Policy Paper

On

STRATEGIES FOR EMPLOYMENT CREATION

By

National Planning Authority

January, 2015

Table of Contents

List of Acronyms ii
Executive Summary iv
1.0 Introduction 1
2.0 Understanding the Unemployment Problem 2
2.1 Causes of Unemployment 3
2.1.1 High population growth 3
2.1.2 Increased productivity 3
2.1.3 Labor market efficiency/inefficiency 5
a. Lack of information – frictional employment 5
b. Skills mismatch 5
2.2 Youth Unemployment 5
2.3 Lessons from Past and Current Youth Employment Interventions 7
2.4 Lessons from the Ethiopian Leather Industry 11
3.0 Employment Creation: Opportunities and Strategies 11
3.1 Increased Economic Activity for Employment Creation 13
3.1.1 Value Chain Pathways 14
3.1.2 Job Creation Opportunities Using the Maize Value Chain .....
4.0 Recommendations iv
4.1 Immediate To Short Term iv
4.2 Medium to Long Term vi

List of Acronyms

BTVET	Business Technical Vocational Education and Training
CAS	Child Activities Survey
EAC	East African Community
EPRC	Economic Policy Research Centre
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IBS	Industrial Baseline Survey
ICT	Information and Communication Technology
IHS	Integrated Housing Survey
ILO	International Labor Organization
LMIS	Labor Market Information System
MDAs	Ministries, Departments and Agencies
MoES	Ministry Of Education and Sports
MoGLSD	Ministry Of Gender Labor and Social Development
NAADs	National Agricultural Advisory Services
NAPYE	National Action Plan for Youth Employment
NDP	National Development Plan
NENE	Not In Education and Not In Employment
NEET	Not In Employment Or In Education Or In Training
NEP	National Employment Policy
NHS	National Household Survey
NPA	National Planning Authority
NUSAF	Northern Uganda Social Action Fund
OECD	Organization for Economic Cooperation and Development
OIM	Office of International Migration
PCY	Program for Children and Youth
PSFU	Private Sector Foundation
SME	Small and Medium Enterprise
SNA	System of National Accounts
UBOS	Uganda Bureau of Statistics
UDBL	Uganda Development Bank Limited
UIA	Uganda Investment Authority
ULFS	Urban Labor Force Survey
UNDP	United Nations Development Plan
UNHS	Uganda National Housing Survey
UNICEF	United Nations International Children's Fund
UNIDO	United Nations Industrial Development Organization
UPE	Universal Primary Education
USE	Universal Secondary Education

WB	World Bank
YES	Youth Enterprise Scheme
YOP	Youth Opportunities Program

Executive Summary

This paper undertakes a comprehensive analysis of the unemployment status in, with particular attention to the youth, and provides a workable strategy based on development of value chain to address unemployment in a holistic manner. The analyses on which this paper is based are computed using data from the Uganda Bureau of Statistics and World Bank. The paper employs an analytical framework based on employment growth relationship, and uses regression analysis that is a log- log functional form that relates employment to GDP.

Uganda's economy has been relatively stable over the last twenty years albeit several macro-economic reforms starting with the structural adjustment programs era in the early 1990s, however, these reforms have not created enough decent and productive jobs to keep up with a high population growth rate. In fact, empirical evidence shows that for every one percent point increase in GDP, the economy has created less than a percent point in jobs (0.04). Hence, in an economy with excess labor supply, this empirical result is a yardstick of 'jobless growth' and hence a potential cause of rising unemployment.

Jobless growth and increasing unemployment for the case of Uganda is explained by three main factors; high population growth rates arising from high fertility rates; increasing productivity arising from increased technological use and uptake; and labor market inefficiencies for example the skills gap occasioned by inefficiencies in the education sector that cause mismatches and exacerbate frictional unemployment.

According to the 2012/13 Uganda National Household Survey (UNHS) report, total unemployment stood at 9.4 percent in 2012. Youth unemployment was estimated at 11.2 percent and adult unemployment was at 7.1 during the same period. The unemployment rate for the age group 14-17 was 14.5 percent. In terms of total labor force, a significant portion of Uganda's labor force is youthful (18-30 years of age) with 78 percent of the population below 30 years of age. While unemployment rates in Uganda tend to be low, the presence of a large informal sector implies that these numbers are underestimated, and thus the urgent need to improve measurement of unemployment.

High levels of unemployment are costly to the economy as a whole, in terms of increased fiscal costs, waste of economic resources, reduced long run economic growth potential and is closely linked to economic and social deprivation. This deprivation breeds unrest, crime, social dislocation and disruption of social order. It is therefore imperative that government devises strategies to curb high and increasing unemployment rates.

With regard to the strategy to deal with unemployment problem in Uganda, the paper proposes that government adopts value chain pathways[1] for enterprises. The value chain pathways for

[1] Value chain pathways are particularly useful in helpful to link producers, businesses and other enterprises into effective market systems. The strategy also has potential to transform informal businesses into more formal commercial enterprises. The strategy increases value addition, productivity, and output, household incomes, induces upstream and downstream employment creation and reduces poverty prevalence.

enterprises is a multi-dimensional strategy with potential to fill the employment gaps but also increase productivity, output and generate employment creation in multiple sectors of the economy. Value chain pathways as a strategy for job creation fit very well within the strategic direction of the NDP II in enhancing competitiveness and wealth creation. This paper recommends that value chain pathways be pursued for all the selected growth driver sectors identified in the NDP II, and for particular products within those sectors. Moreover, for Uganda, given the structure of our economy, Smallholder production will be important in many value chains for both economic and social considerations, special emphasis must therefore be given to models which allow smallholders to fully participate in value chains.

For job creation, the paper proposes a strategy that has the following key elements;

- Promotion of international standardization and certification of skills to make Uganda's labor force competitive in the global market;
- Emphasis on mass skills development programs focusing on the prioritized areas with a view to eliminating the skills gap in the labor market
- Develop local content in areas of skills development, labor, resources and business
- Promotion of industrialization along the value chain to deliver structural transformation of the economy
- Promotion of inter-sector collaboration and coordination to avoid duplication and achieve impact

Although this paper does not estimate how many jobs will be created from the value chain development, or the category of skills required, it is imperative that each sector identifies the nature of skills required in terms of education/training and experience, as well as the number of people required at each level of the value chain. This requires a concerted effort all ministries, departments, and agencies, and collaboration from the private sector and employers unions.

Based on the analysis done in this paper, the following are recommended to address unemployment in Uganda;

i) Develop a crush international certification training program for the immediately identified key skills in the oil and gas sector;
   a. Civil and mechanical engineers (1,300 required at peak; four years of training required, and an additional 12-18 months of accreditation)
   b. Mechanical & electrical technicians (2,500 required at peak; two to three years of training required, and an additional 12-18 months of accreditation)
   c. Geoscientists (450 required at peak)

d. Petroleum engineers (550 required at peak; four years of training and an additional 12-18 months of accreditation).

e. Civil craftsmen, hoisting and lifting operators, machine operators, and drivers (5,500 required at peak; one to three years of training required, and an additional two to six months of accreditation)

f. Welders (1,230 required at peak; one to three years of training required, and an additional two to six months of accreditation).

ii) Institute a mechanism for international standardization and certification for skills to make Uganda's labor force internationally competitive

iii) In order to address the skills mismatch, decentralize curriculum at the institution level through the establishment of curriculum advisory committees at the institutional level with membership of the private sector and industry institutions in curriculum making at centers of excellence.

iv) In order to address the issue limited financing to deliver quality technical and vocational BTVET skills, government will have to reconsider it earlier position the introduction of training levy. Our neighbors Tanzania already have one.

v) Value chains should be developed for all the NDP II priority areas to create value jobs; including the 12 identified agricultural enterprises[2] to simultaneously increase production; the prioritized minerals; tourism and infrastructure projects. For proper planning, value chains surveys such as the recent industrial baseline survey for the oil and gas sector must be done to identify the requisite skills and the number of persons that could be potentially employed at each point of the value chain.

vi) Support private sector investment along the identified value chains in the development priority areas to boost the small and medium scale industry. The key constraint for this category is the cost of capital.

vii) Revitalize Uganda Development Corporation (UDC) and recapitalize the Uganda Development Bank (UDB) for harmonized national investment and financing strategies. For example, UDC and private sector can collaborate on construction of storage and warehousing facilities.

viii) As was the case for the Ethiopian leather industry, for all prioritized agricultural enterprises, government may consider banning the export of raw industry inputs and impose export taxes on semi-processed inputs to sustain domestic processing and value addition – short term to medium term

[2] For the period of the NDP II, the prioritized 12 agricultural enterprises are; cotton, coffee, tea, maize, rice, cassava, beans, fish, beef, milk, citrus and bananas.

ix) Urgently support the Directorate of labor to revitalize and regularize the human resource survey framework to support the collection of employment and labor market data; and establish a labor market observatory to manage the labor market information systems, coordinate labor issues, and periodic tracking of number of jobs and employment levels.

x) Implement the provisions of the immigration act with regard to the management of immigrant labor particularly with regard to employment of semi-skilled foreign labour. In addition, strengthen the legal and the regulatory framework for management of immigrant labor to reduce dumping of unskilled labor from abroad, thus denying Ugandans jobs at home.

xi) Develop a local content policy to build the capacity of local labor, businesses, and producers for national development.

xii) Develop programs targeting youth involvement in public works particularly targeting labor based contracts for community and district feeder roads and other related areas.

xiii) Develop a comprehensive human capital development plan to promote the long term quality of the population

xiv) Build the base for heavy industry development. For example, exploit the energy potential, industry inputs (e.g. iron) and transport infrastructure.

xv) Revitalize the existing technical and vocational institutions and develop them into centers of excellence in skills identified in value chains, with full equipment and qualified instructors. This may involve imposing a moratorium on opening up of new institutions.

xvi) Develop skills development programs that are tailored to the industrial development strategy of the country and innovation.

1.0 Introduction

Uganda's current total population according to the 2014 Census Provisional Results stands at 34.9 million people and is projected to grow to 46.7 million by 2025. The population growth rate between 2002 and 2014 was estimated at 3.03 percent; slightly lower than earlier projections at 3.4 percent. The major push for population growth has been the high fertility rate, currently estimated at 6.2 (UBOS 2013, Uganda in Figures). Uganda boasts of a youthful population projected to be 7.7 million by 2015, and an estimated 78 percent of the population below 30 years of age. The implication of this youthful population is that Uganda is poised to benefit from the demographic dividend, if the country invests in improving the quality of its human capital.

As the population has grown over the years, so has the total labor force. According to the 2012/13 Uganda National Household Survey (UNHS), the total labor force grew by 4.7 percent from 2009/10. Total labor force is estimated at 16.4 million people (UNHS 2012/13). Over the last two decades from 1992 to 2012 according the UBOS statistics, Uganda's total labor force grew at an annual average rate of 3.1 percent. Over the same period, growth in total employment averaged 2.96 percent. A higher rate of labor force growth than total employment growth implies that there is an accumulation of unemployment.

Unemployment and a shortage of people with critical skills have been recognized globally as the major crises of our time, according to a 2012 McKinsey Report[3]. High levels of unemployment are costly to individuals, the society and the economy as a whole. For instance high and increasing unemployment increases fiscal costs, wastes economic resources, reduces the long run economic growth potential and is linked to private and social deprivation (which breeds unrest, crime, social dislocation and disrupting social order). It is therefore imperative that government devises strategies to curb high and increasing unemployment rates.

Analysis of the key labor market performance statistics for Uganda documented in the UBOS National Household Survey reports shows that Uganda's total population, total labor force, total employment and total Gross Domestic Product (GDP) have been growing over the years but at varying rates. With the economy rebasing in 2014, GDP expanded by 17.3 percent at 2009/10 market prices.

The overall objective of this assignment was to undertake a comprehensive analysis of the unemployment status in Uganda, with particular attention to the youth, and provide workable policy options and strategies to address the unemployment issue in a holistic manner. Specifically, the task required clarification on the causes of unemployment and to prescribe policy options and strategies to address unemployment in general, with particular focus on the problem of youth unemployment.

[3] Mourshed, Farrell, & Barton. (2012). *Education to Employment: Designing a System That Works*. McKinsey Center for Government, McKinsey & Co.

2.0 Understanding the Unemployment Problem

While Uganda's economy has been relatively stable over the last twenty years, and witnessed several macro-economic reforms starting with the structural adjustment programs era in the early 1990s, these reforms have not created enough decent and productive jobs to keep up with a high population growth rate. The UNHSs show that unemployment has been increasing despite the promotion of micro- small- and medium-sized enterprises (MSMEs) and self-employment strategies through microfinance.

Employed persons comprise of all persons between 14 and 64 years of age who are engaged in activities to produce goods or provide services for pay or profit, on a fulltime or part-time basis for at least one hour a week, during the reference period. The definition of employment as such does not adequately reflect the degree of labor inefficiencies such as under-employment, and inadequate employment.

Underemployment exists when a person's employment is inadequate, in relation to specified norms or alternative employment, account being taken of his/her occupational skill (training and working experience). Underemployment can alternatively be taken to exist when employed persons have not attained their full employment level or potential productivity. There are different types of underemployment such as time-related, skill-related, and income-related inadequate employment[4]. Under-employment implies excess labor capacity or labor underutilization[5].

Unemployment, according to UBOS comprises of all persons between the ages of 14-64 who in the reference period (usually seven days, for at least one hour) were without work, available for work, or seeking work[6]. The definitional problem with the one hour per week criterion of unemployment implies that unemployment can be underestimated or employment is overestimated. Further, this criterion raises interpretational problems for categories of workers in unpaid household/own-account work in agriculture, trade, and services, who work long hours and are not gainfully employed.

[4] Time-related under-employment is a situation where the actual hours worked is insufficient in relation to an alternative employment situation in which the person is willing and available to engage(adopted from UNHS report, 2013, p.56). Skills-related under-employment includes employed persons who during the reference week were not already categorized as time-related under-employed and whose educational attainment were higher than the educational level required by their current main jobs. The minimum level of education to categorize someone to be in skill related inadequate employment was S4.
Wage/income- related under-employment refers to wage/salary earners with low monthly earnings, where the low monthly earnings refer to those persons in paid employment earning less than two-thirds of the monthly earnings of full time employment (40 to 48 hours a week)

[5] ILO defines Labor underutilization to include: i) Unemployed persons; ii) Other forms of labor slack, including time-related underemployment, discouraged workers and other inactive persons with labor force attachment; iii) Employees receiving low earnings, but are less than full-time employed, full-time employed or over-employed; iv) Skills mismatch (meaning employment in jobs with skill requirements below the workers' level of qualification).

[6] Work refers to paid employment or self-employment

According to the 2012/13 UNHS report, total unemployment stood at 9.4 percent in 2012. Youth unemployment (18-30 years) was estimated at 11.2 percent and adult unemployment (31-64) was at 7.1 during the same period. In terms of total labor force, a significant portion of Uganda's labor force is youthful with 78 percent of the population below 30 years of age.

While unemployment rates in Uganda tend to be low, the presence of a very large informal sector implies that these numbers are underestimated. Informality tends to mask people working in non-decent jobs as employed, thus informality exacerbates vulnerability in employment for the working poor and compounds poverty. Studies have also found that high employment in the informal sector does not contribute much to raising incomes and reducing unemployment (see Islam, 2010). Additionally, informal sector employment is unsecure, underpaid (or unpaid) without a career progression which contributes to underemployment especially among the educated (AfDB, 2011).

2.1 Causes of Unemployment

In general, unemployment in Uganda can be attributed to three main causes; high population growth, increased productivity, and labor market inefficiencies.

2.1.1 High population growth

A high total fertility rate estimated at 6.2 in 2011 (UBOS, 2013) accounts for the rapidly increasing population in Uganda. The census 2014 statistics show that on average, the population has grown by approximately one million persons per year since 2002. On the other hand, according to the 2013 Millennium Development Goals report by UNDP and Government of Uganda, there were about 600,000 - 700,000 new entrants (reflecting labor supply) into the labor market each year in Uganda, of which 95 percent are the youth (NAPYE-MoGLSD, 2014), yet an average of approximately 303,250[7] (reflecting labor demand) of the labor force is absorbed into employment each year, lower than the annual labor supply.

2.1.2 Increased productivity

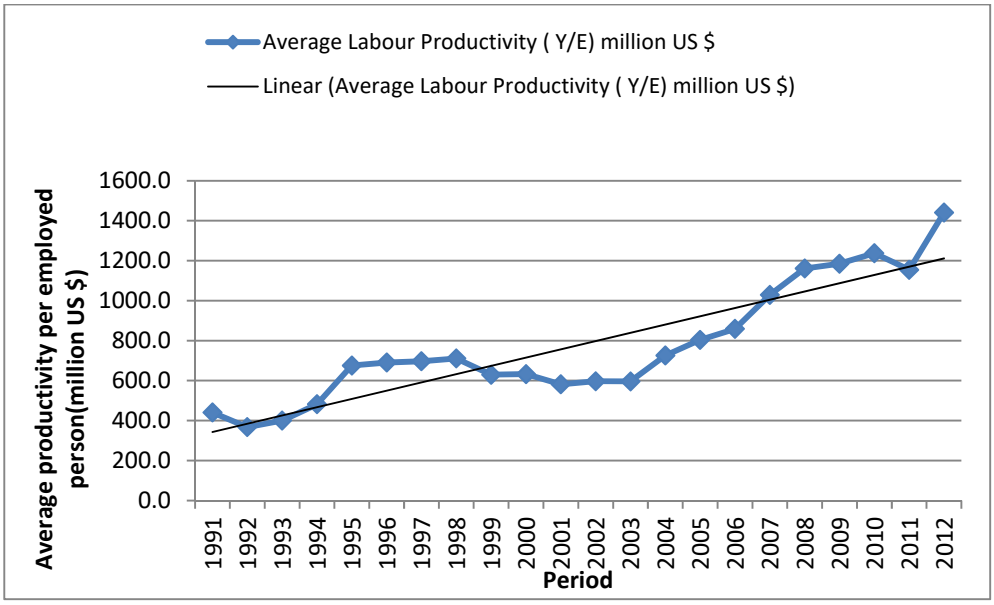
Productivity is defined as the increase in output per unit of factor input. Increased labor productivity, therefore implies that less labor is required to produce the same amount of output. Increased productivity arises from increased labor efficiency and increased use and uptake of technology. In fact, Alani (2012)[8] in his seminal paper on effects of productivity growth on employment generation, capital accumulation and economic growth in Uganda finds that increased productivity was responsible for increased unemployment, while employment growth could have resulted from technical progress and capital accumulation. Alani (2012) also found that unemployment growth could have been caused by growth in labor productivity.

[7] The figure is computed based on WB data on Uganda's employment for the period 1992-2012.

[8] Alani, J. (2012). Effects of Productivity Growth on Employment Generation, Capital Accumulation and Economic Growth in Uganda. *International Journal of Trade, Economics, and Finance, Vol 3, No. 3.* 170-175.

However, if output growth is sufficiently high, there is scope for substantial increases in employment and productivity, therefore, there need not be a tradeoff between employment growth and productivity. This has been the experience of the fast growing South East Asian economies such as Korea, Taiwan, and China (Islam, 2010). This achievement is not automatic, but requires conscious organization and investment in the different economy sectors.

Figure 1: Trends in Average National Labor Productivity



Source: *GDP and Employment data based on WB Statistics on development indicators; Y/E data are calculated.*

The situation of increasing unemployment while the economy is expanding and growing in terms of GDP is referred to as jobless growth. Jobless growth describes a situation where the economy is recovering and yet the labor market does not respond by creating a sufficient number of new jobs, thus, low employment growth relative to output growth. Employment intensive growth would require employment growth elasticity to equal to or greater than one (Islam, 2010)[9].

Uganda has recorded impressive growth rates over the twenty year period ending 2012 averaging 6.8 percent. Although the economy's expansion over the period was quite impressive, the overall job creation (measured by the employment to population ratio) followed a downward trend and the employment-growth elasticity was dismal, estimated at 0.04, which means that for every one

[9] Employment-growth elasticity measures the percentage changes in employment induced by changes in GDP. The elasticity of employment seeks to capture the responsiveness of the labor market to changes in macroeconomic conditions (as represented by GDP growth). It is an indicator widely used for analyzing the operation of the labor market, hence a basis for inclusive growth. Estimations using UBOS statistics reveal that over the period 1991-2012, Uganda employment-growth elasticity was only 0.04 (or 4 percent) which implies that every 1 percent increase in GDP resulted into an increase in jobs by just four basis point (one basis point is one-hundredth of a percentage point).

percentage point increase in GDP, there were only 400 jobs created[10]. If the economy were to create enough jobs to qualify as employment growth intensive, there would have to be at least 10,000 jobs created for every one percentage point increase in GDP.

The dismal employment-growth elasticity implies that the economy's overall growth over the period has not matched with job creation-resulting in 'jobless growth' of the economy. That is to say, Uganda's impressive economic growth has not caused a vibrant absorption of the increasing labor force into employment. The jobless growth is a signal of lack of 'employment-intensive growth' across the economy sectors.

2.1.3 Labor market efficiency/inefficiency

a. Lack of information – frictional employment

Uganda's labor market lacks fully-functional labor market information systems which would be a mechanism for information exchange between employers and job seekers. To this end, Uganda's unemployment is partly a result of lack of information about job availability and skills required, hence frictional unemployment. Frictional unemployment occurs due to job search and the time job seekers take before finding a job.

b. Skills mismatch

Skills mismatches reflect the stock of skills jobseekers possess being different from those that prospective employers demand. Such a mismatch between skills supply and demand hampers relocation of labor and increases the rates of unemployment (ILO, 2013)[11]. Other forms of skills and qualifications mismatches include underemployment where workers are employed in jobs that underutilize their skills set. The UNHS of 2012/13 estimates that Uganda's current time related underemployment for persons in paid employment is 8.9 percent. This statistic might even be higher in the informal sector. Skills mismatches also manifest in cases where the job requirements are more than what the employee possesses i.e. under qualified employees. In all cases of skills mismatches, productivity is greatly affected as well as wages and job satisfaction.

Skills mismatches result from a number of factors such as the rate of technological progress, the level of a country's economic development, and the country's demographics (ILO, 2013). In the case of Uganda, the quality and responsiveness of the education system has been a key factor in skills mismatches, particularly for the youth unemployment problem.

2.2 Youth Unemployment

The 1995 Constitution of Uganda defines youth as persons between the ages of 18 and 30 years. The National Employment Policy (NEP) of 2011 considers employment of the youth in decent work as an important element of Uganda's development process through accelerating employment.

[10] Proper interpretation of the estimated coefficient depends on the nature of the functional form of the regression. The functional form adopted in this paper is double-log functional form. The unit of measurement of employment was 'millions' of persons. Therefore 0.04% of 1 million is 400 persons.

[11] ILO (2013). *Global Employment Trends for Youth, 2013: A Generation at Risk.* International Labor Office. Geneva

The Government of Uganda has prioritized youth employment to ensure that youth and vulnerable groups have competitive skills and opportunities to actively participate in the economy for sustainable livelihoods.

Unemployed youth are the persons ages 18-30 who did not have a job, had actively searched for work in the previous four weeks and were at that time available for work (UBOS, NLF & CAS[12], 2011/12). The population of the youth in 2011 constituted about 20 percent the total population almost the same proportion of those aged 15-24 years (UBOS NLF&CAS, 2011/12). Youths not in Labor force[13] was estimated at 30 percent in 2011. During the same period, the youth not in education and not in employment (NEE) was estimated at 17.8 percent. Most of the employed youth were in Agricultural sector (57 percent) followed by the service sector (16 percent).

A 2013 report by the African Youth Development Link[14] highlights the main drivers of youth unemployment as; lack of employment opportunities due to the underdevelopment of the economy, a high population growth rate, sluggish or stagnant economy, small formal private sector, low literacy and numeracy rates, and limited industrial skills. The NLF & CAS 2011/12 reports that the majority of the youth (47 percent) had primary education, 35 percent had secondary education, and about 10 percent had no education at all. Overall, literacy rate among the youth was estimated at 79 percent. Only 1.9 percent of the youth had post primary specialized training, 2.9 percent had specialized secondary training and 1.3 percent had a degree and above. 95 percent of all the employed youth were in informal employment, majority of them (approximately 13 percent) in time related underemployment[15].

Youth unemployment has been increasing since 2005 (see figure 2 below). According to the 2012/13 UNHS report, total unemployment stood at 9.4 percent in 2012. Youth unemployment during the same period was estimated at 11.2 percent, five percentage points higher than adult unemployment at 7.1 percent. Urban youth unemployment stood at 12 percent during the same period. These statistics indicate that youth unemployment is a major push factor of national unemployment rate, owing to a significant proportion of the labor force that is youthful. Up to 78 percent of the total population is below 30 years of age. Therefore, addressing youth unemployment will greatly lessen total unemployment.

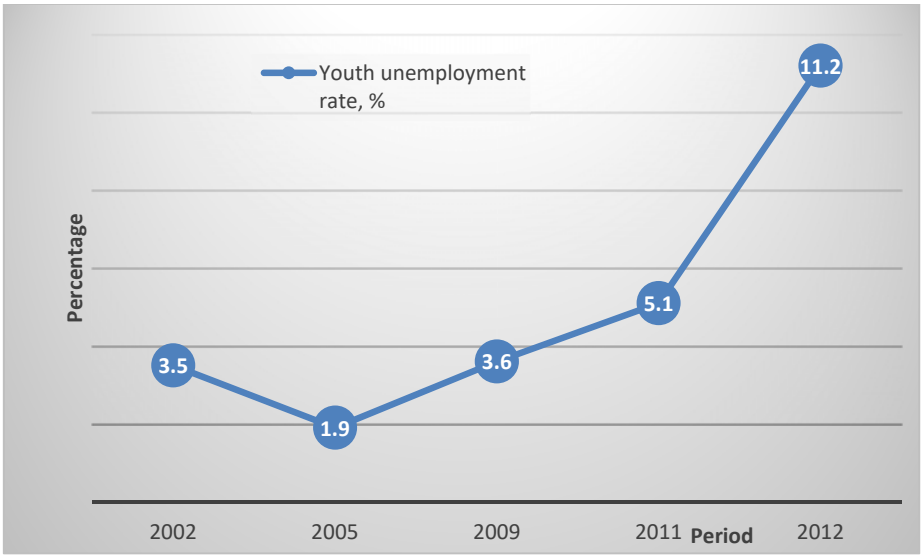
[12] National Labor Force and Child Activity Survey 2011/12.

[13] Youths not in labor force consist of those who neither engage in nor are available for work in productive activity during the reference period of the survey due to homemaking, education, illness, etc.

[14] Analysis of Youth Employment in Uganda: Challenges and Opportunities, 2013

[15] According to UBOS, under employment is defined as all persons of working age who were not in employment, carried out activities to seek employment during a specified recent period and were currently available to take up employment given a job opportunity.

Figure 2: Trends in Youth Unemployment



Source: Based on data in the NLF &CAS 2011/12 and UNHS 2012/13 reports

2.3 Lessons from Past and Current Youth Employment Interventions

Currently, there is a knowledge gap on the effectiveness of youth employment/empowerment schemes. ILO has taken a positive step towards gathering knowledge on the workability of youth interventions by supporting impact evaluations under "strategic priority on what works for youth employment". In Uganda, there has not been shortage of youth interventions aimed at creating employment, promoting business entrepreneurship, stimulating growth of micro-enterprises, empowering female youth, and imparting both hard and soft skills.

There are several lessons learned from years of implementing interventions for youth employment. The 2014 Draft National Action Plan for Youth Employment (page 23) highlights the following lessons

i) Isolated youth empowerment interventions do not produce the needed critical effort to address youth employment challenges without coordinated efforts by all actors.

ii) Effective leadership of youth employment promotion campaign by government units at all levels is required.

iii) There is need to instill a paradigm shift in the minds of organizations supporting youth employment to build an attitude for self-sustenance.

iv) The planning and programming of current programs are informed by scanty and un-uniform baseline data. Therefore, there is need to improve on the labor market information systems to address this challenge.

Table 1 below highlights some of the current and past youth employment interventions by the Government of Uganda.

Table 1: Youth Employment Interventions

Intervention/Year	Goal/Objective	Progress
The Youth Livelihood Program, 2013 Amount Committed: UGX 265 Billion	To empower the target youth in Uganda to harness their socio-economic potential and increase self-employment opportunities and income level • Provide youth with marketable vocational skills • Provide financial support to enable youth establish income generating activities • Provide youth with entrepreneurship and life skills • Provide youth with relevant knowledge and information for attitudinal change	YLP is currently being implemented. As of December 2014: • The program had rolled out to all 112 districts • Up to 1,768 youth groups had been served. 1,639 groups had got money for livelihood support, and only 129 had enrolled into the skills training component. • Up to UGX 12, 859,174,520 had been disbursed. • Average amount per group is UGX 7,273,288. The lowest group amount is UGX 1,950,000, and the highest group amount is UGX 12,500,00. • The program so far has 22,902 direct beneficiaries
Youth Venture Capital Fund, 2011 Amount Committed: UGX 25 Billion	To lend venture capital debt finance to viable projects proposed by young entrepreneurs, and enable youth benefit from mentoring services from the participating banks. The fund is aimed at supporting the growth of viable and sustainable SMEs in the private sector	Evaluation as of June 2014[16] showed that: • There was no M&E framework to monitor success beyond credit provision • There was no significant job creation for the youth and non-youth fund beneficiaries • The value of businesses for beneficiaries has grown, which implies that the fund is likely to improve productive employment/reduce underemployment

[16] Ahaibwe, Kasirye, & Barungi (2014). Promoting Self-employment through entrepreneurship financing: Lessons from the Uganda Youth Venture Capital Fund. EPRC

Youth Enterprise Scheme, 1995	To fight poverty in the country, through training youth and equipping them with entrepreneurial skills and enable them have access to loans for start up and running enterprises.	YES trained more than 4,000 young people in business skills, and provided credit to 1,812. Although the program got favorable reviews, it disbursed only 35% of the funds and target youth with more than upper-secondary education[17]
Program for Children and Youth, 2003	Provide youth and economic and livelihood support grants to youth beneficiaries	Preliminary reports showed a positive trend with regards to income increase of PCY participants[18]
Skilling Uganda	Unlock the productive potential of Ugandans through targeted practical training, leading to award of practical qualifications	In progress; However, the program faces institutional challenges
NUSAF 1 ($133m) &2 ($124m)	To support youth acquire skills training and business development support through the youth opportunities program (YOP)	Beneficiaries had 41% higher income and were 65% were more likely to practice a skilled trade. They were more likely to keep records, register businesses and pay taxes. Overall, the poor used the money more effectively[19]

[17] See http://www.youth-employment-inventory.org/inventory/view/227/ accessed 06/01/2015

[18] See http://www.youth-employment-inventory.org/inventory/view/226/

[19] Blattman, Fiala, & Martinez (2013). Generating Skilled Self-Employment in Developing Countries: Experimental Evidence from Uganda. *Quarterly Journal of Economics (forthcoming)* available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2268552 accessed 06/01/2015

BOX 1 Experience of Ethiopia's Leather Industry

Ethiopia accorded its leather industry much attention since mid-2000s aiming to address the constraints to its competitiveness and attracting leading investors to the country. Although their attention was to improve light manufacturing, it demonstrates very well how improving value along the chain proposed in this paper can go a long way to increase economic activity and create value jobs. There are three steps to identifying and resolving constraints:

i. Identify the potential: Ethiopia identified their potential in agriculture, livestock, and forestry. Leather industry was identified as one of the sectors to promote the country's manufacturing potential, and create productive jobs.

ii. Identify the constraints: this requires careful assessment of the national development strategy. Ethiopia constraints were problems with inputs for key industries representing more than 70 percent of total production cost and included; poor trade logistics, poor access to industrial land; poor skills; lack of a commercial livestock sector; and industrial inefficiency.

iii. Identify a short list of policy interventions. Specific interventions to have a short term effect included:
   a. Ban of export of raw hides and a 150 percent export tax on semi-processed and unfinished leather
   b. Tax exemption on income tax for investors
   c. Tax free equipment import
   d. Credit guarantee scheme to provide for those engaged in export activities
   e. Provision of access to infrastructure and land at reduced lease rates for those in export through establishment of industrial zones
   f. Provision of work station and technical assistance to small shoemakers
   g. Creating linkages with foreign investors in marketing and production; and improving transport services

Impact on leather industry and job creation:

i) Number of large and small scale manufacturer of leather and its products increased from 54 to 114 between 2000 and 2010; 26 leather tanneries, 13 mechanized large shoed industries, 13 leather goods and garments industries. Plus numerous informal sector operators.

ii) Foreign investment has taken off and created employment and raising productivity of local firms through technological transfer.

iii) Increased exports in the leather industry and manufacturing of leather products.

Source: World Bank (August, 2013). Jobs: Key to Prosperity. Uganda Economic Update. 2nd Edition

2.4 Lessons from the Ethiopian Leather Industry

From the Ethiopian leather case study presented above, the following lessons can be drawn.

i) Targeted tax and non-tax incentives for investors in the priority sectors

ii) Consider banning export of raw materials in the identified priority areas

iii) Provide access to low cost credit

iv) Create linkages between local producers and foreign investors, including language skills

3.0 Employment Creation: Opportunities and Strategies

Employment creation remains a central theme in Uganda's development strategies for socio-economic transformation. The National Development Plan and the Vision 2040 are the policy documents, which provide the overall leadership and policy direction for job creation and priority setting. Both the National Vision 2040 and the National Development Plan (NDP) prioritize enhancing gainful employment as a key requisite to realizing the long-term development vision of the country. The strategic focus of the NDP II identifies three key growth drivers as Agriculture, Tourism and Minerals, as well as two key growth fundamentals of Human Capital Development and Infrastructure development. This focus is imperative under the employment agenda in order to identify the skills required, the gaps and opportunities for job creation in the country over the medium term.

For employment strategies to work, they must yield both high growth of output and be able to create employment (employment- growth intensive). Islam (2010) provides a simple functional relationship between output, employment and productivity which is very useful to demonstrate government policy action of pursuing both employment and productivity. In this relationship, output growth is the sum of total labor force growth and labor productivity growth. In other words, if output growth is sufficiently high, there is scope for substantial increases in employment and productivity. This has been the experience of the fast growing South East Asian economies such as Korea, Taiwan, and China. If employment-intensive growth is achieved through growth of labor intensive-sectors, there wouldn't be a tradeoff between employment growth and productivity.

To understand which sectors have a higher elasticity of employment growth, that is, which sectors can create more employment and absorb more labor, the sector employment growth elasticity were computed for Uganda from 1999 to 2011. Data on key sector shares in total employment and GDP were used, compiled from the UBOS databases.

The data show that average labor productivity in Uganda has been highest in the services sector compared to agriculture and manufacturing. Low productivity in the agriculture and manufacturing sectors provides opportunities for creating high value productive jobs in these sectors to absorb

excess labor if the sectors are modernized. Korea, Taiwan, Malaysia and Thailand used excess labor in agriculture until a Lewis turning point[20].

Table 2: A summary of the short run sector employment-growth elasticity for Uganda

Sector	(Short run) Estimated growth-employment elasticity	Approximate number of jobs induced for every 1% increase in the sector GDP[21]
Agriculture	0.01	100[22]
Industry	0.65	6,500
Service	0.772*	7,720[23]

Source: Estimated regressions

**Statistically significant at one percent*

The interpretations from the statistics presented in the table above are:

a. Although the increases in agriculture output have a positive relationship to employment in the agricultural sector, this relationship is insignificant. This may explain why investments in agriculture so far have not yielded significant employment.

b. Industry sector growth also has a positive, but insignificant causal relationship to employment creation. This may be due to the fact that the industry sector is capital-intensive and jobs created in this sector would not absorb the excess unskilled labor.

c. The service sector has the highest propensity to create jobs that would absorb labor. Growth in the service sector has a positive and significant causal relationship to job creation. A one percentage point increase in service sector GDP growth induces approximately 7,720 jobs. Therefore, investment in the services sector would go a long way in curbing unemployment.

The foregoing analysis demonstrates that the greatest opportunity to create employment in Uganda lies in the service sector. It should be noted that services sector requires a firm base in economic activity for it to thrive. Service sector activities that are supported by other sectors include: marketing and distribution, transportation, storage, banking, branding, retail trade to mention a few. However, this is not to say that the agricultural sector and the industrial sector are irrelevant to the job creation strategy. Value addition along the agricultural chain from production to agro-

[20] The Lewis turning assumes a dual economy – an agricultural sector that engages a significant part of the labor force, and the modern market-oriented sector primarily in industrial production. In this economy growth is driven by the modern sector with unlimited supplies of labor, drawn from the agricultural sector, who accept low wages corresponding to an agrarian standard of living. The modern sector makes, profits, generates savings, and savings to finance capital formation for expansion. The Lewis turning point is when no more labor is forthcoming from the agrarian sector and wages begin to rise, slowing down the modern sector, and consequently growth starts to decline.

[21] GDP is measured in millions of US Dollars; Employment is measured in millions of persons.

[22] Average Agriculture sector contribution to GDP over the period 1999-2011 was US$ 2,587 million.

[23] Average service sector contribution to GDP over the period 1999-2011 was US$ 4,891 million.

processing would create value for the services sector. Industrialization is a winning strategy because it creates a firm foundation for the service sector to grow and thrive, from spin-off activities to support industry.

3.1 Increased Economic Activity for Employment Creation

The most effective way of creating employment and increasing the stock of jobs in the economy is to increase economic activity across the board in all sectors, with special focus on the NDP II priority sectors. Increasing economic activity will create demand for labor. While increased demand for labor implies increased employment, focus should also be paid to increased productivity of labor. Productivity gains arise from specialization and labor efficiency and increased technological use, which all rely on skilled labor. Assessment of the employment impact at the appropriate level of disaggregation of economic sectors is therefore, required for determining the output structure of growth and evolving suitable policy intervention to ensure realization, in order to bring employment into focus into growth strategy (Islam 2010)

The proposed strategy to increase economic activity is to track the value chain in the sectors that have the highest propensity to absorb excess labor. The service sector, as already noted, has the highest propensity to absorb excess labor, but this sector has to be greatly supported by other sectors, such as agriculture and minerals. Value addition at each level calls for promotion of small and medium scale industries/enterprises in the short and medium term, and full industrialization in the medium to long term.

Box 2: Elements of the Employment Creation Strategy

- Promotion of international standardization and certification of skills to make Uganda's labor force competitive in the global market;
- Emphasis on mass skills development programs focusing on the prioritized areas with a view to eliminating the skills gap in the labor market
- Develop local content in areas of skills development, labor, resources and business
- Promotion of industrialization along the value chain to deliver structural transformation of the economy
- Promotion of inter-sector collaboration and coordination to avoid duplication and achieve impact

3.1.1 Value Chain Pathways

In developing countries, employment growth can reflect both labor demand and supply; although in more formal and organized sectors, it reflects demand more closely than overall employment (Islam, 2010). Domestic demand is dependent on the level and distribution of income. Unequal income distribution[24] may shift demand to more consumer durables, e.g. capital intensive goods, and imported goods, which creates adverse employment effects as the import sector crowds out the export sector. According to Islam (2010), labor-abundant countries have an advantage in production and export of labor-intensive goods, therefore should employ an outward and export oriented development strategy.

The private sector –driven economy is recognized as an important growth philosophy in Uganda but its growth in Uganda is frequently constrained by shortages of capital, of entrepreneurial, managerial, technical and marketing skills, and information. The adoption of value chain pathways for enterprises is a multi-dimensional strategy envisaged to fill the gap but also increase productivity, output and generate employment creation in multiple sectors of the economy. Value chain pathways are particularly useful in helping link primary producers, businesses and other enterprises into effective market systems. The strategy has potential to mobilize investment capital at strategic production points, transform informal businesses into more formal commercial enterprises. The strategy can also increase value addition, productivity, and output, household incomes, induces upstream and downstream employment creation and reduces poverty prevalence. Smallholder production is important in many value chains for both economic and social considerations, special emphasis must be given to models which allow them to fully participate in complete value chains.

The example of a maize value chain shown in figure 3 below, demonstrates how value chain pathways are an effective way to increase economic activity and create jobs along the chain. This model can be applied wherever potential for employment creation is identified.

Pillars of the Value Chain

The fundamental pillars for value chain pathways are; research and development, financing, and availability of input suppliers. The development of value chains in agriculture calls for extensive farming. Extensive farming would be supported by research and development to develop crop varieties that are high yielding, pest and drought resistant. Further, farmers and enterprises in the upstream of the value chain require reliable suppliers of inputs as well as quality of inputs. The key assumption here is that the agriculture sector would be modernized and transformed to support the demand for inputs to a growing small, medium, and large industry sector.

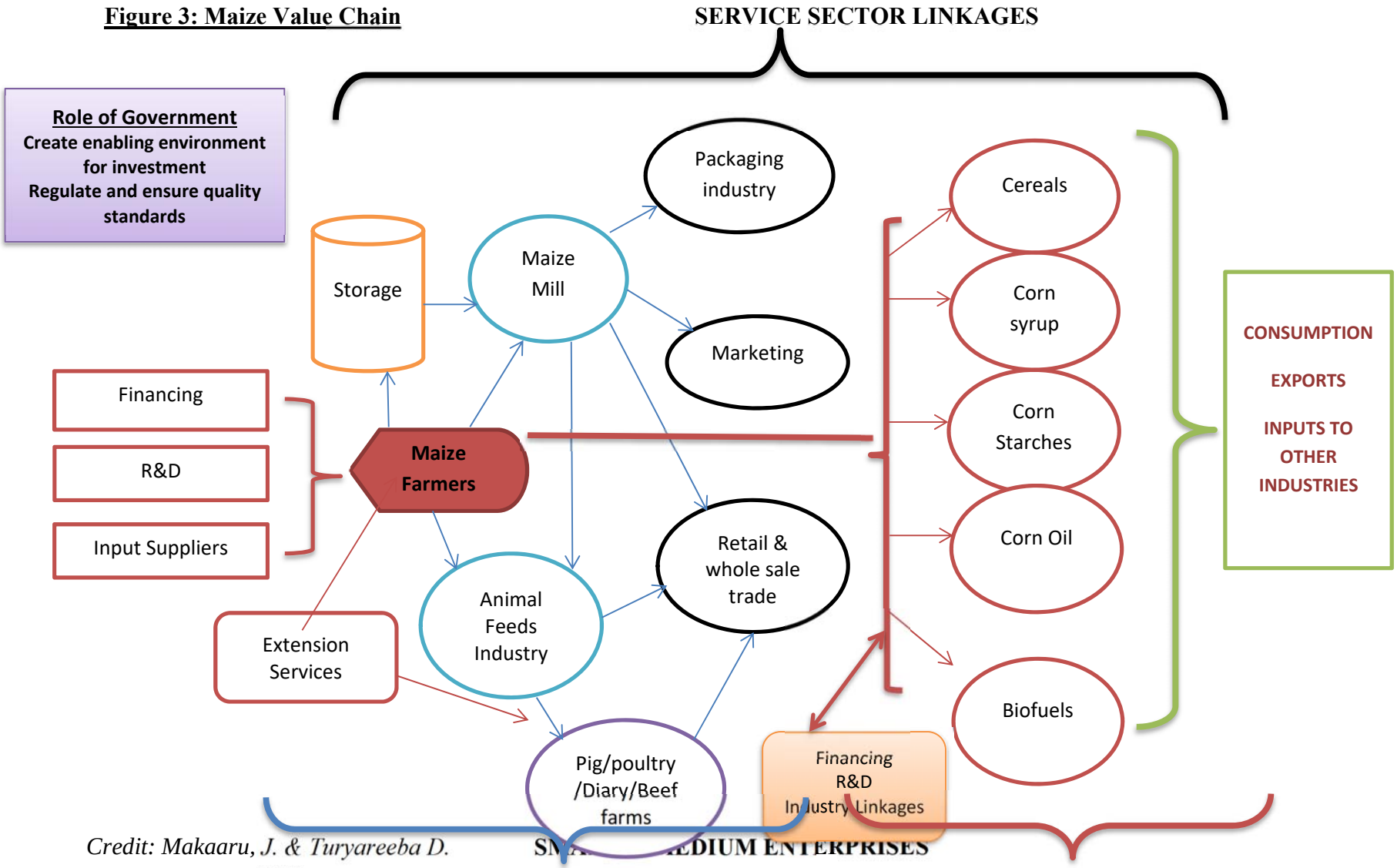
The small and medium industry business along this chain would proliferate arising from increased financing in form of credit and venture capital. While some business would use this capital to

[24] World Bank Statistics show that as of 2013, the distribution of income in Uganda (Gini Coefficient) stood at 0.45 which implies that domestic demand favors the import sector.

expand, others would be new startups that enter business as opportunities increase. The small and medium industry producers are mainly involved in semi-processing and value addition for domestic consumption and export, as well as producing inputs for other industries.

The big industry sector contributes to this value chain through extensive processing for export and local consumption. Big industries can directly take inputs from farmers or may use small and medium industry outputs as inputs. The downstream and upstream ends of this value chains are linked by the service sector which supports all actors along the value chain: farmers/enterprises, processors and manufacturers, suppliers, consumers, exporters, traders, and other categories of final users.

Figure 3: Maize Value Chain



3.1.2 Job Creation Opportunities Using the Maize Value Chain

The maize value chain illustrated in Figure 3 above is used to demonstrate the potential for job creation through increased economic activity based on one input, in this case maize. The fundamentals of the value chain as already mentioned are:

i. Research and development for generation of high yield and drought and pest resistant varieties

ii. Financing and credit for business development for both extensive agriculture modernization and business creation along the value chain

iii. Availability and reliability of input suppliers

At the Farm Level

The assumption is that agriculture will be modernized for extensive farming in order to sustain production for consumption, export, small industry, and big industry. Modernization of agriculture implies mechanization, and therefore few jobs will be created here for persons who will manage and service the machines, and provide farm security. Other jobs at the farm level include transport and packaging services. The farms must also be connected to storage services as well as for preservation. In the short run, labor will be displaced from farm jobs, but this displaced labor will be absorbed at higher levels of the value chain.

Extension Services

The commercialization of agriculture will create demand for extension services. This demand will be supported by the increasing capacities of farmers and other primary producers' increasing purchasing power.

At the Small & Medium Enterprise Level

At this level, the maize is transformed by value addition. The Maize millers produce consumable meals and husks and chaff for input into the animal feeds industry. The Animal feeds industry uses other inputs from outside the maize chain to produce complete animal meals in their respective categories. The jobs created at this level include: jobs for small industry attendants, transporters, marketers, security, packaging, branding, retail and wholesale trade, foods and beverages, and a myriad of other service jobs that are spin offs to these enterprises.

Big Industry Level

There are numerous big industry categories that can spawn around extensive maize farming and value addition. These industries require extensive financing, research and development, and full development of inter-industry linkages[25]. Figure 3 shows five major industries that could potentially develop around maize; cereal, corn syrup (used extensively in soft drinks and baking); corn starches (used mainly in pharmaceutical products, textiles, and paper industries); corn oil; and the bio-fuels industry. These industries would be projects for the medium to long term and would create a big number of jobs within the industry starting with construction jobs to industry workers, and input suppliers. There are other jobs that would be created in the service sector, including transporters, marketers, security, packaging, branding, retail and wholesale trade, foods and beverages, exporters, etc.

Big industry has the potential to create more jobs because of the relationship export promotion has to general economic growth from spinoff activity around the industries.

Role of Government

The role of the government is exogenous to the value chain model, but critical to the development and sustainability of enterprises.

- The government has a regulatory role for firms and businesses involved in the enterprises/industry
- The government must create an enabling environment for private sector to thrive by ensuring that the fundamentals of the macro-economic parameters are strong and stable, hence reducing costs of transaction.
- The government must set and ensure quality standards are maintained to make Uganda's products competitive in the global markets.

"A thriving private sector—with new firms entering the market, creating jobs and developing innovative products—contributes to a more prosperous society. Governments play a crucial role in supporting a dynamic ecosystem for firms. They set the rules that establish and clarify property rights, reduce the cost of resolving disputes and increase the predictability of economic transactions. Without good rules that are evenly enforced, entrepreneurs have a harder time starting and growing the small and medium-size firms that are the engines of growth and job creation for most economies around the world"- Doing Business 2014

Role of the Private Sector

The private sector plays a key role in this "value chain development model" as a major driver for innovation,

[25] Inter-industry linkages are important because the big industries here

financing startups, and creating jobs. Currently, the private sector in Uganda absorbs more labor compared to the public service. The expansion of the private sector has potential to create more employment to absorb a significant portion of the excess labor and contribute to economic growth. For example, according to statistics from the Private Sector Foundation-Uganda (PSFU), the private sector employed about 2.5 million people and contributed 75 percent of total GDP in the year 2011. During the same period the civil service size was 275,159 (which constituted only 2 percent of the persons employed by the private sector). By 2011, Uganda's private sector had approximately 1,100,000 small and medium scale enterprises (SMEs), most of them being located in Kampala (45 percent) and in the central region (21 percent).

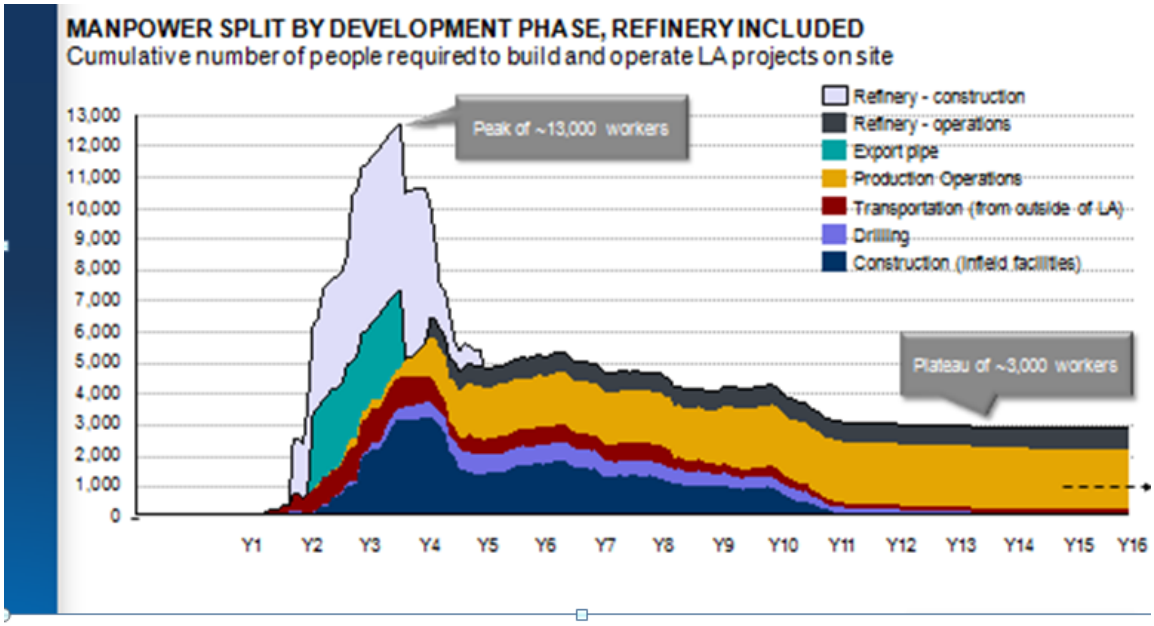
Analysis of the maize value chain does not estimate how many jobs will be created, nor the category of skills required. For the value chain analysis to be a useful guide in planning job creation and growth, it is imperative that each sector identifies the nature of skills required in terms of education/training and experience, as well as the number of people required at each level of the value chain. This is illustrated in the case study of the oil and gas sector value chain pathways by the Industrial Baseline Survey (2013). See below.

Table 3: Oil and Gas Value Chain: Direct and Indirect Jobs

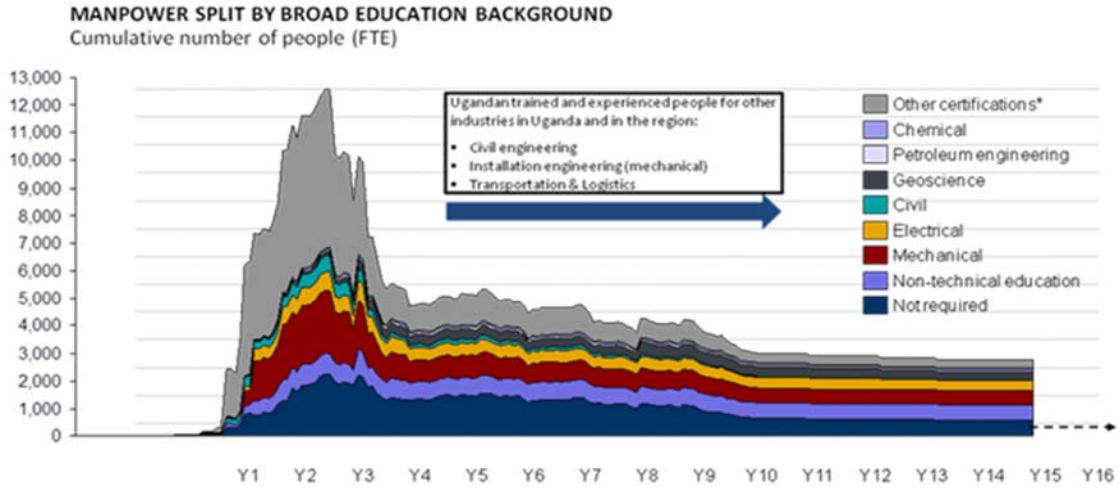
Core Oil & Gas Sectors	**Upstream**	**Midstream**	**Downstream**
	Exploration	Transportation	Distribution by trucks
	Development	Refining	Bulk and Storage Terminal
	Production	Storage at Refinery	Marketing Sales
Indirect Jobs	Construction		
	Operation and Maintenance		
	Logistics and Transport		
	Catering and Camp Management		
	Security		
	Disposal of Hazardous Waste		
	Uganda National Oil Company		
	Cement Manufacturing		
	Civil and Electrical Engineering		
Induced Jobs	Medical, Hotel, IT & Communication, Education, Banking, and Insurance		

Source: MML (2014) & IBS (2013)

Presented in table 3 above is the oil and gas value chain from upstream to downstream. The table also shows the identified direct, indirect, and induced jobs identified in the sector. The charts below show the level of skills required for the identified jobs along the value chain.



Source: IBS, 2013



Source: SBC analysis; CNOOC; Total; Tullow
Notes: (*) Other certification includes driving (heavy duty and passengers trucks), welding (pipes), welding (plate), hoisting and lifting machine operators.

4.0 Recommendations

4.1 Immediate To Short Term

The following recommendations are important for immediate action to take advantage of the identified job opportunities.

i) Since the value chain for oil and gas sector has been finalized:

   a. Develop a crush training program for the immediately identified key skills in the oil and gas sector;

      i. Civil and mechanical engineers (1,300 required at peak; four years of training required, and an additional 12-18 months of accreditation)

      ii. Mechanical & electrical technicians (2,500 required at peak; two to three years of training required, and an additional 12-18 months of accreditation)

      iii. Geoscientists (450 required at peak)

      iv. Petroleum engineers (550 required at peak; four years of training and an additional 12-18 months of accreditation).

      v. Civil craftsmen, hoisting and lifting operators, machine operators, and drivers (5,500 required at peak; one to three years of training required, and an additional two to six months of accreditation)

      vi. Welders (1,230 required at peak; one to three years of training required, and an additional two to six months of accreditation).

   b. Immediately institute a certification and accreditation mechanism for the persons trained under the above crush program.

ii) Institute a mechanism for international standardization and certification for skills to make Uganda's labor force internationally competitive.

iii) In order to address the skills mismatch, decentralize curriculum at the institution level through the establishment of curriculum advisory committees at the institutional level with membership of the private sector and industry institutions in curriculum making at centers of excellence.

iv) In order to address the issue limited financing to deliver quality technical and vocational BTVET skills, government will have to reconsider it earlier position the introduction of training level. Our neighbors Tanzania already have one.

v) Value chains should be developed for all the NDP II priority areas to create value jobs; including the 12 identified agricultural enterprises[26] to simultaneously increase production; the prioritized minerals; tourism and infrastructure projects. For proper planning, value chains surveys such as the recent industrial baseline survey for the oil and gas sector must be done to identify the requisite skills and the number of persons that could be potentially employed at each point of the value chain.

vi) Support private sector investment along the identified value chains in the development priority areas to boost the small and medium scale industry. The key constraint for this category is the cost of capital.

vii) Revitalize Uganda Development Corporation (UDC) and recapitalize the Uganda Development Bank (UDB) for harmonized national investment and financing strategies. For example, UDC and private sector can collaborate on construction of storage and warehousing facilities.

viii) As was the case for the Ethiopian leather industry, for all prioritized agricultural enterprises, government may consider banning the export of raw industry inputs and impose export taxes on semi-processed inputs to sustain domestic processing and value addition – short term to medium term

ix) Urgently support the Directorate of labor to revitalize and regularize the human resource survey framework to support the collection of employment and labor market data; and establish a labor market observatory to manage the labor market information systems, coordinate labor issues, and periodic tracking of number of jobs and employment levels.

x) Implement the provisions of the immigration act with regard to the management of immigrant labor particularly with regard to employment of semi-skilled foreign labor. In addition, strengthen the legal and the regulatory framework for management of immigrant labor to reduce dumping of unskilled labor from abroad, thus denying Ugandans jobs at home.

xi) Develop a local content policy to build the capacity of local labor, businesses, and producers for national development.

[26] For the period of the NDP II, the prioritized 12 agricultural enterprises are; cotton, coffee, tea, maize, rice, cassava, beans, fish, beef, milk, citrus and bananas.

xii) Develop programs targeting youth involvement in public works particularly targeting labor based contracts for community and district feeder roads and other related areas.

xiii) Develop a comprehensive human capital development plan to promote the long term quality of the population

4.2 Medium to Long Term

In the medium to long term, more structural interventions need to be put in place, to institutionalize the structural and institutional gains that will have been made in the economy and society at large.

i) Build the base for heavy industry development. For example, exploit the energy potential, industry inputs (e.g. iron) and transport infrastructure.

ii) Revitalize the existing technical and vocational institutions and develop them into centers of excellence in skills identified in value chains, with full equipment and qualified instructors. This may involve imposing a moratorium on opening up of new institutions.

iii) Develop skills development programs that are tailored to the industrial development strategy of the country and innovation.

References:

Alani, J. (2012). **Effects of Productivity Growth on Employment Generation, Capital Accumulation and Economic Growth in Uganda**. *International Journal of Trade, Economics, and Finance, Vol 3, No. 3.* 170-175.

Africa Youth Development Link (2013). **Analysis of Youth Employment in Uganda**: Challenges and Opportunities (*Report).*

Ahaibwe, Kasirye, & Barungi (2014). **Promoting Self-employment through entrepreneurship financing**: Lessons from the Uganda Youth Venture Capital Fund. EPRC.

Background to the Budget 2014/15 (Uganda). Ministry of Finance, Planning and Economic Development.

Beatson, M. (2000). '**Job Quantity and Job Security'**, *Labor Market Trends*, October, 441-449.

Bernal-Verdugo, L.E., Furcer, D., & Guillaume, D. (2012). **Labor Market Flexibility and Unemployment**: New Empirical Evidence of Static and Dynamic Effects. IMF. Middle East and Central Asia Department.

Bhorat, H. & Oosthuizen (2006). **"Evolution of the Labor Market 1995-2002."** In Haroon Bhorat and Ravi Kanboor, eds., *Poverty and Policy in Post-Apartheid South Africa*. Cape Town: Human Science Research Council.

Blattman, Fiala, & Martinez (2013). **Generating Skilled Self-Employment in Developing Countries**: Experimental Evidence from Uganda. *Quarterly Journal of Economics (forthcoming)* available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2268552 accessed 06/01/2015.

ILO (2013). *Global Employment Trends for Youth, 2013: A Generation at Risk.* International Labor Office. Geneva

ILO (2012). **Decent work country programme 2013-2017**.

Industrial Baseline Survey (IBS) Report, 2013.

Islam, I., & Nazara, S. (2000). **Estimating Employment Elasticity for the Indonesian Economy**.

Islam, R. (2010, October). **The Challenge of Jobless Growth in Developing Countries**: An Analysis with Cross-Country Data (*BIDS Occasional Paper Series No. 1),* Bangladesh Institute of Development Studies.

Johri, R. (2005).**Work values and the quality of employment**: A literature review.

Leontarid, R. & Sloane, P. (2001, April). Measuring the Quality of Jobs (*Working Paper Series 07*).

Leshoro, L., A., Temitope (2014). Empirical Analysis of Employment Elasticity of Growth in Botswana. *Mediterranean Journal of Social Sciences, MCSER Publishing: Rome-Italy.*

Mourshed, Farrell, & Barton (2012). *Education to Employment: Designing a System That Works*. McKinsey Center for Government, McKinsey & Co.

Page, J (2012). Youth, Jobs, and Structural Change: Confronting Africa's "Employment Problem". *Working Paper No. 155.* African Development Bank.

Rangarajan, C. (2006). Employment and Growth, (Doc) available on www.eac.gov.in/aboutus/chspe/rep11_emp_growth.doc.

Ranis (2004). Arthur Lewis' Contribution to Development Thinking and Policy. *Economic Growth Center.* Yale University.

Second National Development Plan 2015/16 – 2019/20 (NDPII), Draft.

Statistical Abstract (2014), UBOS.

The National Action Plan for Youth Employment (NAPYE) 2015/16-2019/20, Final Draft: Ministry of Gender, Labour and Social Development.

The National Employment Policy, 2011

Uganda Bureau of Statistics (2013). The National Labour Force & Child Activities Survey (NLF & CAS) Report (November).

Uganda Bureau of Statistics (2013). Uganda in Figures.

Uganda National Household Survey (UNHS), 2010. UBOS UNHS 2009/10, Abridged Report.

Uganda National Household Survey Report (2013): UBOS, UNHS 2012/13

UNDP (2013). Millennium Development Goals Report 2013

United Nations Industrial Development Organization (UNIDO), 2005. Industrial Statistics Data (Indstat 3), electronic version. UNIDO, Vienna.