

**Youth Transition to Employment  
and  
Government Youth Interventions in Uganda**

**Policy Issues and Options Paper**

**Open Space Center**

**March 2025**

**Kampala**

## Table of Contents

### Contents

1. Background and Context .....	5
2. Purpose of the Paper.....	6
3. Significance of this Policy Paper .....	6
4. Scope and Methodology .....	6
4.1 Structure of the Paper .....	7
5. Uganda’s Youth Employment Landscape.....	8
6. Youth Issues in NDPIV on Employment Transition .....	10
7. Uganda’s Flagship Youth Programs: An Employment and School-to-Work Transition Analysis .....	11
7.1 Youth Livelihood Programme (YLP) .....	12
7.2 Parish Development Model (PDM) .....	13
7.3 Emyooga Program .....	13
7.4 Skilling Uganda (Vocational Training) .....	13
7.5 Presidential Initiative on Skilling the Girl Child .....	14
7.6 Youth Apprenticeship Program .....	14
7.7 Youth Inspiring Youth in Agriculture Initiative (YIYA) .....	15
7.8 Young Africa Works.....	16
7.10 Conclusion on Flagship Youth Programs .....	16
8.0 Global Best Practices in Youth Employment Transition .....	16
9.0 Enhancing Youth Transition to Employment: Key Messages.....	18
9.1 Strengthen Certification Systems to Align Skills with Employment and Earnings	18
9.2 Reforming TVET to Enhance it Relevance .....	19
9.3 Strengthen and Expand Active Labor Market Programs.....	19
9.4 The Digital Economy Promise .....	19
9.5 Entrepreneurship is not a cure-all for Youth Unemployment .....	20
9.6 Strengthen School-to-work Linkages .....	20
9.7 One-Stop Centers for Youth Services are Essential .....	21
10. Overall Recommendations for Enhancing Youth Transition to Employment .....	21
References .....	23



## **Executive Summary**

This paper discusses youth policy in Uganda, focusing on the transition of young people from education to employment. Developed by the Open Space Centre with support of the Centre for Basic Research<sup>1</sup>, it highlights challenges related to the National Development Plan IV, emphasizing the urgent need to address youth unemployment and underemployment, with over two million young people currently NEET and more than one million entering the labor market annually.

The paper reviews structural constraints, such as limited job creation and skills mismatches, and evaluates key youth programs like the Youth Livelihood Programme and Skilling Uganda, noting gaps in sustainability and alignment with labor market demands. It also examines global best practices, including vocational training systems and digital inclusion initiatives, to draw lessons for Uganda.

Six key messages are outlined: reforming technical and vocational education, expanding labor market programs, strengthening school-to-work linkages, supporting digital and entrepreneurial ecosystems, and implementing gender-responsive interventions. The paper concludes with recommendations for aligning education with labor market needs, establishing a national certification framework, and improving coordination of youth initiatives.

Ultimately, it advocates for a holistic and inclusive approach to youth employment that harnesses young Ugandans' potential for national development.

---

<sup>1</sup> This is a commissioned paper prepared by Richard Ssewakiryanga, Senior Research Fellow and Executive Director, Centre for Basic Research for the Open Space Center, March 2025.

## **1. Background and Context**

### *Context*

This policy paper focuses on the transition of youth to employment and builds on a previous paper developed in March 2024. The earlier paper examined Uganda's youth demographic trends and highlighted the urgent challenge posed by the growing number of young people who are Not in Employment, Education, or Training (NEET), estimated at over two million at that time. It also analyzed the limitations of existing interventions under the Third National Development Plan (NDPIII).

This paper addresses another crucial aspect of youth livelihoods: the transition from school to work. While the large youth population in Uganda presents a valuable opportunity for economic transformation, it also poses significant challenges, particularly regarding youth unemployment and underemployment.

This Policy Issues and Options Paper evaluates the current state of youth employment in Uganda, assesses government-led interventions, and shares experiences while exploring global best practices to inform future strategies. Additionally, it emphasizes the importance of effectively implementing the Fourth National Development Plan (NDPIV), which will begin its implementation in the fiscal year 2025/26.

### *Background*

Uganda has one of the youngest populations globally, with over 75% of its citizens below the age of 30 (UBOS, 2023). This demographic structure offers significant potential for economic transformation but also poses critical challenges, particularly in generating sufficient and meaningful employment opportunities. The country's job ecosystem is diverse, encompassing the public sector, informal sector, private sector, development work, entrepreneurship, domestic work, and employment abroad.

However, young people face substantial barriers in transitioning from education to gainful employment across these sectors. According to the Uganda Bureau of Statistics (UBOS, 2023), nearly 40% of Ugandan youth are neither employed nor engaged in formal education or training (NEET). This is further complicated by the predominance of informal employment, which accounts for over 80% of total employment in Uganda (ILO, 2022), often characterized by low wages, limited job security, and minimal social protection.

While sectors such as entrepreneurship and work abroad present emerging opportunities, the overall labor market remains structurally constrained, calling for strategic investments in skills development, job creation, and policy reforms to better align with the aspirations and realities of Uganda's youth.

Uganda's National Development Plan IV (NDP IV) recognizes these issues and acknowledges youth as critical to economic transformation and outlines various interventions aimed at improving employment outcomes (National Planning Authority [NPA], 2024). These include vocational training, entrepreneurship programs, and targeted financing mechanisms. However, despite these efforts, evidence over the years indicates that youth unemployment remains a pressing issue. This reality necessitates a deeper examination of policy interventions and potential reforms that Uganda needs to look at. In this paper, we use the lens of various youth interventions that the government has put in place in an effort to explore the options available within the context of the NDPIV.

## **2. Purpose of the Paper**

The purpose of this paper is to analyze the transition of youth from education to employment in Uganda, assess the effectiveness of current government interventions under NDP IV, and identify key policy issues hindering youth employment. In the paper we also make reference to some global best practices as a way of evaluating their applicability to Uganda while proposing policy options to enhance youth employment outcomes. The findings will provide valuable insights for all stakeholders, including the National Planning Authority (NPA) and development partners, to refine policies and interventions aimed at improving youth employment in Uganda.

## **3. Significance of this Policy Paper**

The effective integration of youth into the workforce is crucial for Uganda's socio-economic stability and long-term development. High levels of youth unemployment contribute to economic stagnation, increased poverty, and social unrest. A well-designed youth employment strategy can harness Uganda's demographic dividend and propel sustainable growth. This paper seeks to contribute to a comprehensive national strategy that ensures inclusive and productive employment for Uganda's youth.

## **4. Scope and Methodology**

This paper is structured to examine youth employment from multiple perspectives:

- Uganda’s Youth Employment Landscape – A review of current trends, labor market structure, and employment opportunities for youth.
- Government Youth Interventions under NDP IV
- Uganda’s Flagship Youth Programs: An Employment and School-to-Work Transition Analysis.
- Policy Issues Affecting Youth Employment – A discussion based on field experiences and major challenges, including skills mismatch, limited job opportunities, and access to finance.
- Global Best Practices – An exploration of successful youth employment strategies from other countries and how they can be adapted to Uganda.
- Policy Options for Uganda – Recommendations for strengthening youth employment policies and improving program implementation.

The paper draws upon government reports, academic research, and case studies from international labor markets to offer a well-rounded analysis. The proposed recommendations are intended to support evidence-based policy implementation among stakeholders involved in youth employment initiatives.

#### **4.1 Structure of the Paper**

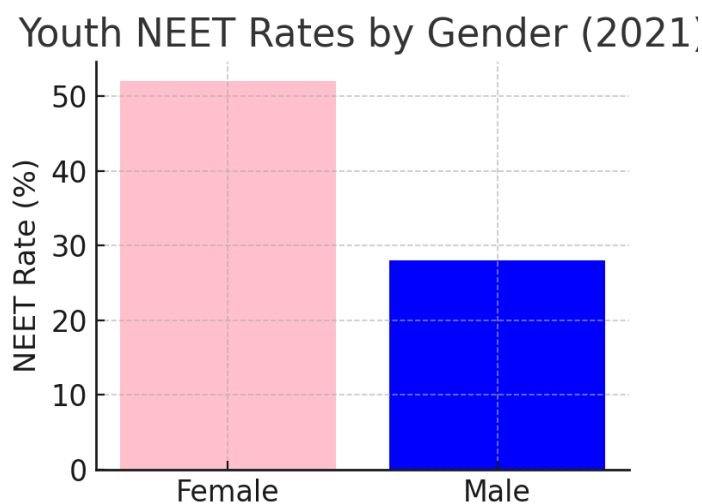
This Policy Issues and Options Paper is organized into ten sections. Section 1: Background and Context introduces Uganda’s youthful population and the significant challenge of youth unemployment, setting the stage for the policy discussion. Section 2: Purpose of the Paper outlines the main objectives, including assessing the effectiveness of current government interventions and proposing policy options to improve youth employment outcomes. Section 3: Significance of the Policy Paper explains the broader socio-economic relevance of addressing youth employment in Uganda. Section 4: Scope and Methodology describes the analytical framework, including the data sources and thematic areas covered. Section 5: Uganda’s Youth Employment Landscape presents key trends and statistics on youth labor force participation, unemployment, and sectoral distribution. Section 6: Youth Issues in NDP IV on Employment Transition reviews how youth employment priorities are reflected in the National Development Plan IV, with a focus on strategic programs and reforms. Section 7: Uganda’s Flagship Youth Programs provides an in-depth analysis of key government and donor-supported interventions, such as the Youth Livelihood Programme (YLP), Parish Development Model (PDM), Emyooga, Skilling Uganda, and others, evaluating their design, implementation, and impact. Section 8: Global Best Practices in Youth Employment Transition explores successful international

models and identifies lessons that could be adapted to Uganda’s context. Section 9: Enhancing Youth Transition to Employment – Key Messages distills strategic insights and critical policy considerations to guide reform. Finally, Section 10: Overall Recommendations for Enhancing Youth Transition to Employment presents a set of practical, forward-looking policy actions to improve employment outcomes for Ugandan youth and ensure more effective transitions from school to work.

## 5. Uganda’s Youth Employment Landscape

Uganda’s youthful population presents both immense opportunities and urgent challenges. Youth aged 18–30 comprise about 23% of the total population (UBOS, 2021), and each year, more than one million young Ugandans enter the labor market (NPA, 2022). However, this influx is not matched by job creation or skills development opportunities. In 2021, the youth population stood at approximately 9.3 million, with nearly 71% living in rural areas (UBOS, 2021). Labor force participation among youth remains relatively low at around 50%, with notable gender disparities—58% for males and just 39% for females (ILO, 2021). Alarming, 41% of youth were categorized as Not in Employment, Education, or Training (NEET), with rates significantly higher among young women (52%) than young men (48%) (ILO, 2021). Many of these young people are absorbed into informal, low-paying, and often precarious forms of employment, while others remain idle, contributing to growing frustrations and vulnerabilities.

**Figure 1: Youth NEET Rates by Gender**



*Source: Authors Analysis*

Youth unemployment rates have increased, reaching approximately 17% by 2021, compared to a national unemployment rate of about 12% (UBOS, 2021; World Bank, 2022). Female youth unemployment (20%) is significantly higher



than male youth unemployment (13%) (ILO, 2021). Urban youth experience higher unemployment (16%) compared to rural youth (8%), largely due to the limited availability of formal employment opportunities in urban areas (UBOS, 2021). Currently, informal employment dominates, with over 90% youth involvement (ILO, 2021). There is also a significant gender and geographic disparities persist in youth employment (ILO, 2021; UBOS, 2021).

The primary sectors where youth are employed include agriculture (65%), services (~33%), and industry, especially construction (World Bank, 2022). This data indicates that there are emerging opportunities for young people in the key growth sectors like agribusiness, construction, ICT, and tourism (NPA, 2022; World Bank, 2022). For this to be harnessed there will be a need to addressing the skills mismatches, job creation, financial access, and gender disparities for young people (ILO, 2021; World Bank, 2022). In the next section we review the NDPIV focus on youth employment issues.

Labour productivity in Uganda also remains a central concern in the country's pursuit of economic transformation and inclusive growth. As of 2023, Uganda's total labour force was estimated at 19.08 million people aged 15 and above, yet the productivity levels remain among the lowest in the East African region (Trading Economics, 2023). Labour productivity, measured as output per labour hour, stood at approximately USD 3.53 (UGX 13,200), reflecting structural challenges in the economy (ILO/EPRC, 2023).

A key demographic affected by low labour productivity is the youth, who constitute more than 60% of the total labour force. Despite their numerical strength and potential for innovation, the majority of Uganda's youth are engaged in low-skilled, informal, and subsistence-level employment. Youth in agriculture, for instance, are disproportionately affected by poor access to quality inputs, limited land ownership, and inadequate extension services—all contributing to stagnating productivity. This is particularly concerning given that 27.9% of youth are in subsistence agriculture and 18.7% are classified as NEET (Not in Employment, Education, or Training), with minimal contribution to economic output (UNHS, 2019/20).

Furthermore, the decline in national labour productivity—averaging a 0.6% annual drop between 2012 and 2018—can be partly attributed to the underutilisation of Uganda's youth bulge. A mismatch between education outputs and labour market demands has left many young people under-skilled for the formal sector while simultaneously lacking the support and tools needed for entrepreneurship or productive self-employment (ILO, 2023).

To reverse this trend, deliberate investments are required to boost youth labour productivity through targeted skilling programmes, expanded access to agricultural innovation and technology, and incentives that integrate youth

into value-adding sectors of the economy. Without focused policy attention, the demographic dividend risks becoming a demographic burden.

## **6. Youth Issues in NDPIV on Employment Transition**

The National Development Plan IV (NDPIV) recognizes youth as critical to Uganda's economic transformation, emphasizing their active involvement in value addition, industrialization, and human capital development. The plan strategically integrates youth empowerment across various government priority sectors, including Agro-industrialization, Tourism, Minerals, Science & Innovation (ATMS), and wealth-creation initiatives such as the Parish Development Model (PDM) and EMYOOGA. Below is a snapshot of the areas the plan addresses concerning youth employment issues:

- a. Human Capital Development Programme:** This programme aims to strengthen education, skills, and ethical training, particularly in Science, Technology, Engineering, and Mathematics (STEM) and Technical Vocational Education and Training (TVET). Key interventions include equipping TVET trainees and higher education graduates with essential 21<sup>st</sup>-century competencies, establishing Presidential Industrial Zonal Skilling Hubs — including a dedicated Presidential Skilling Hub in Karenga District — and implementing a dual training model that integrates practical industry-based experiences with formal education. These efforts are designed to promote productive employment and decent working conditions for youth.
- b. Agro-Industrialization Programme:** Under this programme, NDPIV prioritizes developing infrastructure for value addition, specifically targeting youth and women. It emphasizes skills training in dairy processing and other agro-processing techniques. Additionally, Coffee Hubs will be constructed at universities such as Mbarara, Gulu, and Busitema to provide specialized training and entrepreneurial skills for young people entering the coffee sector.
- c. Private Sector Development Programme:** NDPIV plans to improve youth and women's access to affordable financial resources by recapitalizing public banks. It also seeks to expand financial products and services explicitly designed to support youth and women entrepreneurs.
- d. Implementation Reforms for Inclusion:** To ensure greater economic inclusion, NDPIV emphasizes sustainable procurement mechanisms that specifically empower youth, women, and Micro, Small, and Medium Enterprises (MSMEs). Procurement opportunities will be deliberately reserved for youth-led enterprises to boost employment, entrepreneurship, and active economic participation.

Overall, NDPIV is expected to significantly enhance the capacity of young people and women to innovate, establish businesses, and generate sustainable employment opportunities. It aims to reduce youth unemployment through targeted skilling programs, accessible financing solutions, and integration into strategic value chains.

## **7. Uganda’s Flagship Youth Programs: An Employment and School-to-Work Transition Analysis**

Uganda faces a persistent youth employment challenge, with a significant proportion of young people unable to secure gainful work. As mentioned earlier, estimates indicate that almost 40% of Ugandan youth are neither employed nor engaged in formal education or training, with about 83% classified as either unemployed or underemployed (UBOS, 2023). To address this, the Ugandan government has implemented several flagship programs over the past five years, including the **Youth Livelihood Programme (YLP)**, the **Parish Development Model (PDM)**, **Emyooga**, **Skilling Uganda** among others. In this section we present the focus of these interventions and later we examine their overall effectiveness, particularly their impact on employment and the school-to-work transition.

It should be noted that the Government of Uganda has identified four priority sectors of the economy as key pathways for employment creation and inclusive growth: **commercial agriculture, manufacturing and artisanship, services, and information and communication technology (ICT)**. These sectors not only anchor Uganda’s industrialization and wealth-creation agenda but also serve as entry points for youth to transition into productive and sustainable employment as shown below:

- **Commercial agriculture** has been promoted as a foundational pillar for rural transformation. Young people are being encouraged to engage in agribusiness value chains — particularly in crop farming, agro-processing, and agricultural services — supported by access to inputs, market information, and extension services through PDM and Emyooga. However, the uptake has remained uneven, with structural barriers such as limited access to land and capital constraining full youth participation.
- **Manufacturing and artisanship**, particularly within the informal sector, offer opportunities for skills-based employment. Initiatives under the Skilling Uganda framework have sought to equip youth with technical and vocational competencies aligned with local market demands. Yet, concerns remain regarding the quality, relevance, and scale of training programs, and the linkages between training providers and actual employment opportunities.

- The **services sector**, including tourism, transport, retail, and financial services, continues to absorb a large share of urban youth. However, many of these jobs are low-wage, informal, and precarious, raising questions about their long-term sustainability. The challenge is not just job creation, but improving the quality of jobs and creating clear career pathways.
- **ICT and digital innovation** represent a growing frontier, with the potential to unlock new forms of work and entrepreneurship for digitally literate youth. Government investments in broadband infrastructure and innovation hubs are gradually creating an enabling ecosystem, but issues of digital access, affordability, and relevant digital skills training still hamper equitable participation.

Despite these efforts, **the transition from school to work remains one of the most difficult phases** for Ugandan youth. Many face long periods of job search, mismatches between their qualifications and market needs, or opt into informal or subsistence-level economic activities out of necessity rather than choice. Addressing this requires not only scaling up existing programs but also strengthening career guidance systems, job placement services, and employer engagement in training design and delivery.

In sum, while Uganda’s economic strategy provides a solid framework for engaging youth in productive sectors, the effectiveness of these programs depends on their ability to address systemic barriers, foster decent employment, and smoothen the transition from education to the world of work.

### **7.1 Youth Livelihood Programme (YLP)**

The Youth Livelihood Programme (YLP), initiated in the 2013/14 financial year, targets unemployed and underprivileged youth aged 18-30 across Uganda. Its primary goal is to enhance income opportunities by offering interest-free revolving funds to Youth Interest Groups (YIGs) of 10-15 members. These funds, managed collaboratively by the Ministry of Gender, Labour and Social Development (MoGLSD), local governments, and Kampala Capital City Authority, promote entrepreneurship among youth. By 2020, approximately UGX 163 billion had been allocated to 20,522 youth projects, benefiting around 245,870 individuals (46% female). The initiative has reportedly generated 200,000 direct and 500,000 indirect jobs. Beneficiaries have experienced improvements in financial inclusion, business formalization, and asset accumulation.

However, YLP faces challenges such as low loan recovery rates — only 52% of due funds had been repaid as of 2021. Insufficient financial literacy training has led to fund misuse, with some recipients redirecting funds to non-

business purposes. Political interference and weak targeting mechanisms have also hindered the program's success. Despite these setbacks, YLP remains instrumental in fostering youth entrepreneurship and employment, although sustainability concerns persist.

### **7.2 Parish Development Model (PDM)**

The Parish Development Model (PDM), introduced in 2022, is designed to decentralize development funds to the parish level, aiming to transition 39% of subsistence households into the money economy. A central feature of the model is the Parish Revolving Fund, which provides UGX 100 million annually per parish. These funds are channelled through Savings and Credit Cooperatives (SACCOs) to support income-generating activities, with a portion specifically reserved for youth-led enterprises. Though promising, the PDM is still in its early stages, and its impact on employment is yet to be fully evaluated.

Initial observations highlight several challenges, including delays in fund disbursement, limited community awareness, and inadequate monitoring frameworks. Concerns have also been raised regarding political interference in the distribution of funds and the effectiveness of local structures in implementing the program. Despite these obstacles, the PDM represents a significant step towards local economic empowerment, with potential long-term benefits for youth employment and overall household incomes.

### **7.3 Emyooga Program**

Launched in 2019, Emyooga targets informal sector workers, including boda-boda riders, tailors, and carpenters, by providing funds through SACCOs (MFPED, 2022). By mid-2022, UGX 78.8 billion had been disbursed, forming thousands of new cooperatives nationwide (Auditor General, 2022). The program has successfully mobilized youth into the financial system, fostering entrepreneurship in various sectors (MGLSD, 2022).

However, implementation challenges have hindered its success. Many beneficiaries perceived the funds as political gifts rather than repayable loans, resulting in low repayment rates (Parliament of Uganda, 2022). Additionally, the rushed formation of SACCOs and limited training led to fund mismanagement and poor accountability (NPA, 2023). While Emyooga has generated some employment opportunities, sustainability remains a concern due to weak governance and limited financial discipline among beneficiaries (World Bank, 2023).

### **7.4 Skilling Uganda (Vocational Training)**

Skilling Uganda is a strategic initiative launched by the Government of Uganda in 2012 under the Ministry of Education and Sports, aimed at

modernizing the vocational education and training (VET) system to address the youth unemployment crisis. The program enhances the employability of young people by offering practical and market-driven vocational skills aligned with labor market demands. It also promotes entrepreneurship and strengthens vocational training institutions through public-private partnerships.

Covering both rural and urban areas, Skilling Uganda provides training in areas such as masonry, carpentry, automotive mechanics, ICT, and agribusiness. Since its inception, over 90% of graduates have found employment or started their own businesses, significantly better than the 35% employment rate for non-participants. The initiative has fostered economic inclusion and improved quality of life, particularly for young women and marginalized groups.

While Skilling Uganda has positively impacted economic growth and labor productivity, challenges remain regarding access for rural youth and marginalized groups. Future efforts should focus on increasing accessibility, improving infrastructure, and enhancing training quality and industry linkages.

### **7.5 Presidential Initiative on Skilling the Girl Child**

The Presidential Initiative on Skilling the Girl Child, launched in April 2017 by President Yoweri Kaguta Museveni, aims to empower economically disadvantaged young women in Uganda through vocational skills training. Targeting youth unemployment, especially among females, it offers cost-free six-month courses in areas like tailoring, baking, and hairdressing, with minimal entry requirements. The curriculum focuses on hands-on practical training, ensuring graduates possess employable skills. Upon completion, participants receive startup equipment and capital valued at around UGX 1,000,000 to encourage entrepreneurship.

As of May 2024, over 35,728 women were enrolled, and approximately 16,797 graduated between 2021 and 2023, many successfully starting businesses or finding jobs, positively impacting Uganda's economy. However, the initiative faces challenges, including high training costs of about UGX 4,000,000 per participant, limited rural outreach, and inclusivity issues for marginalized groups. Addressing these challenges is essential to enhance the initiative's social and economic outcomes.

### **7.6 Youth Apprenticeship Program**

The Youth Apprenticeship Program (YAP) in Uganda aims to combat rising youth unemployment by equipping university graduates with practical skills to enhance their employability (Uganda Investment Authority, 2024). It bridges the gap between theoretical education and job-market demands by

placing graduates as apprentices in Micro, Small, and Medium Enterprises (MSMEs), where they assist with operations such as record keeping and marketing. This interaction provides valuable experience for apprentices while supporting MSMEs (Uganda Investment Authority, 2024).

Research indicates that such apprenticeship programs significantly boost employment prospects, with vocational training and firm-sponsored apprenticeships increasing job probabilities by 21% and 14%, respectively (Alfonsi et al., 2017). However, challenges remain, including limited awareness of opportunities among youth, especially in rural areas, and barriers faced by marginalized groups, such as youth with disabilities (PEP-Net, 2023). Additionally, the sustainability of YAP requires ongoing financial support and adaptable structures to meet changing labor market needs (Mastercard Foundation, 2024).

Overall, YAP is a crucial step in reducing youth unemployment in Uganda by combining academic learning with practical experience. Addressing its challenges will enhance its impact and increase youth participation in the economy.

### **7.7 Youth Inspiring Youth in Agriculture Initiative (YIYA)**

The Youth Inspiring Youth in Agriculture Initiative (YIYA) was launched in 2017 by the Government of Uganda, in partnership with the Food and Agriculture Organization (FAO) and the Young Farmers Champions Network (YOFCHAN). The initiative addresses youth unemployment by promoting engagement in agriculture and agribusiness through mentorship and capacity building.

YIYA operates competitively, recognizing successful young agripreneurs as Youth Champions who receive financial rewards and training. In 2021, the program expanded significantly, attracting over 1,400 applications and selecting more than 270 youth champions, including 35 national champions who received various practical rewards.

The initiative has positively impacted youth employment in Uganda's agricultural sector, inspiring many young people to pursue careers in agriculture. However, it faces challenges such as limited access to capital, poor rural infrastructure, and climate variability. Addressing these issues requires targeted policy support and investments in rural infrastructure and financial access.

YIYA plays a vital role in enhancing youth employment, agricultural innovation, and food security in Uganda, with ongoing support needed for its sustainability and impact.

## **7.8 Young Africa Works**

Young Africa Works, initiated by the Mastercard Foundation in 2018, aims to help 30 million young Africans, especially women, secure dignified employment by 2030 (Mastercard Foundation, 2024a). In Uganda, it aligns with Vision 2040 and the National Development Plan by targeting agriculture, tourism, and construction to combat youth unemployment and promote sustainable growth (Mastercard Foundation, 2024a).

This initiative relies on partnerships with various organizations to provide skills training, financial inclusion, and market access. A key project, 'Markets for Youth,' involves GOAL Uganda working with the Mastercard Foundation to reach around 300,000 marginalized young Ugandans over five years, focusing on the agricultural sector (GOAL Uganda, 2024).

By early 2025, Young Africa Works had helped over 3.8 million young people gain essential skills and financial resources, with about 1.3 million transitioning into employment or entrepreneurship. The program prioritizes inclusivity, particularly for young women and marginalized groups (Mastercard Foundation, 2024b).

Despite its successes, Young Africa Works faces challenges in reaching rural communities, ensuring equitable participation, and enhancing financial inclusion. Ongoing collaborative efforts are necessary to address these issues and strengthen the program's impact on youth unemployment in Uganda.

## **7.10 Conclusion on Flagship Youth Programs**

Uganda's flagship youth programs have had mixed success in addressing unemployment and facilitating the school-to-work transition. While YLP and Emyooga have supported thousands of youth-led businesses, sustainability and governance challenges have undermined their effectiveness. PDM presents an innovative approach but requires careful monitoring to ensure inclusive benefits. The Skilling Uganda initiative has significantly improved employability, but scaling remains a challenge. Future efforts should focus on improving program coordination, enhancing training and mentorship, and fostering stronger linkages with the private sector to create sustainable employment opportunities for Ugandan youth but also learning from countries that have good practices in youth and employment transition. The next section highlights some examples:

## **8.0 Global Best Practices in Youth Employment Transition**

Ensuring a smooth transition to employment for youth is a critical challenge faced by many nations (OECD, 2021). Several countries have successfully implemented innovative strategies focusing on education reform, skill development, entrepreneurship, digital transformation, and public-private



partnerships (World Bank, 2022). Uganda can draw inspiration from these global best practices to craft a comprehensive and inclusive youth employment strategy, ultimately promoting decent work and sustainable livelihoods for its younger population (UNDP, 2022).

Germany and Switzerland stand out with highly effective dual vocational education and training (TVET) systems. These programs integrate classroom education with industry-based apprenticeships, providing young people with practical experience and specific skills required by the labor market (Eichhorst et al., 2022). Uganda could benefit from forming stronger industry partnerships and tailoring vocational training curricula to market needs.

In South Korea, the Youth Employment Support (YES) Plan has effectively reduced youth unemployment through career counseling, job placement services, and wage subsidies for employers hiring recent graduates (OECD, 2021). Adapting similar measures, such as tax incentives for businesses employing young people and creating structured internship pathways, could significantly enhance youth employment in Uganda.

Israel's Start-Up Nation program and Singapore's Enterprise Singapore exemplify robust support for youth entrepreneurship, offering venture capital, business training, and government-backed incubators (Senor & Singer, 2019). Uganda can replicate these efforts by scaling youth-targeted financing under the Parish Development Model (PDM) and establishing government-supported incubators to empower young entrepreneurs.

Estonia and India lead the way in digital skills development, essential for modern labor markets. Estonia integrates IT education across all schooling levels (European Commission, 2022), while India's Skill India Initiative emphasizes skills in artificial intelligence and cybersecurity (World Economic Forum, 2021). Uganda can advance digital transformation by enhancing ICT curricula in educational institutions and establishing community-based digital training centers.

Public-private partnerships are critical for creating youth employment opportunities. Australia's Youth Jobs Path Program and Canada's Youth Employment and Skills Strategy (YESS) effectively engage private sector investments in job creation and training programs (Government of Australia, 2021; Government of Canada, 2022). Uganda could emulate these strategies by incentivizing businesses to offer vocational training and collaborative internships.

For rural youth, Brazil's PRONATEC and Rwanda's Hanga Umurimo Initiative provide targeted interventions. Brazil emphasizes vocational training, while Rwanda supports young agricultural entrepreneurs through financing and

market access (World Bank, 2022). Uganda could adopt similar models by investing in agro-industrial initiatives and improving market linkages for youth-led agricultural enterprises.

Kenya and the United States highlight opportunities within the gig economy and remote work. Kenya's Ajira Digital program connects youth to global freelancing platforms (Government of Kenya, 2021), while platforms such as Upwork and Fiverr are leveraged in the U.S. To capitalize on this trend, Uganda should develop a national gig economy strategy, equipping youth with digital skills and ensuring nationwide affordable internet access.

Lastly, Scandinavian nations such as Sweden, Denmark, and Finland offer comprehensive youth employment guarantee schemes, ensuring young individuals receive job placements, apprenticeships, or training within months of unemployment (OECD, 2021). Implementing similar schemes in Uganda could provide structured support for young job seekers, enhancing overall youth welfare.

These global practices, when adapted to Uganda's unique context, can help the country create an inclusive, sustainable, and forward-looking approach to youth employment.

## **9.0 Enhancing Youth Transition to Employment: Key Messages**

Enhancing youth transition to employment is a critical challenge that requires focused attention from policymakers. To improve Uganda's ongoing strategies and ensure effective implementation of the National Development Plan IV (NDP IV) interventions, it is essential to address six key messages. These messages offer crucial insights for enhancing youth employment outcomes and must be incorporated into policy and program design. By focusing on these areas, Uganda can strengthen its approach to youth employment and create more sustainable pathways for young people to transition from education to the workforce.

### **9.1 Strengthen Certification Systems to Align Skills with Employment and Earnings**

A key barrier to effective youth transition to employment in Uganda is the weak credibility and limited market value of existing certification systems, particularly in technical and vocational education and training. In many countries, certifications not only validate competencies but also determine wage levels and career progression. For example, Germany's dual vocational training system guarantees minimum wage thresholds and structured career paths for certified graduates, while Singapore's SkillsFuture framework links national certifications to salary increments and job mobility across sectors. In contrast, most Ugandan TVET certificates are poorly standardized and lack

recognition from employers, rendering them ineffective in securing decent employment or influencing salary scales. To make vocational training a meaningful pathway for youth, Uganda must establish a national certification framework that links qualifications to defined wage bands, is aligned with industry standards, and incentivizes continuous skills development.

## **9.2 Reforming TVET to Enhance its Relevance**

Vocational training plays a crucial role in enhancing youth employment outcomes, although success is not guaranteed. Evidence shows that combining classroom instruction with on-the-job training yields better results. Involving employers in program design also improves outcomes by aligning training with labor market needs. However, many African countries, including Uganda, struggle with the effectiveness of vocational training due to a skills mismatch, as graduates often lack the competencies that employers seek. This issue contributes to a stigma surrounding vocational education, which is viewed as a less desirable option. A common criticism raised by young people themselves is the narrow focus of some skilling programs — such as an overemphasis on tailoring — while neglecting high-demand, modern skills like mobile phone repair, digital tool maintenance, or coding. As a result, many youths avoid these programs altogether, perceiving them as outdated or irrelevant. Consequently, despite government efforts to expand Technical and Vocational Education and Training (TVET), these programs remain undervalued. Uganda must reform its TVET system to enhance the relevance of the skills offered, diversify skill sets, and better integrate vocational training into the economy.

## **9.3 Strengthen and Expand Active Labor Market Programs**

Active labor market programs (ALMPs) like job search assistance, skills training, and wage subsidies are used globally to combat youth unemployment. Studies show that multi-component approaches, which combine services like training and job intermediation, are more effective than single-service programs. Well-designed, evidence-based programs that target specific youth needs and offer follow-up coaching achieve better outcomes by supporting the transition from training to employment. Policymakers should enhance ALMPs by integrating job matching, skills training, and career guidance to improve youth employment outcomes.

## **9.4 The Digital Economy Promise**

The digital economy offers promising employment opportunities for youth in areas such as app development, digital marketing, and e-commerce. These opportunities have the potential to significantly reduce youth unemployment in Uganda by tapping into global markets and creating new forms of work. However, challenges remain — especially for youth in rural areas — who face

limited access to the internet, digital tools, and relevant skills training. In recognition of these barriers, Uganda has introduced several digital literacy initiatives aimed at boosting inclusion and readiness for digital employment.

Notably, MTN Uganda's Digital Literacy Program, aligned with its Ambition 2025 Strategy, aims to empower youth through ICT skills training and certification, expanding access to digital jobs via the MTN Skills Academy. Similarly, the Education Digital Agenda Strategy (2021–2025) supports digital transformation in education by improving learning outcomes through ICT integration and equipping learners with ethical and effective use of digital technology. These programs align with Uganda's broader human capital development agenda under the National Development Plan.

Despite these positive developments, challenges persist. Gig work accessed through digital platforms often lacks job security and social protections. Moreover, digital literacy and access remain unevenly distributed, with rural and underserved communities still lagging behind. To ensure inclusive participation in the digital economy, Uganda must intensify efforts to enhance digital infrastructure, scale up digital literacy programs, and establish protective policies for gig workers.

### **9.5 Entrepreneurship is not a cure-all for Youth Unemployment**

Youth entrepreneurship is seen as a solution to youth unemployment, especially as traditional job paths become unstable. Many young people start small businesses in the informal sector due to a lack of access to credit, entrepreneurial skills, and regulatory support. Most operate survival-oriented enterprises in low-return sectors. While it can create opportunities, entrepreneurship is not a cure-all for youth unemployment. Effective policies should tackle barriers to growth, such as access to finance and training, while fostering supportive ecosystems through tailored financial products and simplified registration processes. It's also crucial to address gender-specific barriers for young women to ensure equitable access to opportunities.

### **9.6 Strengthen School-to-work Linkages**

Improving youth employment outcomes hinges on strengthening school-to-work linkages. Research indicates that countries with strong vocational training systems, particularly those that offer apprenticeships, have smoother youth transitions into the labor market. For instance, dual apprenticeship models in Germany and Austria have effectively reduced youth unemployment by combining theoretical knowledge with practical experience. In Uganda, enhancing vocational training institutions by partnering with local employers for internships can equip youth with essential skills. Additionally, addressing the needs of NEET (Not in Employment, Education, or Training) youth through targeted outreach, second-chance education, and tailored career

services is crucial. The European Youth Guarantee program exemplifies this approach by providing job or training opportunities to young people through proactive outreach, which Uganda could adapt to support at-risk youth and combat long-term unemployment.

### **9.7 One-Stop Centers for Youth Services are Essential**

Providing comprehensive services to youth through one-stop centers or employment agencies is essential for successful labor market integration. These centers offer career counseling, job matching, vocational training, and soft skills development, helping young people transition from education to employment. Successful models like Chile’s “Chile Joven” program show that integrating services can enhance youth employment outcomes. In Uganda, similar centers could provide personalized coaching, internships, and job placements, tailored to local economic conditions and diverse needs, such as those of young women, rural youth, and youth with disabilities. A flexible approach, allowing local governments to adapt programs, can improve the effectiveness of youth employment policies.

## **10. Overall Recommendations for Enhancing Youth Transition to Employment**

- a. **Align Education with Labor Market Need:** Uganda must ensure its education system better aligns with the demands of the labor market to reduce skills mismatches and improve youth employability.
- b. **Establish a national certification framework:** This should standardize TVET qualifications and link them to industry-recognized skills and corresponding salary scales.
- c. **Youth Transition-to-Work Program** that focuses on skills development, apprenticeships, rural enterprise incubation, and formal sector linkages. By anchoring this program in the existing education and local economic development frameworks, it can help ensure that these one million youth are not lost in the transition but are instead equipped to drive Uganda’s economic transformation.
- d. **Expand Formal Employment Opportunities:** To address the large informal economy, Uganda should also focus on expanding formal employment opportunities through industrialization and sectoral growth.
- e. **Enhance Youth Entrepreneurship Support:** Access to finance remains a significant barrier for young entrepreneurs. Policies should focus on expanding access to affordable credit, developing incubation and mentorship programs, and introducing tax incentives and grants

for youth-led start-ups in sectors such as technology, agribusiness, and the creative industries.

- f. **Leverage the Digital Economy:** The digital economy offers significant potential for youth employment, but infrastructure gaps and skills deficits must be addressed.
- g. **Close the Gender Employment Gap:** Special attention must be given to overcoming barriers faced by young women, including workplace discrimination and limited access to entrepreneurial resources. Gender-responsive labor policies, enhanced access to finance for women entrepreneurs, and promoting STEM education for girls are key steps towards achieving gender equality in youth employment.
- h. **Bridge the Rural-Urban Employment Divide:** Policies should focus on strengthening rural industrialization and agro-processing, improving rural infrastructure and market access, and developing targeted employment programs for rural youth.
- i. **Improve Policy Implementation and Coordination:** To enhance the effectiveness of youth employment programs, Government needs to strengthen inter-agency collaboration and establish a centralized coordination body for youth employment programs.
- j. **Creating a network of one-stop centers:** Uganda should implement a holistic approach to youth employment by integrating support systems that combine education, financial services, entrepreneurship, and job placement.

These recommendations offer a comprehensive roadmap for improving youth employment outcomes in Uganda. Implementing these strategies under the National Development Plan IV will contribute to sustainable job creation and economic inclusion for Uganda's youth.

## References

- Ahaibwe, G. & Kasirye, I. (2015). *Creating Youth Employment through Entrepreneurship Financing: The Uganda Youth Venture Capital Fund*. Economic Policy Research Centre. Available at: <https://ageconsearch.umn.edu/record/206130> [Accessed 23 Mar. 2025].
- Alfonsi, L., Bandiera, O., Bassi, V., Burgess, R., Rasul, I., Sulaiman, M. & Vitali, A. (2017). *Tackling Youth Unemployment: Evidence from a Labor Market Experiment in Uganda*. Yale University. Available at: <https://economics.yale.edu/sites/default/files/training.pdf> [Accessed 23 Mar. 2025].
- Bbaale, E., Babyenda, P., Kavuma, S., Kiconco, B. & Kyamugabwa, A. (2023). *A Review of Youth Employment Policies and Their Impact in Uganda*. Partnership for Economic Policy. Available at: <https://portal.pep-net.org/document/download/38982> [Accessed 23 Mar. 2025].
- Eichhorst, W., Rodriguez-Planas, N., Schmidl, R. & Zimmermann, K. F. (2022). *A Roadmap to Vocational Education and Training Systems*. IZA Institute of Labor Economics.
- EfD (2023). *The Digital Economy and Youth Employment in Africa*. Initiative Report.
- EPRC, 2023. *Why Low Labour Productivity Persists in Uganda*. Available at: <https://eprcug.org/eprc-in-the-news/why-low-labour-productivity-persists-in-uganda/>
- European Commission (2022). *Digital Education Action Plan*. European Union.
- FAO, 2023. *MAFAP and Uganda's Labour Ministry Tackle Labour Productivity in the Agricultural Sector*. Available at: <https://www.fao.org/in-action/mafap/news-details/mafap-and-uganda-s-labour-ministry-tackle-labour-productivity-in-the-country%27s-agricultural-sector/en>
- Food and Agriculture Organization (FAO) (2021). *Youth Inspiring Youth in Agriculture Initiative (YIYA)*. Available at: <https://openknowledge.fao.org/server/api/core/bitstreams/a981d479-d62d-4f94-ad3f-e3375a264602/content> [Accessed 23 Mar. 2025].
- Government of Australia (2021). *Youth Jobs Path Evaluation Report*. Canberra.

Government of Canada (2022). *Youth Employment and Skills Strategy Program Overview*. Ottawa.

Government of Kenya (2021). *Ajira Digital Program Impact Assessment*. Nairobi.

International Labour Organization (ILO), 2023. *World Employment and Social Outlook*. Geneva: ILO.

Kabanda, R. & Akampurira, S. (2025). *Impact of Vocational Training Programs on Youth Employment and Empowerment in Uganda: A Case Study of the Skilling Uganda Program*. *Metropolitan Journal of Social and Educational Research*, 4(1), pp.176–189.

Mastercard Foundation (2024a). *Young Africa Works Uganda*. Available at: <https://mastercardfdn.org/en/where-we-work/uganda> [Accessed 23 Mar. 2025].

Mastercard Foundation (2024b). *Young Africa Works Uganda: Partnerships, Progress and Impact*. Available at: <https://mastercardfdn.org/en/our-research/young-africa-works-uganda-partnerships-progress-and-impact> [Accessed 23 Mar. 2025].

Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) (2021). *Youth Engagement in Agriculture: YIYA Initiative Report*. Kampala: Government of Uganda.

Ministry of Gender, Labor and Social Development (2022). *National Employment Strategy 2023–2028 and Action Plan 2023–2025*. November 2022.

Ministry of Gender, Labour and Social Development (MoGLSD) (n.d.). *Uganda Women Empowerment Programme (UWEP)*.

Museveni, Y.K. (2024). *Skilling program initiated to enable youth create jobs*. Available at: <https://www.yowerikmuseveni.com/skilling-program-was-initiated-enable-youth-create-jobs-museveni> [Accessed 23 Mar. 2025].

OECD (2021). *Employment Outlook: Youth Policies and Labor Market Trends*. Paris.



Observer (2024). *Turning dreams into livelihoods: Youth thrive with presidential skilling initiative*. Available at: <https://observer.ug/news/turning-dreams-into-livelihoods-youth-thrive-with-presidential-skilling-initiative> [Accessed 23 Mar. 2025].

Open Space Centre (2024). *Youth Policy Paper on National Development Plan Four (NDPIV): Mainstreaming Youth Not in Employment, Education and Training into the NDPIV*. OSC, Kampala.

PEP-Net (2023). *A review of youth employment policies and their impact in Uganda*. Available at: <https://portal.pep-net.org/document/download/38982> [Accessed 23 Mar. 2025].

PEP-Net (2023). *Evaluating youth employment initiatives: Presidential Skilling Initiative Uganda*. Available at: <https://portal.pep-net.org/document/download/38982> [Accessed 23 Mar. 2025].

Senor, D. & Singer, S. (2019). *Start-Up Nation: The Story of Israel's Economic Miracle*. New York: Twelve.

State House Uganda (2023). *Parents implored to take advantage of President Museveni's Skilling Initiative*. Available at: <https://statehouse.go.ug/parents-implored-to-take-advantage-of-president-musevenis-skilling-initiative-to-enable-their-children-acquire-free-vocational-skills> [Accessed 23 Mar. 2025].

Trading Economics, 2023. *Uganda Labour Force Total*. Available at: <https://tradingeconomics.com/uganda/labor-force-total-wb-data.html>

UBOS (2023). *Labour Market Transition Survey Report 2023*. Uganda Bureau of Statistics.

Uganda Bureau of Statistics (UBOS), 2020. *Uganda National Household Survey 2019/20*. Kampala: UBOS.

UNDP (2022). *Youth Employment and Skills Development in Uganda*. Kampala.

UNU-WIDER (2021). *Education Policy, Vocational Training, and the Youth in Sub-Saharan Africa*. Working Paper.

World Bank (2022). *Future of Work and Digital Economy in Africa*. Washington, D.C.

World Bank (2022). *Youth Entrepreneurship: Challenges and Opportunities*. Document.

World Economic Forum (2021). *Skill India Initiative Report*. Geneva.