

**EVALUATION OF PUBLIC POLICY SOLUTIONS FOR GRADUATE UNEMPLOYMENT  
IN UGANDA: A case study of Uganda**

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## DECLARATION

I, TISHA MPANGA, hereby declare that this dissertation entitled "**Evaluation of public policy solutions for graduate unemployment in Uganda.**" was the result of my original work, is not plagiarised and has not been submitted for any other degree at Uganda Christian University or any other institution for any award. Credit has been given to the works of all other writers that were used in any part of this research.

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## APPROVAL

This research report titled "Evaluation of public policy solutions for graduate unemployment in Uganda." has been submitted by TISHA MPANGA to the faculty of business and administration in partial fulfilment of the requirements for the award of a Bachelor of Science in Economics and Statistics of Uganda Christian University with my approval as a supervisor.

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Date: September 26, 2023

## **DEDICATION**

This research report is dedicated to God Almighty who has been faithful in this journey, my grandmother Mrs. Margaret Mpanga for her unwavering support during the completion of my research, my parents and my fellow classmates for their emotional and academic support during this journey.

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## **ABSTRACT**

Unemployment rates and the unemployment situation in Uganda has continuously been an area of concern as an economic indicator that has not reflected growth along with the economic growth rates Uganda has been experiencing in the recent past. Moreover, what is counter-intuitive is the fact that unemployment rate for Uganda's post-secondary graduates is reportedly as high as 80 percent, which is one of the highest globally. This raises questions with as to what policy interventions have been done to avert the problem, and reasons as to why despite being educated, Ugandans continue to grapple with high rates of unemployment and under employment.

The purpose of this study was therefore to identify and evaluate policies and solutions that have been implemented with the aim of reducing graduate unemployment in Uganda and recommend methods that can be used to enhance these policies to better address the problem.

In order to carry out the policy evaluation, two sample policies were identified along with reports on their objectives their purpose and their achievements in quantitative and qualitative forms. Generalized criteria was assembled with the aim to impartially assess the ability of the two policies to address graduate unemployment and the extent to which they were successful at doing so.

The two policies namely the Youth Livelihood Programme and The Uganda Skills Development Programme were evaluated against the criteria on the basis of the certified publications reports and statistics regarding the two policies. It was concluded that overall, the policies may have been somewhat successful at achieving their specific objectives but were not as impactful at reducing graduate unemployment rates in Uganda; the effects have not yet been felt at a larger scale. Therefore, as a policy recommendation, both the policies in their second phases need to be more oriented with skill development, to address the skill mismatch that leads to graduate unemployment. Lastly, the Uganda Skills Development Programme needs to be extended to more tertiary institutions to have a greater impact on the labor force and increase the chances of reducing graduate unemployment in Uganda.

# CHAPTER ONE

## INTRODUCTION

### 1.0 Introduction

Graduate unemployment has been a prevailing challenge in Uganda, captivatingly due to the oversupply of seemingly skilled graduates going into the labor market each year. According to National Planning Authority (NPA) statistics released in 2017, 700,000 people join the job market every year regardless of qualification but only 90,000 wind up employed. This means that 87% of people are ready to work but fail to find a job (Daily Monitor, 2021). Intuitively, at we can assume that the concerning levels of unemployment can be greatly attributed to a presumed surplus of qualified members of the labor force. However, it is only after further looking into the problem that we realize that this is mainly brought about by a mismatch of skills, education and the adequate qualifications that bring about this kind of unemployment, namely structural unemployment this is confirmed as Hon. Edward Katumba Wamala stated, “Uganda faces a major industrial skills gap, largely as a result of inappropriate skills and the slow absorption of human resources in the economy” (UNIDO, 2022).

Therefore, this research paper seeks out to identify and evaluate existing policies that the Ugandan Government, and other stakeholders have implemented to help reduce the rate of unemployment prevailing among graduates in the economy.

### 1.1 Background of the Study

Globally, persistent growth in unemployment has reached significantly high proportions, particularly among the youth. According to the International Labor Organization in 2012, 6 out of 10 workers aged 15-29 lacked stable employment and earned below-average wages (Rush, 2015). In the United States as of 2014, young Americans endures high rates of joblessness as the official unemployment rate for 16 to 24 year olds is 14.5 percent and has been double digits for seven straight years (Jacobs, 2014). With over three million youths unemployed, several more dropped out of the labor market altogether.

The present day’s labor market failures have served as long term consequences for unemployed youth. A developing academic literature on the “scarring” effects of starting a career without timely employment suggests that young people who endure early spells of unemployment are more likely to earn lower wages and are even more at risk of future unemployment as opposed to those who do not. Studies indicate a 10 to 15 percent wage

“scar” from early unemployment, and those earnings losses persist for at least 20 years (Gregg & Tominey, 2004). These findings hold for individuals with a university degree, and prospects without such a qualifications are less promising still.

To partially explain the reason for this, the 2008 global economic recession uncovered that the expected effect of higher education on the economy is likely to be more visible under the conditions of an economic expansion as opposed to a contraction or global financial crisis. During a contraction, the economy fails to grow at a rate that allows for growth creation to match the increasing rate at which graduates are let out into the market each year. The global financial crisis is argued to have led to the observed unemployment in several nations worldwide.

For the purposes of this paper, graduate unemployment is defined as the proportion or number of graduate and post-graduate degree holders in a given economy who are willing and capable to work, but are unable to find jobs (Oppong & Sachs, 2015). Graduate unemployment is a problem that several economies have been facing under the prevailing economic conditions. For instance, in a study of the relationship between the global financial crisis and unemployment in China, Zhou and Lin (2009) recounted that almost 6 million students were expected to graduate in the year 2009 yet their unemployment was estimated to be greater than 30%. Provided the economic crisis at the time, the problem was expected to worsen. They forecasted that roughly 2 million graduates, majority of whom are postgraduates and even doctoral graduates, would fail to find employment due to lack of demand. This in fact was the roughly the case, as back in 2009 according to statistics released from the Chinese Ministry of Education, a total of 6.1 million graduated that year- when 1.5 million graduates were without work (Sharma, 2011).

The problem, however is and was not limited to China; a similar dilemma persists in Nigeria though not caused by the business cycle but rather a skill-mismatch. The government expressed concern about the complaints put forth by industry employers expressing that the country’s graduates were “unemployable” (Fatunde, 2019). This is attributed to university curricula being outdated; providing potential graduates with skills and knowledge that are unmatched with the skills demanded on the job market in the current day, this being an instance of structural unemployment. “It is now that the National Universities Commission (NUC) is realizing the imperative to innovate and adapt university programmes to satisfy the demands of industries and other stakeholders,” (Fatunde, 2019). To add, graduate

unemployment in Nigeria has also been brought about by inadequate demand for new workers in the industrial markets.

According to a study conducted by a group of journalists on the subject, there was ongoing recruitment by the Federal Road Service Commission where they had 4,000 job slots to fill yet 105,000 of the shortlisted applicants for recruitments were graduates “scampering for positions as inspectors and road marshal assistants” (Fatunde, 2019). Majority of the applicants did not study transport as an academic discipline, and it was found that the candidates were in desperate pursuit of better welfare and a stable source of income. For instances similar to the one described, there needs to be policies implemented that push for the adaptation of curricula programs offered by tertiary education institution to meet the demands of employers and other relevant stakeholders.

Although studies have proved a strong link between higher education and employment, unemployment remains a prevailing issue in Africa, with university graduates facing long-term unemployment approaching 50 percent (Munene, 2021). This resultantly raises questions on the nature of university education and the labor market needs across the continent. The dislocation between graduates and the labor market ideally is tied to poor economic performance though in a context like Kenya, where economic performance has relatively been good, unemployment has been attributed to factors internal to education as the conundrum of graduate unemployment had proven. The 2020 Kenya National Bureau of Statistics reported that youth aged 20 to 29 years of age, ideally the age of university graduates suffered from an unemployment rate of over 32.4 percent. The age of guaranteed white-collar employment for university graduates has diminished in the past two decades, with several going through years of underemployment if not outright unemployment. Professional disciplines such as the medical sciences, technology, engineering and even business have not survived the predicament of unemployment. Sub-Saharan countries have similar characteristics and are facing a similar plight, in that they have high unemployment rates, rapidly increasing population, and a majority youth population.

Stakeholders have attributed the source of the problem in Kenya to the mismatch between academic programs and labor market demands (Munene, 2021). The disparity was brought about by three major causes: excessive focus on academics in the place of employment needs in program development; emphasis on the government as the foremost of employment as well as inadequate or nonexistent, career advisory services (Munene, 2021).

The unemployment rate for Uganda's post-secondary graduates is reportedly as high as 80 percent, which is one of the highest globally (Semakula, 2023). The fact is, with over 53 universities producing over 30,000 annually in Uganda's predominantly subsistence economy, employment for all graduates becomes a long shot. Moreover, even then, Mr Hamis Mugendawala, the National Planning Authority senior planner in charge of education adds that 20 percent of those who actually find jobs are underemployed. It was cited that majority of teachers shunned their teaching qualifications for boda-boda (motor cycle taxi) riding to earn a living. It is apparent that unemployment among graduates can be caused by an insufficient demand for workers, leading to a disequilibrium on the labor market. It is likely that this insufficient demand for labor is mainly attributed to the mismatch between the skills that the qualified graduates possess and what is required by firms, as opposed to the increase in the population of qualified graduates. Though it is required by the Government to set up more industries and institutions to create job opportunities, the existing student body can be part of the solution by taking on a multi-facet approach; encouraging a psychological change in attitude, determination, endurance and value addition (Lumala, 2013).

## **1.2 Problem Statement**

After decades of investing in education to further qualify the members of labor force by both the government and the private sector, it is only expected that after going through tertiary education and receiving credentials that the graduates are welcomed into the employment world without open arms. Theoretically, as the government injects more into the economy, the aggregate demand is expected to proportionally increase, depending on the multiplier effect that this has, and in turn as the government and other stakeholders increase spending on education in efforts to further qualify the general population, the anticipation is that the rate of unemployment will decline.

Nevertheless, this has not been the case because annually, at least 400,000 graduate at the various public and private universities and compete for only 150,000 jobs at the same rate (Kamuhanda, 2020). This leaves an estimated 250,000 potentially jobless each year, and reportedly, the world bank's status of the youth report of 2016 placed the rate of unemployment in Uganda at 83%. In this economy as well as various economies worldwide, there is an oversupply of seemingly qualified individuals and a lack of demand for their skills and as a result, the labor market simply will not clear.

Following the rise in the number of universities and other tertiary institutions, it was found that the value of training envisioned to enhance student's skills in preparation for the job market has not been at par. As universities struggle to break even, commercial maneuvering has led into the unnecessary duplication of courses offered, an incredibly high student enrollment that has resultantly widened the student-to-lecturer ratio and at the end of it all, bred inadequate training and instruction methodologies that tarnish the quality of output (Kamuhanda, 2020). "Half-baked" graduates resort to grappling the streets for prolonged periods of time searching for their first job in vain, while the others unfortunately land themselves in underemployment.

Furthermore, it has been reasoned that graduates lack the fundamental "soft skills" such as communication, collaboration, cooperation, punctuality and the ability to work under pressure. Majority of graduates due to ill-preparation in the universities they attend, lack the necessary skills required to be employed in the workplace a survey has suggested. In a poll of graduate employers, more than half recounted that few or even none of the graduates could be deemed "work ready", with new recruits lacking basic qualities that are required to add value to the firms they aspire to be employed by. Most employers claim that graduates are not yet fully equipped due to lack of skills, and one in five state that most if not all graduates in Uganda were not ready for employment according to their standards. For some years now, according to some. the source has been centered on the graduate skills gap and limited working experience as the primary cause of youth and graduate unemployment (Kamuhanda, 2020).

The Ugandan Government under the leadership of H. E Yoweri Kaguta Museveni has started programmes that aim at altering curriculum both at Secondary school and at the Universities. Currently, the Makerere University Quality Assurance and Gender Mainstreaming Committee is undergoing the Consultative meeting with Colleges to update their curricula that will reduce the current degree courses from 80 to 50 undergraduate courses. In addition, the president of Uganda through government Ministries, Agencies and authorities, have initiated programs that intend to end unemployment instead by creating jobs, addressing the above concerns of unemployment, poverty and to increase productivity.

Additionally, the ministry is implementing the Uganda Graduate Volunteer Scheme (UGVS) with help from UNDP since the year 2018. This scheme aims at creating employment opportunities for young graduates while simultaneously constructing the capacity of national

institutions, the private sector and other key stakeholders to have the youth employed into their firms. This scheme has catered for all graduate Ugandan youth with the main objectives being to address the incessant unemployment challenges endured by improving their productivity and employability skills. The Graduate Volunteer Schemes support the introduction of the Green Jobs Programme, specifically, component two that narrows down on the revitalization of the Quality Apprenticeship and Volunteerism (Kamuhanda, 2020).

Efforts by the government to meet the challenge through startup capital handouts to millions of unemployed youth is far from yielding results (Semakula, 2023). Consequently, numerous unemployed graduates continue to live a desperate life characterized by admiring school dropouts in the informal sector who can provide for their families. In the recent decade, Uganda thankfully has experienced strong GDP growth averaging 7% annually though nevertheless this has not reduced on the unemployment rate, a trend noticed across the continent (Mwesigwa, 2014). This raises questions with as to whether the policies enacted by the Government have been effective, or need to be revised.

To what extent have the policies enacted to address graduate unemployment in Uganda been effective?

**Purpose:** The purpose of this study is to identify and evaluate policies and solutions that have been implemented to reduce the rate of graduate unemployment in Uganda. To suggest methods in which we can enhance these policies to better address graduate unemployment.

To also find solutions that can be applied in other African contexts.

### **1.3 Research Objectives**

- To identify existing policies that have been passed by the Government and other bodies to address the skill-mismatch that has led to graduate unemployment.
- To obtain evaluation criteria or goals that these policies intended to achieve.
- To collect quantitative and qualitative findings that indicate on the progress and achievements of identified policies based on relevance, availability, reliability.
- To interpret the findings, and therefore evaluate whether the policies have been effective based on pre-established criteria and goals.

- To recommend methods on how to improve these existing policies to re-skill and reform masses of youth enrolled in tertiary institutions to increase their employability, based on the findings.

## **1.5 Research Questions**

- What existing policies have been passed by the Government and other bodies in order to address the skill-mismatch that has led to the high rate of graduate unemployment in Uganda today?
- What assessment criteria or goals did these policies aim to achieve upon their implementation?
- What quantitative and qualitative evidence can be gathered to indicate the progress of these policies?
- To what extent have these policies been effective in addressing the problem?
- Are there gaps or limitations of these policies?
- How best can these policies be improved to make the youth in Uganda more employable?

## **1.6.0 Scope of the Study**

### **1.6.1 Content Scope**

The study will be focused on the assessment of the existing policies and solutions implemented by the government to address graduate unemployment among the youth. In addition to this, it will be narrowing down on identifying the most optimal ways to making university graduates more employable by adding on to their skillset, so as to reduce the graduate unemployment rate.

### **1.6.2 Geographical Scope**

This research will be conducted in Uganda within a timeframe of one month from the 4<sup>th</sup> of July 2023 to the 4<sup>th</sup> of August 2023. This is because this study focuses on graduate unemployment among Ugandan Youth.

### **1.6.3 Theoretical Scope**

The study will be guided by the Keynesian school of thought, theory of aggregate supply as well as the emphasis on the need for government intervention and supply side policies necessary to reduce on graduate unemployment rates in the economy. Policy analysis and

evaluation tools from the discipline of Economic Policy and Planning will additionally be applied to this study.

#### **1.6.4 Time Scope**

This will be conducted over a month period and it will be used to evaluate the existing public policies enacted to solve graduate unemployment over the past 20 years, and surveying undergrad students and youth graduates with as to what policies are most suitable and relevant today.

#### **1.7 Justification of the Study**

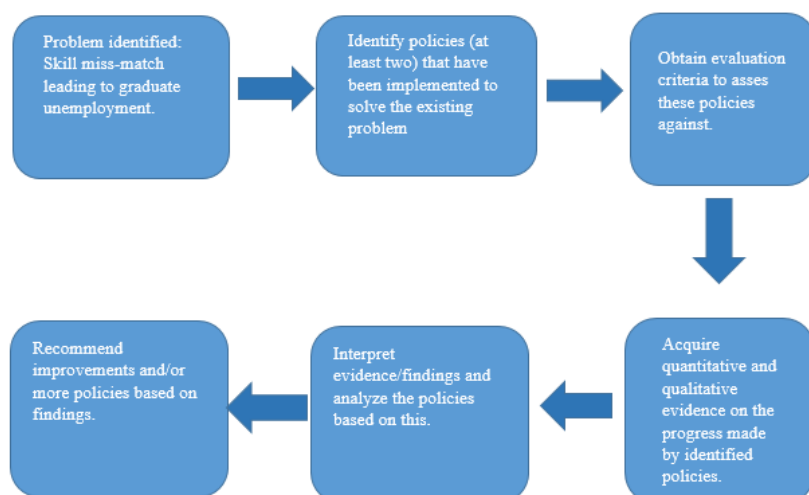
The irresponsiveness of Uganda's unemployment rate among graduates to the increase in enrollment in tertiary institutions over time raises questions on reasons as to why unemployment especially among university graduates continues to prevail yet over 30,000 Ugandan citizens continue to be certified with university degrees each year. It is therefore, counterintuitive to have the highest rate of unemployment to thrive among graduates who ideally have the qualifications to be employed hence, calling the quality of the secondary and post-secondary education systems into question. Lastly, the fact that public policies have been implemented to address the problem but have not yielded significant results further justifies the need to contribute to closing the quantitative and qualitative knowledge gap by evaluating the current policies attributed to this country and countries outside, and involving a sample of the youth to have an input with as to what plausible solutions can remedy the predicament.

#### **1.8 Significance of the study**

The evaluation of existing policies and the subsequent introduction of fresher solutions to aid in the reduction of the graduate unemployment rate in Uganda will be beneficial to this line of study. This is because it will bring Ugandans and surrounding sub-Saharan countries one step closer to lower rates of unemployment, an efficient allocation of resources and the government funds and more knowledge with as to what policies are applicable to third-world economies.

#### **1.9 The Conceptual Framework**

This paper essentially is based on the identification and analysis of existing policies that have been implemented to address graduate unemployment. This will therefore include a systematic process that include the steps required to analyze and evaluate policies.



## 1.10 The Theoretical Framework

The purpose of this section is to indicate the necessary theories that allow for the identification, analysis and evaluation of the policies implemented to address graduate unemployment within the framework of this research. These theories benchmark, the fundamental steps required to analyze and evaluate economic policy.

**The analysis of supply-side policies:** these macroeconomic policies aim to reduce structural unemployment and tend to narrow down on microeconomic aspects of the labor market, a relevant example of a supply-side policy is increasing the funding of programmes whose aim is to improve the human capital of the structurally unemployed.

**Ex Post Analysis:** The process of systematic investigation of the implementation and impact of existing policies.

**Ex-ante Analysis:** Provides information that serves as a basis for evaluation that facilitates the choice of sound policy with a view to improvement.

**Formative Evaluation:** This by definition, documents and analyses the ways in which a policy is implemented, with the aim of making improvements as the implementation process unfolds.

**Summative Evaluation:** This is conducted after a program has been fully implemented and focuses on whether the program is meeting or has met its objectives and reasons as to why or why not. The aim here is to establish causes and explanations of the outcomes of the policy.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

The purpose of this chapter, in the context of this research is to analyse and synthesize existing publications that have served to investigate the main causes of graduate unemployment in Uganda and in other countries, the policies and solutions can be and have been implemented to remedy the predicament and the extent to which the policies have been effective. Furthermore, the purpose of this section is to institute essential theories that aid with the discussion concerning optimal ways in which the evaluation of existing policies implemented to reduce graduate unemployment rates can be carried out. Both conceptually and empirically this chapter features quantitative research that was conducted to identify the most prominent causes of the problem being graduate unemployment, and qualitative research on how best the problem has been addressed, and what can be further done to more effectively reduce on graduate unemployment rates.

#### **2.1 Theoretical Literature Review**

##### 2.1.1 The prevailing causes of graduate unemployment

For a long time, education has been perceived to be and essential and critical element required for economic transformation. For example, evidence has been documented by Oppong in 2013, that demonstrates a rather strong relationship between higher education and economic growth in a theoretical sense. It was reported that “the intellectual capital and investment in knowledge and education are the main factors of economic and social development, and of increasing competitive advantage” (Kovačević and Sisek 2007, p.139, as cited in Oppong & Sachs, 2015). Therefore, it is understandable that governments would first invest in higher education with the hope that the expected output will be sustainable economic development and continued investment in education (Oppong, 2013).

As expressed earlier in this paper, it was revealed that the anticipated effect that higher education has on the economy is more likely to be more noticeable under conditions of economic expansion as opposed to a financial crisis. This is because under a recession, the economy does not grow enough to create jobs at the rate at which graduates join the labour, and the 2008 global financial crisis therefore lead to high levels of unemployment around the world.

To explain the occurrence and propose solutions to graduate unemployment, two principle theses have been advocated according to Oppong and Sachs which are namely, skills mismatch which can be attributed to structural unemployment and skills oversupply caused by cyclical unemployment (Oppong, 2013). It was argued by Hu (2013) and Memon (2010) that the skills mismatch as the main cause rather than the oversupply of university graduates in the labour force economy accounts mostly for unemployment in the United Kingdom and China respectively.

Similarly, Oluyomi and Adedeji (2012) brought the view that in Nigeria, graduate unemployment was due to a skill mismatch among Nigerian university graduates; it was estimated that 60.6% of Nigerian graduates did not possess the skills required by employers. Correspondingly, Boateng and Ofori-Sarpong, (2002) as cited by Opong, (2015) estimated that in the case of Ghana after estimating the demand and supply of workers in that economy that the skills mismatch has been blamed for the high graduate unemployment (Boateng & Ofori-Sarpong, 2002; Owusu-Ansah & Poku, 2012; Oppong, 2013).

The root of the skills mismatch argument is that graduate unemployment is brought about by a gap between skills demanded by employers and skilled supplied or possessed by graduates (Borjas, 2005; Hu, 2010; Memon, 2010; Oluyomi & Adedeji, 2012; Oppong, 2013). Resultantly, firms are only able to hire those who possess the skills they require; leaving the other graduates still in search for employment. Thus, when graduate unemployment is brought about by a skills mismatch, employers are expected to experience a shortage of potential skilled employees.

The skills mismatch thesis is straightforward and can offer solutions that are logically derived from it yet nonetheless, it has its shortcomings. Oppong (2013) has criticized this thesis for being a plausible precondition for the skills oversupply thesis or in other words, worsening cyclical unemployment. If by pursuing “hot” subjects are the solution to structural unemployment, then that same solution can be argued to become the very cause of cyclical unemployment; and therefore still leaving graduates unemployed on a massive scale. For example, in Ghana’s banking sector, with the influx of foreign direct investment into the banking sector, majority of universities responded positively by developing and implementing customer-driven curricula for banking and finance. Nevertheless, once the banking sector reaches its maturity, there will be minimal further investment, leading to lack of the capacity to employ new graduates with banking and finance qualifications in that

sector. Therefore, this will create an oversupply of graduates with the competence and resultantly lead to cyclical unemployment. As a matter of fact, this is already the case as the absorption rate of banking and finance students had declined steadily over those past five years (Oppong, 2013, p. 99, as cited in Oppong & Sachs, 2015).

Skill mismatches and skill shortages have become a priority concern for policy makers in various countries; endogenous growth models emphasize that human capital is a key resource for growth (Romer, 1994, as cited in Bartlett, 2013). According to this source, efficiency with which human resources are developed in the education system and used on the labour market must resultantly be a priority for policy makers; the process of matching skilled workers to the demands of employers is the focus to this concern. Nevertheless, in 2013, there is much evidence to suggest that the mismatch in the European Neighbourhood Policy countries is undesirably high. The skill mismatch has had an adverse effect on the efficiency of labour markets; raising the levels of unemployment above the levels can could be potentially achieved given the levels of aggregate demand. Therefore, efficient matching would reduce frictional and structural unemployment; ensuring that vacancies are matched to workers with appropriate skills and qualifications (Petrolongo and Pissarides, 2001, as cited in Bartlett, 2013).

Youth and graduate unemployment is generally high, most especially in countries with rapidly growing populations like Uganda. (Bartlett, 2007) expresses that although on the demand side of the labour market, numerous old large scale industries declined or down, newest jobs emerged in the service industries among which news skills are needed. This paper argues that policy reforms are required in the education systems and labour market in developing countries due to the fact that there are features of transition and development that might have led to differences in the nature of skills on demand. This must be done in order to improve matching effectiveness by making better use of the skills that are available. There has been a push for the provision of improved information about the direction of skills needed in the future for individual job seekers, employees, employers, career guidance professionals and public and private employment agencies.

### **2.1.2 Review of existing policies implemented to address graduate unemployment** **Youth Empowerment Programmes:**

In the context of Botswana, the existence of youth empowerment programmes that had set out to reduce on youth and graduate unemployment have only served relatively ineffective

according to Diraditsile (2021). This is because while the environment could be enabling, it is asserted that African government have refrained from carrying out strategic planning and active measures aimed at facilitating and transforming youth programmes. This lack of explicit, comprehensive employment strategies has consequently implied that numerous institutions concerned with labour market gaps had no proper policy guidance (Diraditsile, 2021, p. 936).

Since the 1990s, the Government of Botswana has implemented multiple youth empowerment programmes that had set out to reduce rising levels of unemployment among the youth. However, the impact of these empowerment programs on youth and government unemployment has been insignificant resulting from the partial and fragmented nature of implementation (Lesetedi, 2018, as cited in Diraditsile, 2021, p. 936). As a consequence, youth employment programmes and policies have failed to contribute noticeably towards addressing youth and graduate unemployment.

A notable gap in the policy implementation process was made evident in the study, as the results indicate that majority of the key informants (21/25) were aware of policy documents or instruments as compared to programmes officers (16/20) who indicated being unaware of policy instruments. This proves that the policy implementers responsible of the realization the programmes to its beneficiaries were unaware of some of the vital policy instruments that are required for guidance. Rather from the result, it had been made apparent that policy implementers are only aware of the existence of the youth empowerment programmes available in the ministry.

Furthermore, the study sought out to investigate whether the officers responsible for administrating youth empowerment programmes to curb youth unemployment were involved in the program conceptualisation and formulation states and the findings prove that most participants report their lack of involvement in this process. The results suggested two facts. First, nearly all of the programmes officers (19/20) reported that there were not involved (Diraditsile, 2021, p. 939).

Evidently, it was demonstrated from the findings of the study that policy implementers of the youth empowerment programmes are excluded from the critical stages of their conceptualization which results in lack of connection and consistency between decision making and its implementation. It can also be deduced from the study that, whereas there exists a favourable policy framework aligned to the principles and values of youth

development and empowerment, interviews exposed that implementation has failed to benefit majority of the youth participating in the labour force.

Lastly, while it was strongly held by ministry officials that; the ministry has good youth empowerment programmes that have excellent provisions, interviewees corrected this and lamented the inadequate resource provision from their ministry. The officers were overburdened and could not be expected to handle the implementation of such a programme without the support of other stakeholders both in the precincts of the government enclave and parastatals (Diraditsile, 2021, p. 943).

Therefore, this paper asserted that there was need to strengthen existing youth empowerment programmes to focus more on the provision of knowledge and skills building, entrepreneurship development, work ethics, mentoring, and behaviour change, for as long as mismatches between policy makers and implementers are rectified. It is only then that these skills will combine to change the attitude of the youth towards work and empower unemployed youth to become more independent and hopefully graduate from their dependency on government support to other sustainable economic empowerment ventures. (Diraditsile, 2021, p. 943).

Most importantly, another recommendation put forth by this paper is that young people must be active participants in all youth empowerment programmes, and the participation should recognise existing rural-urban as well as gender disparities and inequalities. Productive employment and decent work for young people cannot be achieved through fragmented and isolated interventions (ILO, 2011 as cited in Diraditsile, 2021, p. 943).

#### Link and Match Policy:

Another policy that sought out to address graduate unemployment was the Link and Match policy that their Ministry of Education and Culture of the Republic of Indonesia that implemented to increase the relevance of Vocational High School to the needs of the world of work, business and industry in particular (Azman, 2020, p. 77).

The Link and Match policy according to Azman (2020), was considered a means of meeting the competencies needed by the job market in the future which was expected to be a model of educational orientation that is no longer supply focused but demand focused—fixed on the basis of the needs of the labour market to reduce structural unemployment. This policy is divided into two objectives, namely at the secondary school level, the government program

target changes the proportion of high school students with Vocational High School from 70:30 to 40:60. While at the tertiary level, it was expected that the role of the industry creates special training and cooperates to establish institutions according to the segment of industry developed.

Additionally, it was further suggested by Soemarso (2019) as Chairman of the Polytechnic Board of Executives and a lecturer at University of Indonesia that the reciprocal relationship made University able to develop the curriculum according to the needs of the work. An example of an implementation of the Link and Match policy is the apprenticeship program; the improvement of the internship program intended for the benefit of the industry as well.

Nonetheless, Soesilowati research (2009) as cited by Aznan (2020) is known for the obstacles faced in implementing Link and Match program in two regions in Indonesia, namely Batam and Banten. The Link and Match program was not deemed optimal in one of the regions due to obstacles that ranged from teaching infrastructure being limited to the lack of job availability for High School graduates who lacked the skills that suited the educational background required. Moreover, the constraints of available funds brought about by rapid changes and development of a growing industry in comparison to education makes it difficult to make noticeable adjustments in the short run. In addition to this, the lack of coordination between relevant stakeholders as well as the fact that there was no clear and definitive mapping of how much and the nature of human sources were demanded by the industry all were expected causes of such an outcome.

All in all, the main objective of Link and Match policy was to bridge the knowledge gap between the skills and qualifications of the labour supply and the nature of skills demanded on the labour market, so as to reduce on graduate unemployment rates and increase social welfare. This was not fully achieved however, due to the missing steps that were not taken in order to ensure efficiency and effectiveness of the policy some including no clear mappings and missing coordination between the relevant stakeholders. Although, the policy and its goals appear to be achievable not only in Indonesia but in other economies facing similar gaps, its applicability is highly dependent on the level of organization and stringency of the governments that implement this. Frequent formative policy evaluations need to be carried out in order to avoid inefficiencies so as to ensure the success of the Link and Match policy in addressing graduate unemployment.

## **2.2 Empirical Literature Review**

### **2.2.1 The prevailing causes of graduate unemployment**

There is a multitude of empirical literature on the main and most prevalent causes of graduate employment not in Uganda but worldwide. It is striking that across different countries, there are disputes with as to what the most prominent factor contributing to graduate unemployment is. Similar to the case of a multitude of countries, “The South African education system is producing a continued stream of insufficiently educated new work seekers” (Festus et al., 2015:3, as cited in Mncayi, 2016). Thus, it can be inferred that education to an extent has failed in its ultimate goal to guarantee the employability of graduates. Particularly, studies (Weligamage & Siengthai, 2003; Pauw et al., 2008; Acquah, 2009) assert that graduates are unprepared for the workplace regardless of having tertiary qualifications; implying that it has been a skill mismatch that has been the main cause of graduate unemployment in South Africa. Contrastingly, other critics have attributed the issue to an oversupply of graduates that cannot be accommodated by the labour market demand (Pham, 2013:8).

As it is in several countries, South Africa’s education system as cited by Festus et al. (2015) has produced graduates that are either not in demand by the labour market or are already in abundant supply, which are both plausible causes of graduate unemployment. Many jobs in South Africa remain vacant due to the shortages of people with the necessary skills, and graduates’ unemployment is perceived as a falling return on a country’s investment in higher education (Demissie et al., 2021). What is more, findings by the Manpower Group’s Annual Talent Shortage Survey reported that the number of South African employers who found difficulty in filling vacant positions largely because of insufficiencies of jobseekers with appropriate skills spiked from 8 percent in 2014 to 31 percent in 2015 (Manpower Group, 2015, as cited in Mncayi, 2016). Thus, it is apparent that jobs are available, in the context of the South African job market, yet a considerable proportion of the graduates are not always employable.

In the context of Bangladesh, graduate qualities are intended to be influencing variables of unemployment. As recounted by Demissie et al (2021), academic achievement, technical skills, communication skills, personality, leadership and teamwork and problem solving skills are regarded are independent variables that influence unemployment rates. Following thorough statistical analysis, the findings revealed that all independent factors, leaving out technical abilities and motivational skills have a significant impact on the unemployment rate

of the country. Another Malaysian study found that people with good employability skills do better than those who lack these skills (Graham & Mlatsheni, 2015, 51-59). These studies go hand in hand with indicating that even in other economies, the main factors influencing the employability of graduates tie into the quality of the education they received. The ability of secondary and tertiary educational institutions to provide these skills and competencies that are required in the job market today, directly affects the rate of unemployment among graduates thereon leaning more into structural unemployment being the predicament as opposed to cyclical unemployment.

As inferred from a study carried out by Demissie et al. (2021), it is reasonable to assume that graduate unemployment is strongly influenced by age, graduate characteristics or personality, curriculum characteristics, institutional characteristics as well as economic and labour conditions of the country in questions. Particularly, from this study it is has been found with a likelihood ratio test that the characteristics of higher education curricula, institutional characteristics and economic and labour market conditions are factors that strongly determine the employment or unemployment of graduates. This therefore implies that putting more emphasis on improving higher education institutions should have paramount importance, when it comes to policy-making. For example, the development of curriculum content and its major components, as well as their assessment which can be inclusive of determining the list of training courses, the mastery of which can help form in students the competencies required for successful adaptation to the demands of the labour market (Cai et al., 2017). For policy makers this suggests that curriculum designers need to reconsider the relevance of curriculum materials. It was also learned that graduates' knowledge and attitude on measures to take to and characteristics to cultivated to get employed are vital important aspects of the qualifications of graduates.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Research Design**

A predominantly qualitative research methodology specifically a collective case study research design will be employed in the analysis of policies in Uganda that had been implemented to curb graduate unemployment.

The framework of this study will be applied to carry out a summative evaluation of the policies implemented by the government to address graduate unemployment in Uganda mainly on the basis pre-determined criteria of dictating the parameters of effective unemployment-addressing policy should emulate. These policies will be evaluated using the available knowledge based on peer-reviewed publications, official reports and empirical findings and therefore, the use of data sets compiled by the Government of Uganda as ex post facto or non-experimental approach.

Next, for each policy selected for evaluation, a case exemplifying the implementation of the policy was chosen and its effectiveness assessed according to a common research protocol which covers the achievement of stated objectives improvement of relevant indicators or ex ante or ex post assessments and the contextual requirements for the effectiveness.

The research design can be defined as the overall strategy developed to combine the various study components coherently to make sure that it successfully addresses the research problem. This is the underlying setup for data collection, measurement and analysis, keeping in mind that the design choice of the study is derived from the nature of the research problem. Therefore, case studies and official publications on the policies decided upon and implemented by the government will be critically analyzed compared against evaluation criteria that will be derived from the framework of the ideal graduate unemployment-addressing policy.

#### **3.2 Area of Study**

The study was conducted under the area of Economic Policy and Planning as well as Labor Economics. Economic policy can be defined as a set of objectives and course of action or guidelines intended to influence the behavior of the economy. Economic planning on the same hand, as understood by a majority of economists imply the deliberate control and direction of the economy by a central authority with the goal of achieving definite targets and objectives within a specific time period. Labor Economics is the study of the labor force as an

element in the process of production (Brown, 2023). Labor is a commodity that is supplied by laborers, typically in exchange for a wage paid by demanding firms. The study exhibits the evaluation of the effectiveness of the economic policies implemented by the Ugandan government to intervene in the failing labor market by improving the quality of the labor supplied by educational institutions in order to reduce on the rates of graduate unemployment.

### **3.3 Research Population**

The research population specific to this study are all the existing government that have been implemented to reduce the levels of graduate unemployment in Uganda, these are represented by reports on the nature of their implementations, intended beneficiaries and their overall performance.

### **3.4 Sampling Technique**

Judgmental sampling, is a non-probability sampling technique in which the sample members, in this case which are all the youth-centered unemployment policies executed by the Ugandan Government, in which the sample policies are chosen solely on the basis of the researcher's knowledge and judgement. This sample technique was opted on in order to eliminate error and lack of relevance in the nature of the policies that are selected for evaluation in accordance with the pre-determined evaluation criteria.

### **3.5 Data Sources**

This study maximized the use of secondary data gathered. The research method that uses data that was collected by someone other than the researcher is referred to a secondary research (George, 2023). The secondary data is inclusive of case studies on two selected policies implemented to predominantly address graduate or youth unemployment, namely these were: The Uganda Skills Development Project (USDP) as well as the Youth Livelihood Program. Publications on these already implemented policy choices are inclusive of their goals and objectives respectively as well as the results yielded from the execution of said policies. Therefore, the availability of this data and information will allow for the process of holistic evaluation of these policies to take place.

### **3.6 Data Collection Instrument**

Records, publications and case studies providing information on the two policies implemented by the Ugandan Government to reduce graduate unemployment were heavily

relied upon to carry out an impartial evaluation of their effectiveness in reducing graduate unemployment.

### **3.7 Data Quality Control**

#### **3.7.1 Tests of Reliability**

The case studies published on the three policies opted on for evaluation were published by Ministries in Uganda, namely the Ministry of Gender, Labour and Social Development in the case of the Youth Livelihood Programme as well as the Ministry of Education and Sports that published records on the implemented The Uganda Skills Development Project (USDP). This is because the criteria for assessing the cases are derived from the literature on policy design and effectiveness (Rodríguez-Labajos, 2019); as all case studies are based on secondary data analysis, the research protocol necessarily leaves discretion to be adapted.

#### **3.7.2 Tests of Validity**

Construct validity refers to the degree to which a research study accurately measures the theoretical construct it intends to measure (Sago, 2023). The alignment between the measures of the study which was to carry out an ex post analysis and the nature in which the evaluation of already existing policies was done is evident, therefore proving the construct validity of this research design.

### **3.8 Data Analysis Plan**

As per the specific objectives of this study, two government implemented economic policies, namely the Youth Livelihood Programme and The Uganda Skills Development Project (USDP) were identified as per the specific objectives of this study. Furthermore, goals that these policies intended to achieve respectively, integrated with objectives that successful existing policies set out to achieve were reapplied as the evaluation criteria, in order to assess the effectiveness of the respective policies in addressing graduate unemployment. From the validated publications of these separate policies, the researcher used the ex post facto approach to assess indicators of the policies' accomplishments in order to come up with an overall appraisal of the effectiveness of these policies.

### **3.9 Ethical Considerations**

Ethical considerations in research are a set of principles that guide one's research designs and practices. Scientists and researchers are always required to adhere to a certain code of conduct when collecting data from people (Bhandari, 2021).

The publications and case studies used from the respective government ministries were applied for educational purposes without any ulterior political intent to negatively judge or scrutinize the bodies in which these policies were enacted but for the greater common welfare of society.

All through the dissertation an APA 7<sup>th</sup> Edition reference style has been used to adequately credit the works of other writers and publishers that were used for the completion of this research. Resultantly, this research paper has been done with academic honesty and integrity.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION OF FINDINGS

#### 4.1 Identification of Policies that have been implemented to address graduate unemployment

The first objective of this study was to identify existing policies that have been passed by the Government and other bodies to address the skill-mismatch that has led to graduate unemployment. For this study, two Government policies, namely the Youth Livelihood Programme (YLP) and the Uganda Skills Development project (USDP) were intentionally selected to be evaluated in this chapter, as they best fit the needs of this objective because in their objectives and beneficiaries, to an extent they did intend to address graduate unemployment, due to skill mismatches.

##### 4.1.1 Presentation of Existing Policies

###### 4.1.1.2 The Youth Livelihood Programme (YLP)

The Youth Livelihood Programme (YLP) that run through financial year 2013-14 up until 2017-18. It was a Government of Uganda financed programme designed as one of the Government interventions in response to the high unemployment rate and poverty among the youth in the country (Ministry of Gender, Labour and Social Development, 2022).

The Programme Development Objective according to the publication by the Ministry of Gender, Labour and Social Development (2022), was to target youth to harness their socio-economic potential and increase self-employment opportunities.

Specifically, the Youth Livelihood Programme was broken down into:

- To provide youth with marketable vocational skills and tool kits for self-employment and job creation
- To provide financial support to enable the youth to establish Income Generating Activities (IGAs).
- To provide the youth with entrepreneurship and life skills and an integral part of their livelihoods.
- To provide youth with relevant knowledge and information for attitudinal change.

The target beneficiaries of the programme were unemployed and poor youth aged 18-30 years broken down into the following categories:

- Drop-outs from schools and training institutions.
- Youth who have not had the opportunity to attend formal education.
- Single parent youth.
- Youth with disability
- Youth Living with HIV/AIDS
- Youth who have completed secondary school or tertiary institutions (including University) but remain unemployed.

The Components of the Youth Livelihood Programme were:

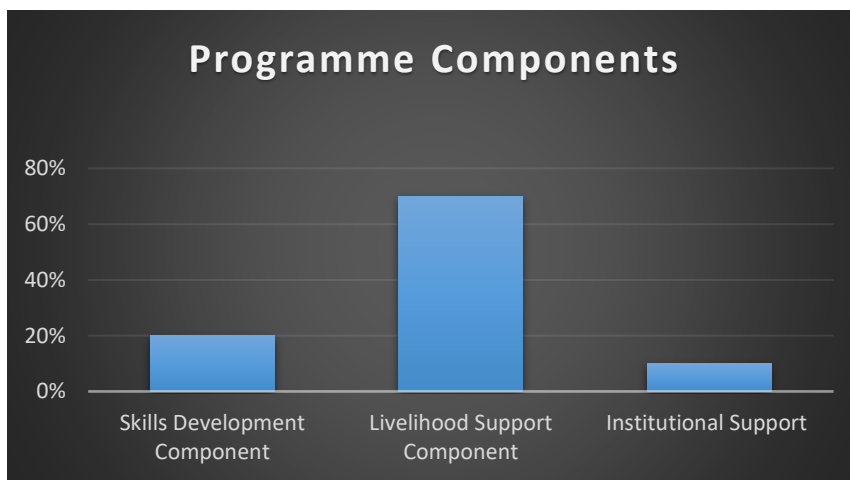


Figure 1 Programme components of YLP

The Skills Development Component (20%): This was instituted to support the development of marketable livelihood skills that are able to create opportunities for self-employment among the poor and unemployed youth. Investment options included: Masonry, carpentry, metal fabrication, hair dressing, tailoring, leather works, Agro-processing, electrical repairs, bakery/cookery, Video-Audio editing, motor mechanics, clay molding as well as others. The programme additionally supported and promoted innovations in non-traditional skills areas inclusive of ICT as well as Agro-Processing.

The Livelihood Support Component (70%): This intended to provide productive assets for viable income generating enterprises selected by the youth. Investment opportunities included, Dairy production, high value crops, poultry/egg production, piggery, aquaculture, animal traction, agro-forestry, post-harvest handling, value addition, trade and service sector projects.

The institutional Support Component (10%): The institutional Support Component had two sub components which were:

Project Implementation Support (PIS): To improve the technical, administrative and managerial capacity of the key implementers of the Project at national, local government and community levels.

Transparency Accountability & Anti-corruption (TAAC): To promote good governance and accountability at all levels of Project Implementation.

It was implemented in collaboration with the Inspectorate of Government (IG); predominant focus is on the preventative measures.

The Nature of Implementation Arrangements were:

The Youth Livelihood Programme was mainstreamed into Government Structures at the National and Local Government levels and the Local Governments were responsible for mobilization and sensitization, beneficiary selection, facilitating projects preparation, appraisal and approval of projects, monitoring and supervision. Beneficiary selection was conducted through community participatory mechanisms.

The support of the YLP was provided through Youth Interest Groups (YIGs) of 10-15 persons in the form of Revolving Funds which in other words are Soft Loans with youth friendly terms such as:

- No interest for repayments made within the first twelve months;
- Only 5% per annum surcharge for the repayments made after the initial 12 months
- No physical assets/collateral required;
- Flexible repayment period of 1-3 years depending on the nature of the project;
- Accessible for both existing and new groups;
- Formal registration of groups not a pre-condition for access;
- No administrative fees levied on any application;
- Promotes active participation of the youth at all stages of implementation through the Youth Council Structures; and
- The fund size depends on request made by the group ranging from US\$1-25 million.

#### 4.1.1.2 The Uganda Skills Development Project (USDP)

The Uganda Skills Development Project (USDP) is a \$100M project, designed to support the implementation of the Ten (10) year Business, Technical and Vocational Education and Training (BTJET) Skilling Uganda Strategic Plan (2012-2022). This project was run effective from the 28<sup>th</sup> of October 2016 up until the 31<sup>st</sup> of December 2021. In essence, the facility was a 5-year project that supported short-term employer-led training and recognition of prior learning as well as increased access to internships for Technical and Vocational Education Training (TVET) students (PSFU, 2018).

The reason as to why this pilot project was implemented was because the BTJET sector experienced weaknesses in five major areas that included the relevance to economic growth, the quality of skills provision, access and equity of the beneficiaries, organizational effectiveness and financial and internal efficiency, according to the Ministry of Education & Sports (2023). The system fell short in several aspects as it did not produce the appropriately skilled workforce that Uganda requires to better income and employment in order to compete internationally; the training institutions did not measure up to the necessary standards and only a few students could access the training that was promised.

Therefore, the Development Objective of this programme was to:

Enhance the capacity of BTJET institutions to deliver high-quality, demand-driven training programs in target sectors which are construction, manufacturing and Agriculture.

The Purpose of this programme was to support the design of the initial set of reforms that intended to set the foundation for transforming skills development in the country. It aimed at creating the labor market needs for specific sectors.

The project had four components or objectives which were inclusive of:

1. Institutionalizing systematic reforms in Skills Development
2. Improving the Quality and Relevance of Skills Development
3. Employer-led short term training and recognition of prior learning.
4. Project Management, Monitoring and Evaluation

Colleges and Vocational Training Institutions served as the beneficiaries of the USDP programme.

#### **4.1.2 Discussion of selected Policies implemented to address Graduate Unemployment for evaluation**

To begin with, the Youth Livelihood Programme (YLP) was selected as one of the policies to be evaluated on their success in addressing the high levels of graduate unemployment. This choice was made on the basis of the fact that this programme was designed as one of the interventions of the Government in response to the high unemployment rate and poverty among the youth in the country (Ministry of Gender, Labour and Social Development, 2022). The poor and unemployed youth, who were generally the targeted beneficiaries according to this report aged 18-30 according to this report to a great extent coincide with the focus of this study being graduates who remain unemployed. In addition, a key component that was in the implementation of this policy was to “support the development of marketable livelihood skills that are able to create opportunities for self-employment among the poor and unemployed youth”. Therefore, the selection of the Youth Livelihood Programme for policy evaluation on the extent to which it addressed graduate unemployment is highly fitting, for the objectives of this study.

Secondly, the selection of the Uganda Skills Development Project (USDP) as the second programme or policy to be evaluated in this study was made on the basis of the alignment of this pilot project with the problem statement. This is because the programme set out to enhance and improve the ability of Vocational Training institutions and Colleges to provide the necessary skills to youth in order to prevent graduate unemployment brought about by a skill-mismatch, which is in alignment with the objectives of this study. Hence, the reason why this project or policy is selected for evaluation in terms of relevance.

#### **4.2 Establishment of Evaluation Criteria**

In order to impartially evaluate the selected policies on their ability to reduce levels of graduate unemployment in Uganda, overall evaluation criteria need to be decided upon. The criteria will be derived from a framework of policies implemented in other countries that have also set out to achieve lower levels of graduate unemployment so that the assessment of the selected policies is objective. The strong points and weak points of the existing policies implemented that are present in this study, which were the Link and Match Policy of Indonesia, the Youth Empowerment Programme of Botswana as well as the policy objectives of the National Employment Policy for Uganda will inform the formulation of the evaluation criteria for this study.

Lastly, alongside the above, the evaluation criteria will also be inspired by the Value for Money and Policy Review Initiative guidance manual assembled by the Trinity College Dublin (2007).

#### 4.2.1 Rationale of the Policy

This criterion is concerned with the establishment of why the public policy intervention is necessary for its beneficiaries. It necessitates the consideration of the policy objectives of the programme and the justification for public sector provision and involvement in the manner.

Rationale	Evaluation Areas/Questions	Performance Indicators
The validity of programme objectives	The extent to which the public policy intervention was necessary.	Reasons and justifications with as to why the policy was implemented
	Whether the programme objectives were fitting to address graduate unemployment.	The relevance of the programme objectives to the problem the policy aimed to resolve, and the relevance of the programme in reducing levels of graduate unemployment.

*Table 1 Rationale Evaluation Criterion*

#### 4.2.2 Economy and Efficiency of the Policy

Economy and efficiency assess the performance of a policy in regard to the production of outputs and the acquisition and use of inputs (Trinity College Dublin, 2007). This will be comprised of cost effectiveness which compares the differential costs involved in achieving the policy objectives or outcomes and cost-benefit analysis that considers the differential benefits gained by a given costs of resources.

Furthermore, efficiency is the assessment of outputs to inputs that can be perceived in two separate manners;

- Whether the same level of outputs or results could be achieved with less outputs or at a lower cost
- Whether a higher magnitude of quality or quantity of outputs might be delivered from a fixed amount of financial inputs or at a fixed cost.

Efficiency	Evaluation Areas/Questions	Performance Indicators
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The cost of inputs	What was the overall cost of this policy or programme- per item and altogether?	The unit and overall cost of the realizing the programme.
The measurement of outputs	What are the outputs of the policy? How many were produced?	Actual number of outputs produced since the implementation of the policy.
	Have the output targets been met?	
Cost-Benefit Analysis	Were the benefits yielded from the implementation of the policy greater than or worth the costs?  Were the costs worth it?	Mathematical differential of the costs and benefits yielded by the programme to its beneficiaries.

*Table 2 Efficiency Evaluation Criterion*

### **4.2.3 Policy Effectiveness in achieving its objectives and curbing graduate unemployment**

Effectiveness can be defined by the extent to which the policy or programme objectives have been achieved and the planned benefits delivered to their target beneficiaries. The results can either be positive or negative, intended or unintended. This criterion will take into consideration the immediate and short term effects that the availability of the outputs had on the targeted beneficiaries.

Effectiveness	Evaluation Areas/Questions	Performance Indicators
The extent to which the policy/programme objectives were achieved.	What was the programme able to achieve?	Quantitative and qualitative measures of actual verses expected or planned performance.
	Is there a “performance gap” and can it be measured or defined?	Input versus output indicators that reflect contributing factors to the performance gap.
	Is there satisfaction with the level of the achievement of	

	results?	
The extent to which it reduced levels of graduate unemployment	To what extent was programme or policy successful at matching supply to demand for skills in the Ugandan labor market?	Quantitative and qualitative measures of actual performance against these evaluation areas.
	Was the policy mindful of forecasting and delivering the new and wider skills that will be needed in the future?	

*Table 3 Effectiveness Evaluation Criterion*

### **4.3 Evaluation of Policies**

In this section, the selected policies which are the Youth Livelihood Programme and the Uganda Skills Development Project are to be evaluated in accordance with the formulated evaluation criteria indicated in the former section.

#### **4.3.1 Evaluation of the Youth Livelihood Programme**

##### **Rationale**

The necessity of the Youth Livelihood Programme:

As per the problem statement, general and especially graduate unemployment rates had reached an extent of urgent need of government intervention. This was brought about by the fact that the labor market in Uganda could not correct itself due to the mismatch between skills acquired and the requirement of employers, the development of low skilled services and industries, the high growth rate in the labor force and the inability to absorb it in the growing sectors (Ministry of Gender, Labour and Social Development, 2011). The Youth Livelihood Programme intended to aid resolve this predicament by targeting the unemployed and poor youth in the country and supporting the beneficiaries through Youth Interest Groups (YIGs). This resultantly leads to the conclusion that this programme was highly vital in the correction of the shortages of the labor market especially in reducing graduate unemployment in Uganda.

##### **Relevance of policy objectives to addressing graduate unemployment**

The Objectives of the Youth Livelihood Programme were:

- To provide youth with marketable vocational skills and tool kits for self-employment and job creation
- To provide financial support to enable the youth to establish Income Generating Activities (IGAs).
- To provide the youth with entrepreneurship and life skills and an integral part of their livelihoods.
- To provide youth with relevant knowledge and information for attitudinal change.

In terms of the objectives, to a greater extent the Youth Livelihood Programme was very fitting to address graduate unemployment as it intended to take on the self-employment approach to reducing levels of unemployment among the youth and the impoverished. From this angle, by supporting and enabling the youth to establish their own Income Generating Activities (IGAs) or entrepreneurship projects the rationale behind the intervention was to eventually create more opportunities for employment as the labor force to continues to grow.

This was done rather than skilling members of the labor force to potentially increase their chances of employment in the already constrained labor market and therefore only to a certain extent but not fully did the programme intend to immediately and directly reduce graduate unemployment rates.

#### Economy and Efficiency

The cost of inputs is presented below

As at June 30, 2019 the Ministry of Finance, Planning and Economic Development (MFPED) had disbursed a sum of US\$160,238,246,586/= to 20,159 projects thus, benefitting a total number of 241,799 youth out of which 46% are female (Ministry of Gender, Labour and Social Development, 2021).

Breakdown of financing by Financial Year since the commencement of the programme:

Financial Year	No of Projects	Amount Disbursed	Male	Female	Total
2013 – 14	1,563	11,442,947,118	11,234	8,958	20,192
2014 – 15	3,942	27,482,868,370	28,484	23,170	51,654
2015 – 16	2,705	19,660,877,607	18,190	15,599	33,789
2016 – 17	3,284	26,117,903,019	20,825	17,663	38,488
2017 – 18	4,455	37,580,463,472	27,658	23,534	51,192
2018 – 19	4,210	37,953,187,000	25,086	21,398	46,484

Table 4 (Ministry of Gender, Labour and Social Development, 2021).

## Breakdown of Projects financed by Sector

Sector/Project Type	No. Projects	Amount Disursed	%	Beneficiaries		
			Invested	Male	Female	Total
Agriculture	6,911	52,150,499,754	32.55	46,589	38,301	84,890
Trade	6,442	46,140,830,022	28.80	42,053	35,931	77,984
Service	3,556	36,335,788,612	22.68	22,168	18,266	40,434
Industry	1,214	8,788,771,955	5.48	7,837	6,464	14,301
Vocational	936	7,884,642,705	4.92	5,641	5,420	11,061

Table 5 (Ministry of Gender, Labour and Social Development, 2021).

### The measurement of outputs

As retrieved from the end of YLP Phase One Brochure (2021) the listing and amount of outputs or achievements of the programme were inclusive of:

1. US\$36.566Billion out of US\$70.75Billion that was due in the form of loans to the youth had been recovered. This signifies that there was a repayment rate of 64%. This amount due means the money that was expected to be recovered according to the project work plan. Nevertheless, it was taken into consideration that not all projects have got the same maturity period.
2. 300 Projects had completed 100% recovery of funds and were ready for transitioning into Small and Medium Sized enterprises.
3. One of the cardinal pillars of Youth Livelihood Programme was revolving the recovered funds to Local Governments to allow more Youth Groups be funded. The advantage of this was to provide resource leverage and reduce pressure on public resources to finance the programme. Therefore, a total of US\$9,077,080,000/= was disbursed as revolving funds to 1,058 projects benefitting 9,101 youth between March, 2020 and January, 2021.
4. All the required documents, including handbooks and guidelines were arranged and disseminated to stakeholders. They were additionally translated into 5 local languages (Luganda, Runyakitara, Luo, Ateso & Lumasaba). Other Communication channels such radio and TV talkshows as well as participation in exhibitions created awareness amongst key stakeholders especially the youth who were the intended beneficiaries of the programme.
5. Equipment in form of motorcycles, bicycles and computers among others were procured and distributed to Local Governments.

## Cost-Benefit Analysis

In terms of cost versus benefit, the Youth Livelihood Programme, despite having made its seemingly impressive financial and impactful achievements as indicated above, the policy still has room for improvement. This is because, of the total sum of 160.2 Billion Uganda Shillings that was disbursed by the Ministry of Finance and Economic Development roughly 36.6 Billion Uganda shillings was recovered, and a smaller amount, 9 Billion was able to be disbursed as revolving funds.

Inasmuch as a fraction of the amount was financially recovered and some projects, 300 were reported to be in the process of transitioning into small and medium sized enterprises, greater numbers are required to deem this programme perfectly successful as well as impactful and not a seemingly extravagant or inefficient use of public funds.

## Effectiveness

The extent to which the policy/programme achieved its objectives

When the Programme's achievements highlighted in the previous section are measured against their initial objectives; it is safe to conclude that only to a certain extent, it achieved its objectives. Though the policy had more of a focal point on financially supporting the entrepreneurship initiatives and was able to achieve this, fractionally speaking only a lesser amount of these funded projects were successful enough to qualify as small to medium enterprises, while facing tough odds in the Ugandan economy. "The mortality rate of business is high and for every new business being established, another is closed within one year of its operation" (Singh, 2017).

Hence, the ability Youth Livelihood Programme to provide the youth with entrepreneurship and life skills and to provide youth with marketable and vocational skills for self-employment and job creation can be partially questioned, considering that only "300 of the total Projects had completed 100% recovery of funds". Considerably other factors hindered the completion of recovery funds for numerous other projects, though this number is indicative of a more rigorous implementation structure for the second phase of this programme.

The extent to which this policy reduced levels of graduate unemployment

From the evaluations above, it can be inferred that the first phase of the Youth Livelihood Programme was therefore not as successful at reducing levels of graduate unemployment in Uganda. Firstly, this was because it placed more emphasis which was about 70% on

financially empowering youth with income generating enterprises that were selected by the youth. The problem with this is that there is no guarantee or a low likelihood that majority of these financed projects would be deemed successful in saving the youth beneficiaries of the programme from unemployment, considering the mortality rate of small and medium enterprises.

Furthermore, with less emphasis providing the youth with the relevant skills in order to survive and stand out in the labor and small enterprise market, there was even lesser of a chance for these projects even when funded to survive and thus, leaving a considerable fraction of the beneficiaries back to where they began. In the second phase of the programme it would be advisable to place more rigorous emphasis on the skills development component to prevent unsuccessful outcomes of the funded projects and also to make the beneficiaries appear to be more competitive on the ever growing labor market to as to increase their chances of being employed, whether through self-employment or through the existing firms in various industries working in Uganda. After all, a significant portion of graduate unemployment can also be attributed to the lack of relevant skills that the labor supply possesses.

### **4.3.2 Evaluation of the Uganda Skills Development Project**

#### Rationale

The necessity of the Uganda Skills Development Project:

As an improved extension of the Business, Technical and Vocational Education and Training (BTVET) sector the Uganda Skills Development Project was introduced to successfully implement and achieve what the former had failed to do. According to the USDP report (2023), the BTVET sector had the potential or providing the largest number of skilled employees in order to increase Uganda's productivity. However, it proved to be weak areas regarding its relevance to economic growth, the quality of the skills provided as well as financial and internal efficiency which are all evaluation points in this study. Therefore, the introduction of the Uganda Skills Development Project was definitely required and necessary in order to fulfil these initial objectives.

#### Relevance of policy objectives to addressing graduate unemployment

In addition, the USDP development objective and its purpose are in line with the goal to reduce graduate unemployment because both these areas revolve around the enhancement of

the capacity of already existing educational institutions to deliver demand-driven and high quality training programs in targeted sectors. It is evident that the framework of this policy by improving on its predecessor was to improve the quality and rate of delivery of the skills required by the labor market in aims to reduce graduate unemployment.

#### Economy and Efficiency

The cost of inputs is presented below

The Uganda Skills Development Project (USDP) was a Government of Uganda project funded by the World Bank with USD 100 million, implemented by the Private Sector Foundation Uganda. The fund was implemented through a Grant Facility mechanism that was co-financed by the private sector through a matching grant contribution and support-training activities that lead to improved productivity and competitiveness in both the formal and informal sectors. “A total of US\$ 34.7 Billion had been committed as grants for skilling 46,556 employees, interns and members of companies and organizations as on 31st December 2018 and a total of US\$ 13.9 Billion had been disbursed.” (PSFU, 2018). This is the overview of costs.

Window One: This section was aimed at skills shortages in the formal sector targeting medium and large enterprises and increasing the access the beneficiaries have to internships. In regard to grant contribution the ceiling was USD 250,000 that covered a range of up to 80 percent for medium companies, up to 50 percent for the large companies, up to 90 percent for voucher scheme and up to 100 percent allocated for internship. Activities in this window were inclusive of: practical and technical training programs that were inclusive of apprenticeship and internship which was a voucher scheme aimed at industries with mobility for workers for those that intended to participate in it.

Window Two: The ceiling for the funds available under this window were USD 50,000, USD 100,000 for National Umbrella Organizations and a maximum of 90 percent grant contribution. This window was catered to address skill shortages in the informal sector MSEs, and the beneficiaries who were targeted in this category were self-employed workers and apprentices in the informal sector, master craftsmen, micro and small enterprises and members of associations and cooperatives.

Window Three: Targeted beneficiaries in this window included public or private training institutes, companies that have independent training sectors, and other eligible activities that belonged to this category included: development of learning and assessment materials

curriculum development – tools equipment and instruction materials and slight infrastructure development. The Ceiling grant here was USD 350,000 that covered up to 70 percent while the 25 percent was contributed by the applicant or beneficiary.

Window Four: This fixated on the recognition of prior learning and targeted private sector and industry organization trade unions, informal sector associations as well as training institutions. The intended activities that were funded in this window included the selection of test centres for accreditation of assessors of selected trainers. The ceiling grant for this category was USD 300,000 which provided up to 90 percent per beneficiary and 10 percent expected to be contributed by the applicant.

The measurement of outputs

As obtained from the End of Project Report (2022), the following tables present the numerical measurements of outputs per window of this project:

Windows		No. of targeted grants (as per PAD)	No. of grants approved	No. of grants declined/ cancelled	Number of grants/ completed projects
Window 1	Companies staff	180	270	32	238
	Internship		75	0	75
Window 2		250	514	19	495
Window 3		15	16	-	16
Window 4		29	10	-	10
		474	885	51	834

Table 6 (SDF Uganda, 2022)

As it is evident above, the number of grants approved and completed projects when compared against the number of targeted grants under each of the windows represents and impressive performance in terms of reach and impact of the project. This goes on to prove that from this perspective, from the table presented above, the benefits yielded from the project can be interpreted to be greater than the costs.

Windows		Targeted beneficiaries	beneficiaries enrolled (GAC awards)	No. of beneficiaries who completed	Amount disbursed US\$	Average grant size US\$
Window 1	Company staff	1,350	14,230	13,794	4,898,744	20,542
	Internship	1,500	2,903	2,692	1,045,726	401
Window 2		25,000	56,217	49,062	6,857,356	13,828
Window 3		300	1,146	1,026	2,422,119	148,873
Window 4		725	7,751	7,237	2,525,637	252,564
		28,875	82,247	73,811	17,749,581	



**Notes:**  
 Enrolment was counted at grant award level, based on the proposed number of trainees for the skilling.  
 The difference between enrolled and completed includes those whose grants were de-allocated and drop outs. Reasons for cancellation and de-allocation were poor performance, mismanagement of projects, delayed implementation or submission of accountabilities.

Table 7 (SDF Uganda, 2022)

As per the second half of the table, retrieved from the End of Project Report (2022), a similar story is brought forth as the beneficiaries from each window who were enrolled and those who completed completely surpasses the initial targets set by the implementers. This can imply economies of scale and strict implementation guidelines considering the fact that a greater proportion of the beneficiaries who were enrolled, completed.

The following are the achievement of each of the windows:

Window 1: Skills upgrading for the formal sector (medium and large enterprises)

- Over 1,600 jobs created
- Improvements in labor productivity of companies; of the small and medium sized enterprises, their out growers and subcontractors.
- Improvement in skills of staff, casual and temporary workers; the skills acquired enabled them to qualify for more stable jobs, thus addressing the employment challenge, especially for the youth.

Window 1: Internship

- 2692 completed internship placement though majority (79%) were males.
- Approximately 72% of those who completed internship got jobs; of these 20% retained by the companies and 12% are self-employed

Window 2: Skills upgrading for the informal sector (micro and small enterprises)

- 49,062 beneficiaries completed training under this window and 48% of them were women.
- 314 trainees were persons with disabilities

- 714 were refugees
- 160 grantees received tools and equipment to enhance their continuation in skilling programs

#### Window 3: Innovative Training

- Eight public and three private training institutions were awarded grants to develop curriculum and provide innovative training in areas including cyber security, welding & fabrication, plumbing, aquaculture, silk production, digital skills and tourism.
- An additional five companies for innovative skills training in welding, fabrication, plumbing, building, weaving.

#### Window 4: Recognition of prior learning

This window according to the End of Project Report (2022) was considered to be the most successful element of the Skills Development Facility because of the job security enhancement, increased remuneration and reduction in the cost of international certification:

- A total of 187 trainers and instructors, assessed, re-trained and certified as international assessors.
- An overall of 7,237 beneficiaries were assessed and certified by national and International bodies including City and Guilds, ECITB and Cambridge international; 3415 were assessed and certified by the national DIT.
- 275 drivers were successfully retrained, assessed and certified under East African Community (EAC) curriculum. Two trucks purchased in support of Safe Way Right Way training of drivers.
- An on-line database was created to assess, profile and promote certified masons established by Maganjo Institute of Career Training.

#### Cost-Benefit Analysis:

When the costs of the project's implementation overall are compared to what was yielded at its end, it is evident that the Uganda Skills Development Project in every aspect and all four windows, as indicated above maximized its outputs. Therefore, one can conclude that all the funding in the form of grants from the World Bank were efficiently put to use.

#### Effectiveness

The extent to which the policy/programme achieved its objectives

The policy objectives of the USDP in summary were to support short-term employer-lead training and increase access to internships for Business Technical and Vocational Education Training (BTVET) students with the intention of equipping the youth who were enrolled in these institutions with the relevant skills to avoid skill-mismatches in the labor market. Ideally enhancing the capacity of these institutions to deliver demand-driven training programs in construction manufacturing and agriculture, is precisely what was accomplished by the five-year programme, as per the achievements of each of the windows. Therefore, it can be strongly concluded that the Uganda Skills Development Programme was successful at achieving the greater majority of its objectives.

The extent to which this policy reduced levels of graduate unemployment

In terms of reducing graduate unemployment, the Uganda Skills Development Programme had an existing impact on addressing the matter as it aimed at reducing the discrepancies between the skills possessed by youthful job-seekers and firms in various industries who offer employment and was successful. However, the impact this pilot project had on the majority of Ugandans who are classified as unemployed graduates, or even students enrolled in Universities that were not the targeted beneficiaries of this programme, was not as significant. This can be attributed to the fact that there are not as many Ugandans enrolled in BTVET institutions due to bias; as the Commissioner- Business Technical Vocational Education and Training Dr. Safinah Kisu Musenene (PHD) recounted, “The misconceived narrative that TVET is a domain for those who have failed is false and outdated. TVET is a necessity for everyone, including Ugandans who desire to progress” (Ministry of Education & Sports, 2020). She additionally calls upon all Ugandans, particularly the parents to guide the youth and younger generations to embrace TVET, which proves the inadequate involvement of Ugandan youths in such a programme which is why even to date, there has not been a significant deduction of the graduate unemployment rates in Uganda, despite the project being successful.

#### 4.4 Improvements & Recommendations

This section of the study, based on the assessment and of the two selected policies provides recommendations and improvements for further policy implementation, in order to be more effective and impactful at reducing the levels of graduate unemployment in Uganda.

#### **4.4.1 Policy Recommendations for the Youth Livelihood Programme**

As earlier mentioned, the Youth Livelihood Programme would have been more effective if it had placed higher emphasis and investment into the skills development component so as to avoid the miss use, or miss handling of soft loans that were advanced to a greater fraction of the programme's beneficiaries. It was concluded here that the reason as to why there was not a significant loan repayment rate, is because of poor knowledge impartation to some of these beneficiaries. In addition, graduate unemployment and generally, the unemployment rate can be tackled using more than one approach, that being empowering the youth the start up their own enterprises, but also skilling them with the relevant demand-driven skills to reduce the discrepancies between the skills required by the job market and those possessed by the currently and potentially unemployed.

#### **4.4.2 Policy Recommendations for the Uganda Skills Development Programme**

In the case of the Uganda Skills Development Programme which was recounted earlier to have been successful at achieving its objectives, the main recommendation for the improvement of this programme would be to increase its impact. Whether this is by means of sensitizing more Ugandans to enroll in TVET institutions; altering the narrative that one who attends these are "failures" or by extending the curriculums and enforcement of these institutions to our Universities country-wide, the impact this Programme potentially can be noticeable and felt by the youth who grapple to find jobs. Nonetheless, as this happens there needs to be a two-faucet approach; whereas the Ugandan labor force who are majority youth are being skilled and re-skilled to qualify for employment, the same efforts need to be placed in job-creation. This is because the labor force population growth rate is quite high, sitting at 4.9% per annum, which is higher than the population growth rate (Ministry of Gender, Labour and Social Development, 2011), more thought needs to be placed on increasing the impact this project has, as well as job creation when that occurs.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter includes the summary of the study's findings, the conclusion, policy and recommendations of the study on the basis of each of its objectives.

#### **5.1 Summary of Findings**

##### **5.1.2 Identification Policies for Evaluation**

The identification of both the Youth Livelihood Programme and the Uganda Skills Development Programme to be evaluated as per the objectives of this study was done on the basis of their relevance to the research problem, as their objectives and beneficiaries were in alignment. Additionally, since this study aimed to be inclusive of a more post facto or summative evaluation, the narrowing down on policies of this nature that had already run their course was the goal. In particular, the Youth Livelihood Programme mainly aimed at job creation by empowering the youth with soft loans so that when that happens, the beneficiaries on a larger scale remain employed and in the long run, create more jobs for upcoming labor force entrants. On the other hand, the Uganda Skills Development Programme, took the alternative approach to handling graduate unemployment by directly addressing the skill-mismatch between firms and the rapidly growing labor force. Their approach was to empower the youth who comprise the majority of the labor force with skills that are relevant to the needs of the industries currently, in order to reduce levels of employment. This is the reason as to why both of these policies were opted on for evaluation at this stage.

##### **5.2.3 Establishment of Evaluation Criteria**

The criteria assembled to be used for the impartial evaluation on the extent to which these policies were successful at reducing graduate unemployment, was inspired by the Value for Money and Policy Review Initiative guidance manual assembled by the Trinity College Dublin (2007), as well as the summarized objectives of the National Employment Policy of Uganda.

Ideologies from both publications were borrowed and synthesized with the aim of forming criteria that both policies could be evaluated on the basis of, taking into consideration their individual effectiveness, and the extent to which they addressed graduate unemployment. Concepts such as the rationale of the policy, its efficiency which featured cost-benefit analysis, as well as its effectiveness and impact were used in the creation of the evaluation

criteria. Moreover, this when paired with the need to assess the ability of the policies to skill and re-skill the labor force to better qualify the youth for employment were included as well.

#### **5.1.4 Evaluation of identified Policies**

From the evaluation segment of this study, it was found that the Youth Livelihood Programme was somewhat effective at meeting its own objectives, as a number of the beneficiaries were successful at starting their own small and medium enterprises and were successful and repaying the loan. This even according to its objectives, allowed for there to be continuity of the funds to leverage continuous public spending on the programme, and allow for even more youth with projects in need of funding to contribute. However, in the analysis of this policy it was found that inasmuch as it was effective, the numbers were rather low, as expressed in the cost-benefit analysis of this evaluation; more was spent yet less was gained at the culmination of the programme.

It was concluded that arguably, this was because of the insufficient attention the implementers and policy planners placed on skill development and education of the beneficiaries as not every person has the skills required to sustain an enterprise or personal business. Furthermore, despite the fact that the narrative that there are insufficient jobs still rules, a certain fraction of the youth who are unemployed are more fit to work for companies and industries but simply are not equipped with the necessary direct and soft skills in order to qualify yet they also were unsuccessful at sustaining their own businesses. Thus, the appraisal for this policy, is that it was not as effective at addressing graduate unemployment.

Conversely, Uganda Skills Development Project was found to be more successful at achieving its general and specific objectives which entailed enhancing the BTVET institutions' ability to equip the youth with the necessary skills with the aims of reducing the skill gap between the demands of the firms and the labor force. In addition to being successful at meeting its objectives on a numerical scale, it was concluded that the USDP was more in line with reducing graduate unemployment due to the skill gap and therefore, from an angle deeming it a successful intervention. Nonetheless, due to the current attitude that majority of Ugandan youth and parents have towards BTVET institutions, the impact this intervention could've had was potentially reduced and hence, more sensitization and marketing of these institutions needs to occur.

## **5.4 Conclusion**

The purpose of this study was to identify and evaluate policies and solutions that had been implemented to reduce the rate of graduate unemployment in Uganda and to recommend methods in which these policies can better address graduate unemployment. The identified policies which are the Youth Livelihood Programme and the Uganda Skills Development Programme were somewhat effective at achieving their own general and specific objectives as a collective though they needed to have a greater impact on the Ugandan societies so that the differences in the graduate unemployment rates can be felt. Still, falling into unemployment remains concern for upcoming graduates on an annual basis and therefore, the second phase of these evaluated policies need to increase their beneficiaries and funding, in order to have a greater impact. Furthermore, as it holds since majority of graduates have attended university and fail to find employment, a preventative measure of this continuous predicament would be to alter the university curricula to fit the demands of the labor market.

## **5.5 Areas of Further Research**

The evaluation of youth employment policies was identifying and evaluated in this study, an area of intrigue for further research could be looking into what plausible solutions can be implemented by the government to address the unemployment crisis from the demand side. What is fact, is that the labor force has been growing and has continued to grow at a rate that is faster than the growth of industries in Uganda. Looking into the reasons as to why this is the case and policy interventions to resolve the issue is an area of study that can extend this research paper.

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