatives, Parish Development Model, Emyooga, and donor-funded skilling initiatives (Bechange et al., 2021; Atwine, 2013; NPA, 2018). Despite these efforts, the scale of the unemployment challenge continues to undermine Uganda's socio-economic growth.

Its consequences are far-reaching, contributing to inequality, frustration, corruption, and even political instability. Without meaningful and sustainable employment, Uganda risks losing the demographic dividend that its youthful population represents.

Furthermore, youth unemployment in Uganda is a complex and persistent challenge with both structural and systemic roots. According to the World Bank, unemployment and underemployment among youths range from 16.1 percent to as high as 60 percent, depending on the metrics used (World Bank, 2020). While government programs exist to address the challenge, their impact has been weakened by poor coordination, limited coverage, and implementation gaps.

A key driver of the problem is the mismatch between skills supplied by educational and training institutions and the skills demanded by the labour market. Many youths complete studies without marketable vocational, technical, or entrepreneurial skills, leaving them ill-prepared for decent employment or business ventures. This mismatch has contributed to the growing trend of young Ugandans seeking low-skilled work abroad, particularly in the Middle East, often under risky and exploitative conditions (Namuliira et al., 2024).

Access to quality skills development, apprenticeships, and entrepreneurship support including mentorship, startup financing, and business incubation remains inadequate, especially in rural and marginalized areas (Mukul & Sheeri, 2024). This limits the ability of young people to transform skills into sustainable livelihoods. Furthermore, most of those who find employment are absorbed into the informal sector, which is dominated by low-value jobs with little security or growth potential. High youth unemployment perpetuates poverty and widens inequality, while also fuelling social unrest and insecurity. The frustration of an idle but energetic population can manifest in rising crime rates, corruption, and political instability. In addition, Uganda risks missing out on the economic benefits of its demographic dividend if this productive age group is not meaningfully engaged in the economy (Kizza et al., 2020).

This situation points out the urgent need for innovative and scaled-up interventions that align skills development with labour market demands, expand access to apprenticeships and practical training, and strengthen entrepreneurship support systems.

Policy Options

Youth Livelihood Programme (YLP)

- → The YLP, launched over 11 years ago, operates in all 112 districts with the objective of empowering young people to harness their socio-economic potential and increase self-employment (Rabello, 2021). Each youth group is eligible to receive UGX 12.5 million as an interest-free revolving fund, provided repayment is made within 12 months. By 2021, the programme had disbursed UGX 162.97 billion to 20,522 youth projects, benefiting 245,870 young people. Recoveries stood at UGX 39.1 billion out of UGX 75.2 billion disbursed, with 335 projects fully repaying funds and transitioning into small and medium enterprises. The YLP has contributed to employment creation, improved financial inclusion, and strengthened social capital through its group-based approach (YLP Programme Update, 2021).
- → However, persistent challenges undermine its effectiveness. These include group disintegration leading to project failure, corruption and bureaucracy within implementing agencies, low repayment rates, and misuse of funds by beneficiaries. (Rabello, 2021). These weaknesses highlight the need for stronger capacity building in group management, enhanced transparency, and stricter accountability mechanisms.

Emyooga (Presidential initiative on wealth and job creation)

- → Launched in 2019, Emyooga targets low-income earners, including youth, with the aim of transitioning 68.9 percent of subsistence households into the money economy (Homonchuk et al., 2024). The program operates through specialized SACCOs, each receiving UGX 30 million as seed capital, with flexibility depending on district demographics. Beneficiaries include boda boda riders, youth leaders, and performing artists (Homonchuk et al., 2024). The revolving fund structure has facilitated broader financial access and provided startup capital to many previously excluded groups.
- → Despite these gains, the program has been marred by corruption, mismanagement, and embezzlement, which have limited its effectiveness and sustainability. Without strict enforcement of accountability measures, funds risk being diverted, undermining the intended socio-economic transformation.

Presidential youth initiative on skilling the girl and boy child

- Initiated in 2018, this program provides six-month vocational training courses in trades such as tailoring, shoemaking, baking, embroidery, and weaving. The initiative has enabled disadvantaged youth to acquire marketable skills with the goal of self-employment.
- Nevertheless, many graduates have struggled to establish businesses due to barriers such as limited startup capital, high taxes, and rental costs. Furthermore, the training has focused primarily on technical skills while overlooking essential soft skills such as resilience, communication, decision-making, and entrepreneurship that are critical for sustaining self-employment. Without addressing these gaps, the program risks producing skilled but unemployed graduates.

Parish Development Model (PDM).

- Launched in 2022, the PDM seeks to increase household incomes and improve quality of life by promoting total economic transformation through seven pillars: agricultural value-chain development, financial inclusion, infrastructure and services, social services, community mobilization, parish-based information systems, and governance. Each parish receives UGX 100 million to support local initiatives. The program has helped many communities establish or expand businesses, contributing to socio-economic development.
- However, the model has faced criticism for applying a uniform approach that overlooks demographic and economic variations across parishes. For instance, Kampala with nearly 1.8 million residents differs significantly from sparsely populated Kalangala with just over 66,000 people (UBOS, 2023). Treating all parishes equally creates disparities in impact and reduces program equity. Tailoring resource allocation to local contexts is essential for the PDM to achieve its goals.

These policy options demonstrate the government's commitment to tackling youth unemployment through financing, skilling, and local development programs. Nonetheless, their limitations including corruption, weak accountability, poor repayment mechanisms, limited access to startup capital, lack of soft skills training, and inequitable resource distribution undermine sustainability and inclusiveness. Addressing these gaps is essential for maximizing program impact and ensuring Uganda's youthful population contributes meaningfully to economic growth and stability.

Policy Recommendations

- Benchmark and adopt best practices from successful international models. Uganda should draw lessons from countries such as Singapore, whose SkillsFuture Singapore program, launched in 2015, promotes lifelong learning and job skills enhancement. Through initiatives like education funding, SkillsFuture Credits (which give every Singaporean aged 25 and above a credit balance for approved courses), and subsidies for mid-career professionals, the program has enhanced workforce adaptability and employability (ASK Training, 2024). Uganda can adapt this model by introducing targeted skills financing mechanisms, continuous learning incentives, and inclusive skilling programs tailored to local labor market needs.
- Strengthen institutional frameworks and accountability mechanisms. Youth-focused institutions such as the National Youth Council should be empowered by Government with clear mandates, measurable key performance indicators, and accountability frameworks. Strengthening these institutions will improve coordination of youth employment programs, reduce duplication, and ensure transparent implementation.
- Improve the youth employment ecosystem through technology and innovation. Uganda needs to foster an enabling environment for innovation, creativity, and youth-led enterprises. The Ministry of Education and Sports revision of the education curriculum to produce more job creators than job seekers is central to this shift. It will also require leveraging technology to expand access to markets, financing, and training will further support youth enterprises. The forthcoming National Startup Policy under the Ministry of Trade, Industry, and Cooperatives which proposes tax holidays, grants, and competitive platforms for startups should be fast-tracked and integrated with youth employment initiatives to catalyze sustainable job creation.

Conclusion

Youth unemployment in Uganda remains one of the most pressing barriers to inclusive economic growth and social stability. Addressing it requires deliberate, innovative, and scalable solutions that go beyond traditional programs. Through benchmarking successful models such as Singapore's SkillsFuture, strengthening institutional frameworks with accountability, and enhancing the innovation ecosystem through technology and entrepreneurship support, Uganda can transform its youthful population into a driver of productivity and national development.

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