



THE STATE OF UGANDA POPULATION REPORT 2014

Harnessing Uganda's Demographic Dividend
for Socio-Economic Transformation"





THE REPUBLIC OF UGANDA

THE STATE OF UGANDA POPULATION REPORT 2014

Theme:

“Harnessing Uganda’s Demographic Dividend for Socio-Economic Transformation”



FOREWORD

Over the past two decades, Uganda has experienced sustained economic growth. Despite this growth, almost one of every five people are still living on less than US\$ 1 per day. Accelerated economic growth is needed to reduce inequality and poverty, and improve people's lives across the country. The experience of many countries in South Asia suggests a pathway to this accelerated economic growth. An economic window of opportunity opened in these countries as a result of a rapid decline in fertility, which increased the proportion of working age people relative to dependent children. These countries responded by improving health and education, attracting foreign investments, and enacting economic policies that created jobs, which resulted in the accelerated economic growth that is referred to as the "Demographic Dividend".

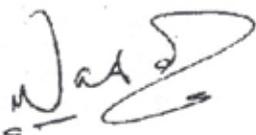
The accelerated economic growth of the demographic dividend remains a possibility for Uganda, but for the process to begin, we must prioritize strategic investments to lower fertility and child mortality. Until we address the needs of bulging young age structure through family planning, education, and other investments that contribute to having small, manageable and healthier families, we shall not achieve their full potential for economic growth that comes through a demographic dividend. For us to realize a demographic dividend, we need to make investments that lead to having a smaller school-age population and a larger working-age population.

Investments in human capital become paramount especially in health and education to foster opportunities for developing a skilled and healthy labour force. This can be achieved through strengthening health systems to address the child and adult health needs; children can grow into healthy adults who can contribute more significantly to economic growth. Education allows young people to learn skills to take on higher quality jobs, and these jobs promote economic development. Through such investments, Uganda can develop a labour force well equipped to move into new opportunities that emerge from a demographic dividend. Human capital is therefore critical to achieving the demographic dividend.

With population expected to triple by 2050 and a Gross Domestic Product (GDP) growth rate of more than 6 percent a year, Uganda is among the fastest developing countries. Yet she still faces the challenge of creating enough jobs to support its growing working age population especially the increasing number of young people. The pace of job creation must be accelerated to keep up with the number of people that need employment and to maintain high levels of economic growth.

This report discusses the reality of the demographic dividend and urges the key sectors to be the focal point of all skill development activity from working with the Government to engaging through creating sustainable and scalable models to achieve the outcome of the demographic dividend. Investments in human capital and industrial development will not only improve access to decent employment but improve productivity and ensure Uganda's competitiveness in the global market.

I am confident that the information provided in the report will prove extremely relevant to our Policy and decision makers, Opinion leaders, Researchers, Academia, Government and all the other stakeholders who are together in one way or another are contributing to improvement of quality of life of the people of Uganda.



Hon. Matia Kasajja, M.P.

Minister of State for Finance, Planning and Economic Development (Planning)

ACKNOWLEDGEMENT

Population Secretariat, Ministry of Finance, Planning and Economic Development in a special way acknowledge and recognize the fundamental inputs of all stakeholders who participated in the production of this report. This year's report comes at a time when the second National Development Plan 2015/16 – 2019/20 is being developed with a theme focussing on “*Strengthening Uganda's Competiveness for Sustainable Wealth Creation, Employment and Inclusive Growth*”. The plan aims at achieving a middle income status by 2020. It also comes at the time when the population management discourse is focusing on how “*Uganda can take advantage of its population dynamics to accelerate socio-economic transformation by focusing on reducing the high dependency burden, enhancing economic reforms, job creation and investing in human capital development*” in the way the “*Asian Tiger Countries*” succeeded in transforming their economy within a period of about 30-40 years.

Population Secretariat is particularly grateful to the United Nations Population Fund (UNFPA) and the Government of Uganda for the financial support that enabled the development and production of the thirteenth edition of the *State of Uganda Population Report 2014* with the theme “*Harnessing Uganda's Demographic Dividend for Socio-Economic Transformation*”.

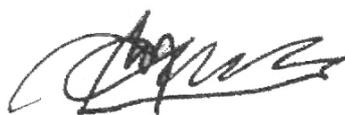
It is not possible to mention everyone but in a special way Population Secretariat recognizes and appreciates the role of the authors of the chapters of this report. The authors are: Dr. Fred K. Muhumuza (KPMG), Mr. John Okelai Ariko (MUBS), Mr. John Mushomi Atwembembeire (MUK), Ms. Sheila Magero (*Zulyeka Project*) and Mr. James Peter Olemo (POPSEC). We also recognize the valuable contribution of sub-authors to this report, namely; Mr. James Asile Droti (NCDC).

Special thanks also go to the members of the Editorial Committee namely; Mr. John K. Ampaire, Mr. Charles Musana, Mr. Simon Peter Alele, Ms. Catherine Mbabazi, Ms. Eva Nakimuli and Mr. Tiondi Andrew (POPSEC).

We are also grateful to Mr. Anthony Bugembe (UMI) for his work in providing invaluable strategic and substantive advice in the process of preparing the report and for his creative work in the layout of the report.

Finally, gratitude is also extended to the staff of Population Secretariat for spearheading the process that led to the production of this report, and in particular the Monitoring and Evaluation Department for coordinating the development and production of the report.

Thank you all for your tremendous contribution.



Charles Zirarema
Acting Director, Population Secretariat

TABLE OF CONTENT

Foreword.....	ii
Acknowledgement.....	iii
Table of Content.....	iv
List of Figures.....	vi
List of Tables.....	vii
List of Acronyms.....	viii
CHAPTER 1: OVERVIEW	
1.1 Introduction.....	2
1.2 Population Change and Development.....	3
1.3 Population and Socio Economic Development.....	4
1.4 Conclusion.....	6
1.5 Policy Recommendation.....	6
CHAPTER 2: THE DEMOGRAPHIC DIVIDEND AND SOCIO-ECONOMIC TRANSFORMATION	
2.1 Introduction.....	8
2.2 Backgrounds to Population Change and Development.....	8
2.3 Uganda's Population and Socio-Economic Transformation.....	8
2.4 The Demographic Dividend and Socio-Economic Transformation: Challenge and Opportunities for Uganda.....	11
2.5 Population Policies, Governance and Socio-Economic Transformation in Uganda.....	16
2.6 Strategic Policy Suggestions to Utilizing Uganda's Demographic Dividend for Socio-Economic Transformation.....	18
2.7 Conclusion.....	20
References	
CHAPTER 3: EQUIPPING UGANDA'S POPULATION FOR SOCIO-ECONOMIC TRANSFORMATION	
3.1 Introduction.....	23
3.2 The Youth and Socio-Economic Transformation Agenda.....	23
3.3 Education and Socio-Economic Transformation.....	25
3.4 Improving Health Status by Socio-Economic Transformation.....	30
3.5 Beyond and Besides the Skills Strategy.....	31
3.6 Towards Strategy for Equipping the Population.....	32
3.7 Conclusion for Appropriate Equipping of the Population.....	32
3.8 Recommendations towards a Strategy for Equipping the Population.....	33
3.9 Conclusion.....	34
3.10 Policy Recommendation.....	35
References	

CHAPTER 4:	EFFICIENT AND EFFECTIVE GOVERNANCE FOR SOCIO-ECONMIC TRANSFORMATION	
4.1	Introduction.....	36
4.2	Situation Analysis.....	36
4.3	Governance and Youth in Uganda.....	37
4.4	Link between Good Governance and Demographic Dividend.....	38
4.5	What Governance Challenges does the “Youth Bulge” present?.....	40
4.6	Why Efficient and Effective Governance is Essential for Socio-Economic Transformation.....	41
4.7	Conclusion.....	42
4.8	Policy Recommendation.....	42
	References	
CHAPTER 5:	UNLOCKING THE POTENTIALS OF UGANDA'S YOUTHFUL POPULATION FOR SOCIO-ECONOMIC TRANSFORMATION	
5.1	Introduction.....	46
5.2	Background.....	46
5.3	Policy Framework for Socio-Economic Transformation.....	47
5.4	Uganda Demographic Profile.....	47
5.5	Drivers of Economic Growth in Uganda.....	48
5.6	The Role of the Youth in Socio-Economic Transformation.....	50
5.7	The Need for Paradigm Shift.....	50
5.8	Financing Mechanism for Youth Enterprise.....	51
5.9	Solving the Unemployment Problem.....	52
5.10	Strategies for Skills Development.....	54
5.11	Practical Policy Actions and Intervention Options.....	55
5.12	Conclusion.....	56
	References	
UGANDA: POPULATION AND DEVELOPMENT DATA SHEETS:		
1.0	Demographic, Health, Social, Economic and Development Indicators 1994-2014.....	60
2.0	Tracking Performance of MDGs in Uganda from FY 2000/01 – 2013/14.....	61
3.0	Tracking Performance of ICPD in Uganda from FY 1994/95 – 2013/14.....	62
4.0	Financing Major Sectors by Government of Uganda from FY 2000/11 – 2013/14.....	63

LIST OF FIGURES

- Figure 2.1: Uganda Age and Sex Structure
- Figure 2.2: Uganda's Population Trend and Projections 1948-2050
- Figure 2.3: Drivers/Wheels of the Demographic Dividend for Socio-Economic Transformation
- Figure 2.4: Projected Growth in Uganda's Per Capita under various Policy Scenarios
- Figure 2.5: Projected Per Capita Income in Uganda for the period 2010-2050 y
- Figure 2.6: Uganda's Youth Dependency Ratios
- Figure 2.7: Percent of Married Women using Modern FP and those with Unmet need for FP
- Figure 3.1: Age and Sex Structure of Uganda for 2010 and 2050
- Figure 3.2: Schematic Diagram showing the Paradigm Shift in BTVET System
- Figure 4.1: The Driver/Wheels for Harnessing a Demographic Dividend in Sub-Saharan Africa
- Figure 4.2: Good Governance reinforces Progress towards Demographic Dividend

LIST OF TABLES

- Table 1: Gross Enrolment Ratios by Selected Background Characteristics
- Table 2: Education Status of persons aged 15 years and above by Selected Background Characteristics
- Table 3: Population that Suffered Illness within 30 days prior to Survey 2009/10
- Table 4: Competence level of Recruits in Basic Skills in Uganda Firms

LIST OF ACRONYMS

AAU	-	Action Aid Uganda
ACFODE	-	Action for Development
AIDS	-	Acquired Immune Deficiency Syndrome
ANC	-	Ante Natal Care
BBC	-	British Broadcasting Corporation
BTVET	-	Business, Technical and Vocational Education and Training
CBOs	-	Community Based Organization
CSOs	-	Civil Society Organizations
DD	-	Demographic Dividend
DRT	-	Development Research Training
ERP	-	Economic Recovery Programme
ESSP	-	Education Sector Strategic Plan
FBOs	-	Faith Based Organizations
FP	-	Family Planning
FY	-	Financial Year
GDP	-	Gross Domestic Product
GER	-	Gross Enrolment Rate
GoU	-	Government of Uganda
HIV	-	Human Immuno-Deficiency Virus
ICPD	-	International Conference on Population and Development
IMF	-	International Monetary Fund
PoA	-	Programme of Action
MAAIF	-	Ministry of Agriculture, Animal Industries and Fisheries
MDG	-	Millennium Development Goal
MoFPED	-	Ministry of Finance, Planning and Economic Development
MoGLSD	-	Ministry of Gender, Labour and Social Development
MMR	-	Maternal Mortality Rates
MoES	-	Ministry of Education and Sports
MoH	-	Ministry of Health
MP	-	Members of Parliament
MUBS	-	Makerere University Business School
MUK	-	Makerere University Kampala
NAADS	-	National Agricultural Advisory Services
NCDC	-	National Curriculum Development Centre
NDP	-	National Development Plan
NGOs	-	Non Governmental Organizations
NPA	-	National Planning Authority
NUSU	-	National Union of Students in Uganda
NUYO	-	National Union of Youth Organization
NGOs	-	Non Governmental Organizations
OPM	-	Office of the Prime Minister
PEAP	-	Poverty Eradication Action Plan
PMA	-	Plan for Modernization of Agriculture
PoA	-	Programme of Action
PRB	-	Population Reference Bureau
PWD	-	Persons with Disabilities
RH	-	Reproductive Health
SACCOs	-	Savings and Credit Cooperative Organizations
SAGE	-	Special Assistance Grant for Empowerment
SAPS	-	Structural Adjustment Programme Strategy

SUPRE	-	State of Uganda Population Report
THF	-	Tropical High Forest
TFR	-	Total Fertility Rate
UBOS	-	Uganda Bureau of Statistics
UDHS	-	Uganda Demographic and Health Survey
UN	-	United Nations
UNESCO	-	United Nations Educational, Scientific and Cultural Organization
UNICEF	-	United Nations Children's Fund
UNFPA	-	United Nations Population Fund
UNHS	-	Uganda National Household Survey
UPYFA	-	Uganda Parliamentarian Youth Forum Association
UMI	-	Uganda Management Institute
UNSA	-	Uganda National Students in Uganda
UPC	-	Uganda People's Congress
UPE	-	Universal Primary Education
USE	-	Universal Secondary Education
UShs	-	Uganda Shillings
US\$	-	United States Dollar
UYDO	-	Uganda Youth Development Organization
UYONET	-	Uganda Youth Organization Network
WB	-	World Bank
WW II	-	World War Two
YFU	-	Youth Forum in Uganda



CHAPTER 1

OVERVIEW

1.1 Introduction

Development is linked in various ways to population change. The transformation in demographic regimes from high to low death and birth rates, the demographic transition can be added to the list of structural changes constituting development: indeed, in terms of its direct effect on human well-being and its social and economic implications, it is arguably the most important of those changes. Population growth, unleashed by mortality decline or migration, is a force of its own in the development process, sometimes seeming to promote development, at other times impeding it, and always diluting its achievements. While countries are the principal level at which such relationships are identified, effects at the local level are often sharper. And population change can also have implications for broader regional development and even for the global economy, directly through migration and disease transmission or indirectly through effects on geopolitics and major environmental systems. Breaking down population growth by age group, (in particular, natural increase versus migration), and other characteristics reveals further links. The subject of population and development is concerned broadly with all such interactions: with how populations and economies impinge on each other and with the consequences that ensue.

Economic development refers to the structural transformation of human society from subsistence economy to urban-industrialism, and to the sustained rise in productivity and income that results. The transformation is seen in the structure of production, consumption, investment, and trade; in financial and other economic institutions; in occupations, educational levels, health conditions, and rural–urban residence; and in people's perceptions of the social and natural worlds and of their own agency. Political development is in some respects an overlapping process, yielding the institutions and values of the democratic state. "Development," however, is commonly taken to mean economic development.

If we ask not about the effects of rapid population growth on development but about those of reduced mortality and fertility, the consensus is clear. As well as its obvious and immediate meaning for a society's welfare (sometimes termed human development), high mortality has various adverse effects on economic development. There is the evident waste of human resources, often embodying substantial public and private investments in education and skills. The AIDS epidemic has been particularly damaging in this respect: in many of the worst-affected countries the disease cuts a swath through the educated strata of the society. High mortality is also associated with heavy morbidity, and sometimes with impaired physical and cognitive development, with detrimental economic consequences. Within families, the death of a parent may harm the educational opportunities and broader life-prospects of the children: again, AIDS mortality is the most prominent case in point, leading to a drastic rise in orphanhood and child destitution in a number of African countries. The benefits for development of improvements in health conditions and lower levels of mortality are thus clearly apparent. The benefits of a fertility decline are somewhat less obvious again, aside from the immediate welfare gain if it lessens "unwanted" births or improves reproductive health.

Research suggests that lower fertility may improve access to health services and education, and more generally expand opportunities to escape poverty. One important route for such benefits is through lowering of the child dependency rate: for a period of some two decades after a fertility decline there are fewer dependent children but no fewer workers, freeing up resources for investment. This straightforward proposition, advanced by Ansley J. Coale and Edgar M. Hoover in the 1950s, was the main economic case for the worldwide expansion of family planning programmes in the 1960s. Later it lost favour, along with many other arguments specific to developing economies, in the general disdain for development economics as a distinct branch of economics. It experienced a revival in the 1990s, coming to be seen by some as an important element in explaining the "economic miracle" of East and South East Asian countries from the 1960s to the 2000s. The dramatic falls in birth rates in this region, beginning in the 1960s, are held to have yielded a

“demographic bonus” of investment that boosted the development effort not least, through improvements in human capital. However, the conditions under which any such bonus can be put to good use may be quite exceptional, lessening the value of the Asian miracle as a policy lesson.

1.2 Population Change and Development

1.2.1 Background to Population Change and Development

World over, there has been a shift of focus from the growth impact of population size to that of the age structure. Changes in the age structure of population are usually driven by demographic transition from high mortality and high fertility levels to low mortality and low fertility levels. This demographic transition was first observed in Western Europe during the 18th and 19th century.

It was sparked by a decrease in mortality rates, predominantly infant and child mortality rates, and has since turned out to be a pervasive phenomenon all over the world, typically coinciding with industrialization and urbanization processes and takeoff of the economy that has broken through the Malthusian trap into higher growth regimes (Birdsall et al., 2003). Demographic transition has clearly taken roots in East Asia, spreading through the continent to South East Asia and to the Middle East. The process is now also apparent and easily recognized in Latin America and the Caribbean. Many demographers now believe that in spite of setbacks and anomalies, it has started in most of Sub-Saharan Africa as well. These countries include; Tunisia, Egypt and South Africa.

In the next 30 years, Uganda is envisaged to be a transformed society from a peasant to a modern and prosperous country. This means that within the thirty years every Ugandan citizen on average is expected to be earning an annual salary of US\$ 9,500 or Ushs. 25,000,000, which translates into an average monthly income of Ushs. 2,000,000. In order to achieve this economic expectation, all other aspects of the population including socio-demographic behaviour have to be improved upon to match the expected rise in income as envisaged above.

On the other hand, Uganda’s population age- sex structure characterised by high child dependency burden potentially provides a bottleneck to achieving the maiden goal. It is perhaps arguable that the total population Uganda has in its exclusive sense may not pose a developmental problem but the characteristics of the population is the challenge if not harnessed.

Additionally, with available data and research evidence, the role of population change that presents a demographic dividend opportunity for Uganda, policy environment, influence of markets and consistent and credible institutions are at least as important as population change itself in determining the socio-economic transformation future for Uganda.

1.2.2 Uganda’s Population Change and Development

Uganda’s history of population change does not present a different scenario from that presented by the theoretical models in the demographic transition for countries. As mentioned above, Uganda’s age structure is driven by the demographic transition from high mortality and fertility to a relatively slow reduction in fertility and mortality but the rate of reduction is still not acceptable compared to other countries.

With every Ugandan woman on average producing 6 children throughout her reproductive period, the country presents a scenario of the youngest and most rapidly growing of today’s world (World Bank, 2011). Close to half (48.7 percent) of Uganda’s population constitutes majority of the dependent population (under 15 years). Compared to the region’s under 15 years population (43.2 percent) and the world’s under 15 years population (26.8 percent), Uganda’s young population is evidently higher. The high fertility rate, the young and youthful population and the elderly present a developmental challenge which is the dependency burden where few people have to provide for a huge population which is not employed. Uganda’s population continues to grow currently at rate of 3.2 percent and is way higher than the region’s average population growth.

In both short and medium term, Uganda’s age – sex structure will continue to pose a demographic challenge, which can

be harnessed to be a demographic opportunity. If Uganda is to harness its age- sex structure for a demographic opportunity, the demographic transition must be accelerated from high fertility to low fertility, which should be in tandem with mortality reduction. A reduction in mortality especially infant and child mortality and fertility dependency on the working population is reduced and this has an economic growth resultant effect on the nation. With the right history and present policy and governance framework in the country, changes in the age structure brings in a demographic dividend that once harnessed facilitates and results into an economic growth benefit for the country.

1.3.1 Population and Socio Economic Development

1.3.1 Uganda's Economic Growth and Socio-Economic Transformation

Uganda's journey for economic transformation can be traced in two major shifts. Firstly a shift from almost failed state in the 1970's to the introduction of SAPS, ERP and PEAP in late 1980's. Secondly the economic transformation promise shift with the oil discovery which form partly the basis for the socio-economic transformation expectations as a result of attracting foreign direct investment, remittances and infrastructure development.

Today, Uganda has posted strong economic growth, averaging 6.4 per cent per year since 2002 (GOU, 2013). GDP grew from Ushs. 11 trillion (US\$ 5.7 billion) in 2002 to Ushs. 53 trillion (US\$ 20 billion) in 2012 (UBOS, 2013). It is explained that a stable macroeconomic environment, strong export growth, high foreign direct investment, and increased private investment have been at the centre of this growth.

Despite the economic growth in the past decade, many Ugandans live in poverty and confront social-economic inequities. The percentage of Ugandans living below the poverty level decreased significantly from 56.4 per cent in 1992 to 19.7 percent in 2012, (GOU, 2014). Although the proportion living below poverty level generally declined, the absolute numbers increased due to the larger population size. In addition, income inequality increased dramatically, with the Gini Coefficient rising from 0.37 in 1992/3 to 0.43 in 2009/10 (UBOS, 2013).

Highest inequality is registered in the urban areas. Increasing levels of income inequality could perpetuate intergenerational transmission of poverty, thus it is important that all sections of the population participate productively in the economy, and are guaranteed of economic security. One of the Vision 2040 targets is to reduce the proportion of people living below the poverty line to 5 per cent by 2040.

1.3.2 Uganda's Youth Dependency Ratio and Socio-Economic Transformation

Unemployment for Ugandan Youth stands at more than 65 per cent and the rate of underemployment is high, despite a 10 per cent unemployment rate. This situation in Uganda is connected to a UNESCO report on youth and skills, working below the poverty line is a much more widespread phenomenon than not working at all (UNESCO, 2012). Uganda has the youngest and most rapidly growing populations in the world and a high total fertility rate (TFR) of 6.2, a big percentage of Uganda's population is younger than 15 years standing at 52 percent above Sub-Saharan Africa's average of 43.2 percent. This situation translates into high youth dependency ratio.

Just like the Asian Countries that have harnessed the demographic dividend and turned around their countries, it is important that Uganda could industrialize from the agricultural base that provides livelihoods for most families and has higher job-multiplier effects than many of the fast-growing industrialized countries and this can partly be done by electrifying rural Uganda, a trial that is already underway. This is the only sure way of engaging a growing youthful population

1.3.3 The Role of the Youth in Socio-Economic Transformation

The concept of the demographic dividend refers to the economic benefit a society enjoys when fertility and mortality decline and the ratio of working-age adults significantly increases relative to dependents. The experience from the Asian Tigers shows that in order to earn the demographic dividend, countries should prioritise investments in human capital to ensure a healthy and well-educated population; accelerate economic growth and job creation to ensure that the "surplus" labour force is gainfully employed, the large population has a strong purchasing power; and enforce

accountability and efficiency in the use of public resources and delivery of social services.

Around the world today youth are pushing for systemic, democratic and economic changes as vehicles for social transformation. In Uganda, youth have been at the forefront of resistance to poor governance and economic exploitation. The NRA and NRM transformers benefited from the youth energies to bring about a wave of socio-economic changes before and between 1986 and 1996. After 1996 the role of the youth in Uganda diminished with ineffective representation in the leadership and economic structures across the country. Following the 2006 and 2012 elections the youth have again emerged at the fore of many agitative activities demanding reforms and Government attention towards the youth and the socio-economic plight in the country.

The Vision 2040 sees the youthful population as the springboard for achieving a middle income status, policy actions need to reflect this if Uganda is to cash in on the endowment of the demographic dividend. This calls for harnessing the youthful labour force through job creation, the creativity of the youthful minds for innovation and expanding the tax base through income distribution to reduce the dependency and tax burden on the current working population. The current constraints to youth participation in the economic and social affairs of Uganda are numerous but not limited to;

1. The poor structure of Uganda's financial sector which limits opportunities for youth to access investment capital, lacks financing services that are structured to promote enterprise through creativity and innovation. The financial sector in Uganda can best be described as conservative, archaic and risk averse. It relies on collateral based lending, which naturally excludes youth because most of them lack access to acceptable collateral assets, demands business experience and focuses on already existing business notwithstanding that most youth ventures will always be start-up businesses. The implication is that a vital element for economic growth is overlooked; the majority of Ugandans with the most creative, energetic and productive minds (the youth) have no access to capital resources to transform those qualities into economic value.
2. The social and political structure in the country exclude the youth in decision making processes and relegates them to a position of consumers of the decisions. Government programmes like the youth fund, demonstrated Governments willingness and effort to harness the potential in youth, these programmes have not differed from the poorly structured and inaccessible financial services from the mainstream financial sector. Youth are still required to meet stringent conditions most of which they cannot fulfill to access the youth development fund.

1.3.4 Uganda's Population Health Status and Socio-Economic Transformation.

The health status of a country's population is directly related to its development. Uganda's population has experienced a fair improvement in health indicators. However, child malnutrition, high prevalence of malaria and HIV/AIDS, and high rates of maternal morbidity and mortality remain a challenge, to the country's development. Proper nutrition for boys and girls in Uganda needs to be prioritized if the government is to realize sensible human capital development that will drive the nation into reaping a demographic dividend and achieve socio-economic transformation. Therefore if the country is to harness the demographic dividend, the high population that is ready to provide labour force need to be healthy and should bear a minimum disease burden.

Fertility indicators in Uganda show that Uganda's high fertility has declined over time albeit slowly from 7.1 children per woman on average in 1991 to 6.2 children per woman on average in 2011. This decline only presents a 1.1 percentage point, which is still less than expected.

Unmet need for family planning of 34.3% meaning that on average, 3 out of every ten women do not wish to be pregnant but they are not using any contraception even when they are sexually active, this puts them at risk of having unwanted children. This is largely explained by the high demand for children, which is explained by culture and mortality. The high unmet need for family planning in Uganda is also explained by early initiation to child bearing as well as young age at marriage, high school dropout rates for the girl child among other factors. With the exception of Central 1 and Karamoja regions, all other regions have a high unmet need which is way above the national average of 34.3%. This

means that unmet need continues to affect rural areas more compared to urban Uganda.

1.4 Conclusion

In 1960, the countries of East Asia faced difficult problems. In the view of many at the time, rapid population growth was one of the most serious of those problems. Over the decades that followed, these countries were extraordinarily successful in reducing fertility and slowing population growth, overcoming potential problems associated with the significant population growth that did occur and turning changes in age structure and other demographic characteristics to their economic advantage. How this was accomplished is an important story because of its potential value to other developing countries confronting similar development issues, Uganda inclusive.

The developmental impact of population change was appreciated as complex and multi-faceted. During East Asia's unusually rapid demographic transition, countries were experiencing large changes in birth and death rates, population size and growth rates, and age structure. These interrelated demographic changes influenced the relative sizes of the dependent and working-age populations, the economic roles of women, incentives for saving and investment, decision making about investing in the health and education of children, various dimensions of income inequality, international capital flows etc. In East Asia, rapid demographic transition had a substantial, favourable development impact.

In Uganda, population policies and programmes implemented with Government commitment can lead to unprecedented declines in fertility with the resultant demographic transformation and rapid socio-economic development.

1.5 Policy Recommendation

1. Government should accelerate the demographic transition through investments that facilitate rapid fertility decline, enhance child survival, and improve education and general empowerment of women
2. The skills development agenda should focus on the youth and address imbalances between the needs of different sectors as well as provide for rural development. Presently, there appears to be a strong bias on provision of skills required in urban-based activities. It is important to note that rural development skills can indeed be regional-specific as they have to depend on unique geographical resources.
3. Ensure that both training institutions and businesses in all sectors of the economy equip their workforce to adapt to change to keep with the pace of transformation as the economy becomes more knowledge-based. The new curriculum and modes of its delivery will require re-orientation of teachers and training materials that should be addressed along the way.
4. A system-wide approach is required to ensure that Local Governments, macroeconomics, regional and global integration approaches are in line and supportive of the socio-economic transformation process. Beyond direct process of equipping the population through education and health interventions, broader issues of supportive and enabling systems should be addressed to promote the process of transformation.
5. Government should enhance investments in health to nurture a healthy and productive labour force.



CHAPTER 2

THE DEMOGRAPHIC DIVIDEND AND SOCIO-ECONOMIC TRANSFORMATION

2.1 Introduction

Uganda's population arguably presents itself as the most critical game changer in the road to socio-economic transformation of the country as envisaged in the second National Development Plan (NDP II). In this chapter we present the opportunities that are available for the country to take advantage of the population characteristics and structure by focusing on education, health, economic reforms, and governance as well as discussing the constraints presented by the same population if nothing is done to respond to them. The chapter also presents specific strategic policy suggestions for the country to turn around the nation by seizing the demographic dividend that is yet to be experienced by the country.

2.2 Background to Population Change and Development

World over, there has been a shift of focus from the growth impact of population size to that of the age structure. Changes in the age structure of population are usually driven by demographic transition from high mortality and high fertility levels to low mortality and low fertility levels. This demographic transition was first observed in Western Europe during the 18th and 19th Century.

It was sparked by a decrease in mortality rates, predominantly infant and child mortality rates, and has since turned out to be a pervasive phenomenon all over the world, typically coinciding with industrialization and urbanization processes and takeoff of the economy that has broken through the Malthusian trap into higher growth regimes (Birdsall et al., 2003). Demographic transition has clearly taken roots in East Asia, spreading through the continent to South East Asia and to the Middle East. The process is now also apparent and easily recognized in Latin America and the Caribbean. Many demographers now believe that in spite of setbacks and anomalies, it has started in most of Sub-Saharan Africa as well. These countries include; Tunisia, Egypt and South Africa.

In the next 30 years, Uganda is envisaged to be a transformed society from a peasant to a modern and prosperous country. This means that within the thirty years every Ugandan citizen on average is expected to be earning an annual salary of US\$ 9,500 or Ushs 25,000,000, which translates into an average monthly income of Ushs. 2,000,000. In order to achieve this economic expectation, all other aspects of the population including socio-demographic behaviour have to be improved upon to match the expected rise in income as envisaged above.

On the other hand, Uganda's population age- sex structure characterised by high child dependency burden potentially provides a bottleneck to achieving the maiden goal. It is perhaps arguable that the total population Uganda has in its exclusive sense may not pose a developmental problem but the characteristics of the population is the challenge if not harnessed

Additionally, with available data and research evidence, the role of population change that presents a demographic dividend opportunity for Uganda, policy environment, influence of markets and consistent and credible institutions are at least as important as population change itself in determining the socio-economic transformation future for Uganda.

2.3 Uganda's Population and Socioeconomic Transformation

2.3.1 Uganda's Population Change and Development

Uganda's history of population change does not present a different scenario from that presented by the theoretical models in the demographic transition for many countries. As mentioned above, Uganda's age structure is driven by the

demographic transition from high mortality and fertility to a relatively slow reduction in fertility and mortality but the rate of reduction is still not acceptable compared to other countries.

With every Ugandan woman on average producing 6 children throughout her reproductive period, the country presents a scenario of the youngest population and most rapidly growing of today's world (World Bank, 2011). Close to half (48.7 percent) of Uganda's population constitutes majority of the dependent population (under 15 years). Compared to the region's under 15 years population (43.2 percent) and the world's under 15 years population (26.8 percent), Uganda's young population is evidently higher. The high fertility rate, the young and youthful population and the elderly present a developmental challenge which is the dependency burden where few people have to provide for a huge population which is not employed. Uganda's population continues to grow currently at rate of 3.2 percent and is way higher than the region's average population growth.

In both short and medium term, Uganda's age – sex structure will continue to pose a demographic challenge, which can be harnessed to be a demographic opportunity. If Uganda is to harness its age- sex structure for a demographic opportunity, the demographic transition must be accelerated from high fertility to low fertility, which should be in tandem with mortality reduction. A reduction in mortality especially Infant and child mortality and fertility dependency on the working population is reduced and this has an economic growth resultant effect on the nation. With a right history and present policy and governance framework in the country, changes in the age structure brings in a demographic dividend that once harnessed facilitates and results into an economic growth benefit for the country.

2.3.2 Uganda's Fertility and Mortality Implications

Econometric analysis of key proximate and intermediate determinants of fertility in Uganda has shown that fertility in urban areas – and especially in Kampala – is lower, and actual number of children is closer to the desired one (UDHS, 2011); Education increases age at marriage and sexual intercourse. Increasing contraceptive use makes a significant impact on fertility, and this can be achieved by tapping into unmet needs for family planning and women who earn some cash from their work have fewer children than those who do not, and female labour participation increases age at marriage and decision making by women in the home.

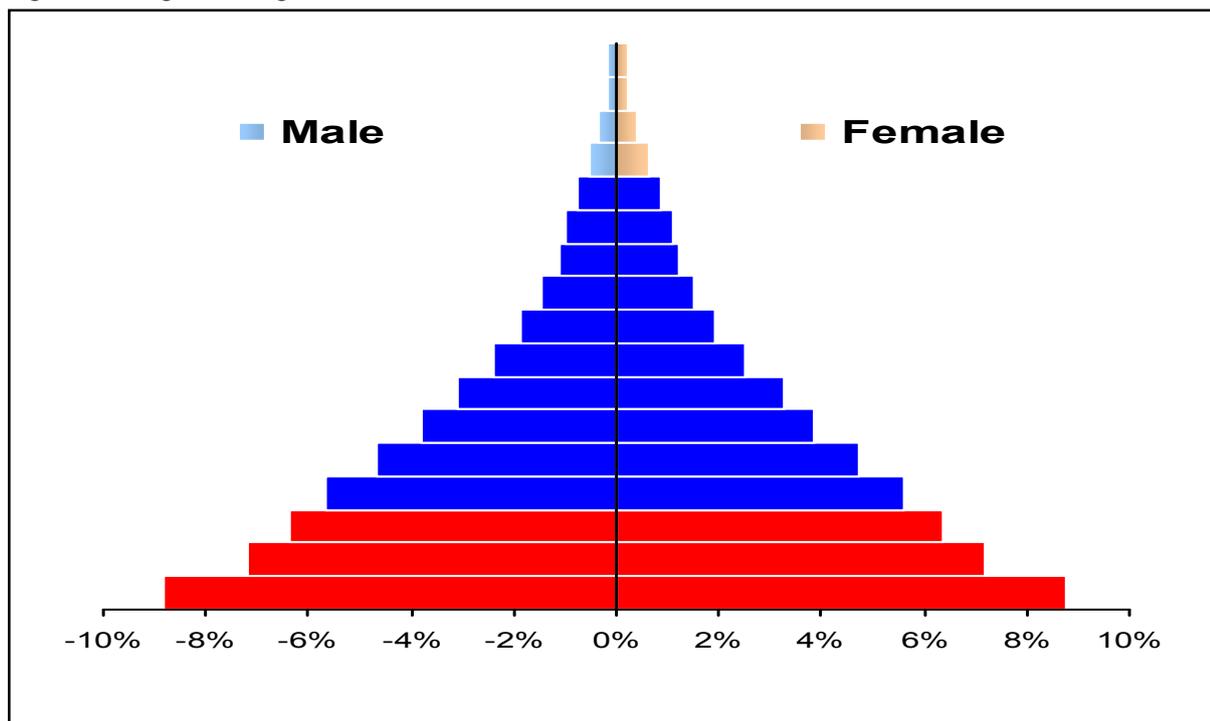
Furthermore, prenatal care has been found out to increase substantially the child's chances to survive, mother's education is important too, and spacing of births helps to increase children's survival, type of toilet used by the household affects the child's survival, household's source of drinking water is important in urban areas, breast-feeding has a huge impact on the probability of surviving beyond the fifth birthday; and child's weight at birth affects her/his chances for survival.

Uganda has registered success in combating communicable diseases but progressed slowly in reducing overall child and maternal mortality levels. Furthermore, despite major improvements in the area of vaccine preventable diseases that helped bring down the high levels of under-five mortality, the improvement of these outcomes has remained relatively poor compared to other countries in the region.

If Uganda is to accelerate its transition from high fertility and mortality to low fertility and mortality in order to achieve socio-economic transformation, it must begin with transforming the age structure and focus on reduction of youth dependency ratio. Therefore, the relationship between population change and socio-economic transformation cannot be over emphasized.

2.3.3 Uganda's Population Structure

Figure 2.1 presents the age – sex structure according to projection data in 2007. The age structure of a population is a good indicator to show the dependency situation of a country and later on directly impacts on the savings, labour supply as well as human capital development aspects, which are key indicators of socio-economic transformation.

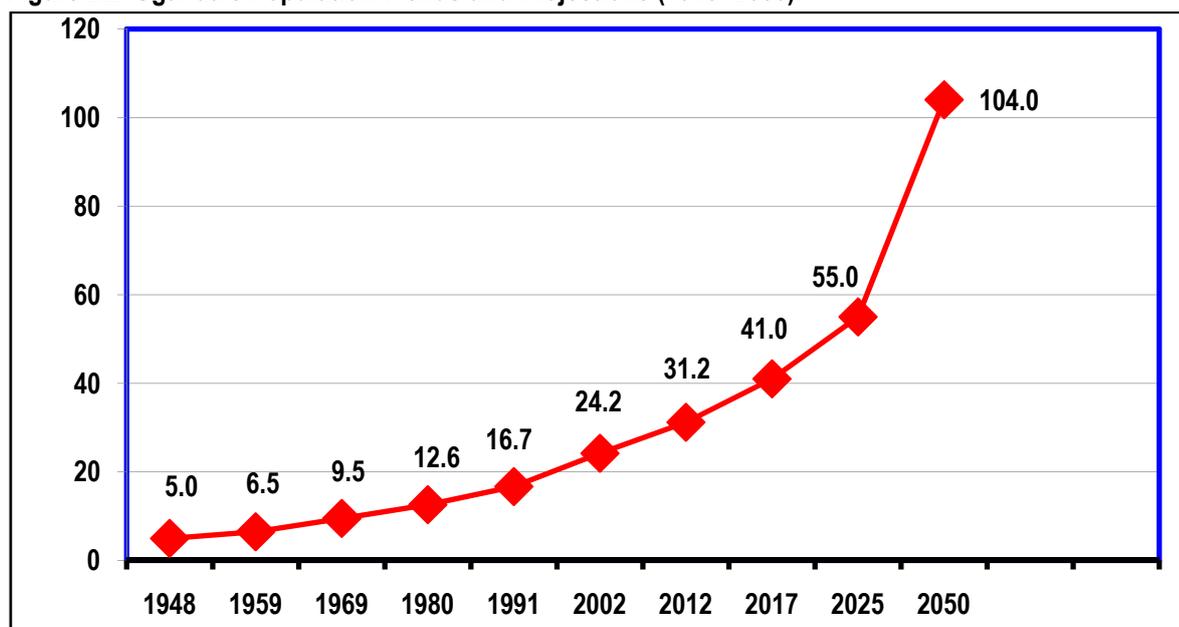
Figure 2.1: Uganda's Age –Sex Structure


Source, UBOS, 2011

Figure 2.1 presents the population structure for Uganda. The huge number of young people imply high dependency ratio, which translates into a burden to households and the Government. On the other hand, for Uganda this demographic surge of young people entering their productive and reproductive years presents a possibility of a great potential for development as long as the government invests wisely in the education, health, skills and economic opportunities for youthful population. If fertility declines, child dependency ratios will decline and working age population will increase, creating a window of opportunity for accelerated economic growth.

2.3.4 Uganda's Population Growth Trends and Projections

While Uganda's fertility and mortality levels have reduced, they have not done so at the same rate, hence creating a lag that is responsible for the population growth rate. Figure 2.2 presents the trends in population growth from 1948 and projection to 2050.

Figure 2.2 Uganda's Population Trends and Projections (1948- 2050)


Source: UBOS, 2013

According to figure 2.2 above, Uganda's population has steadily increased. This growth translates into a high population, which is expected to double in 22 years. Today, about one million people are added to Uganda's population and this situation is not likely to change. The future of Uganda's population will depend and will be shaped by how fertility of the population will evolve.

Uganda's population momentum that is in-built in Uganda's population today is a result of the young people who dominate the age structure of the population and will soon enter their child bearing ages at replacement level. This is a reason why we expect Uganda's population to continue growing. While it is clear that Uganda needs to focus on investments in higher education, health and economic reforms to stimulate people's innovation, productivity and purchasing power to turn the available population into a resource for socio-economic transformation, the challenge ahead of the country is that these policy strategies should have been yesterday not now and not even in the future.

2.4 Demographic Dividend and Socio-Economic Transformation: Challenges and Opportunities

2.4.1 Understanding the Demographic Dividend

The change in the age structure of population may bring about a "demographic dividend" to economic growth. The window of opportunity to capture this "demographic dividend" is ushered by the decline of fertility levels, which improves the youth dependency ratios and, relatively speaking, expands the size of the working age population. The Demographic Dividend is the economic benefit that comes from a significant increase in the ratio of working-aged adults relative to young dependents.

The demographic dividend occurs when a falling birth rate changes the age distribution, so that fewer investments are needed to meet the needs of the youngest age groups and resources are released for investment in economic development and family welfare. A falling birth rate makes for a smaller population at young, dependent ages and for relatively more people in the adult age groups—who comprise the productive labour force. It improves the ratio of productive workers to child dependents in the population. That makes for faster economic growth and fewer burdens on families (Ross, 2004). Some countries that have reaped from the demographic dividend present an explanation on how a country can benefit from a demographic dividend. In this case, the Republic of Korea demonstrates a perfect example: as its birth rate fell in the mid-1960s, elementary school enrolments declined and funds previously allocated for elementary education were used to improve the quality of education at higher levels.

The demographic dividend, however is not a gift for countries to reap without an effort, it therefore does not last forever. There is a limited window of opportunity for which Governments needs to make a definite decision to harness. With time, the age distribution changes again, as the large adult population moves into the older, less-productive age brackets and is followed by the smaller cohorts born during the fertility decline. When this occurs, the dependency ratio rises again, this time involving the need to care for the elderly, rather than the need to take care of the young, thus creating a double burden for the country. Additionally, the dividend is not automatic. While demographic pressures are eased wherever fertility falls, some countries will take better advantage of that than others. Some countries will act to capitalize upon the released resources and use them effectively, but others will not. Then, in time, when the window of opportunity closes, those that do not take advantage of the demographic dividend face renewed pressures in a position that is weaker than ever.

The three mechanisms under which the demographic dividend is delivered to a country include;

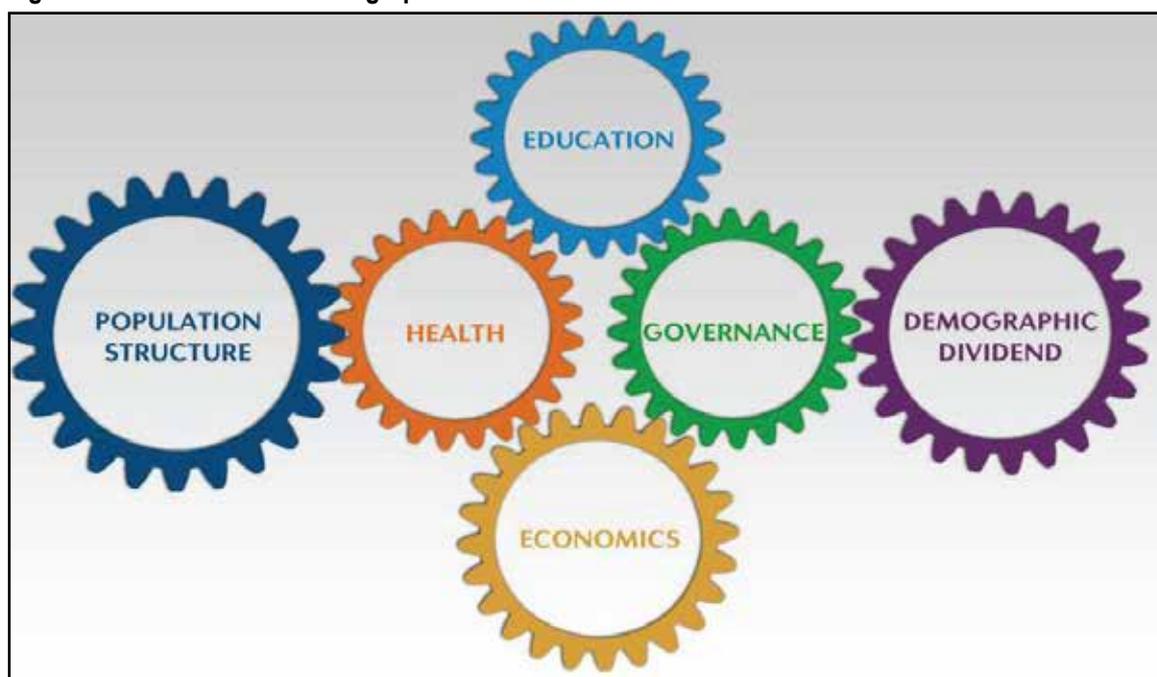
1. Labour Supply where former children become workers (if good policies were in place before) and women free to take jobs outside home.
2. Savings from personal and national savings grow and serve partial resource for industrial development, and
3. Human Capital where fewer children enhance health of women and they contribute better to family and society, family income focused on food for infants and prolonged education for girls and teenagers of all sexes.

The second demographic dividend refers to the increase in output that is created by the enhanced human capital investments per child and increased savings and investments that households and Governments make as a result of reduced costs of taking care of children. Having a quality human capital and more financial resources help enhance capital formation and development of economic infrastructure, which are critical for attracting capital formation and igniting further economic growth. The mechanisms explained under which the demographic dividend is delivered can be evidenced in two phases. In the first phase, labour supply results into an increase in the number of workers as an economic output and, secondly the enhanced human and financial capital investments and savings result in reduced costs for childcare. As a result economic development becomes a focus for the Government thus resulting into economic growth.

There are many interactions that increase benefits from the demographic dividend, provided Government policies are constructed to build upon the dividend during the window. The "South East Asia Miracles" provide one sure estimate that as much as one third of the growth in these countries came from demographic dividend. Countries that reaped the demographic dividend exploited the world economy, maintained macroeconomic stability, had high saving and investment rates, allowed markets to allocate resources, had committed, credible and capable Governments, ensured gender equality and had well developed social service delivery systems. Therefore for Uganda to reap from the demographic dividend the role of peace, stability, efficient and effective governance and accountability for socio-economic transformation cannot be underscored if the country is to seize opportunities of the benefits of the demographic dividend.

2.4.2 Drivers of the Demographic Dividend for Socio-Economic Transformation.

Figure 2.3 provides an illustration of the drivers of the demographic dividend that Government policy strategies should target as they work towards harnessing the demographic dividend for socio-economic transformation. The figure shows that a demographic dividend is delivered in form of five pillars that are closely interconnected. In order to achieve socio-economic transformation, the five pillars of the demographic dividend should be concurrently implemented.

Figure 2.3: Drivers of the Demographic Dividend for Socioeconomic Transformation


Source: *Harnessing the Demographic Dividend: A PRB ENGAGE Presentation, 2013*

2.4.3 Demographic Dividend Pillars for Uganda's Socio-Economic Transformation

As mentioned earlier, the demographic dividend policy pillars are related and they reinforce each other. Therefore they should be implemented concurrently to drive the country towards the economic prosperity that can accrue from the demographic dividend.

It can therefore be delivered if significant investments are done in education at all levels in form of skills enhancement, a well nurtured healthy, skilled and flexible labour force that responds to market forces with the required skills and operating in a Government that decisively implements economic reforms in order to facilitate job creation which accelerates economic growth. Efficient and accountable use of resources operating within a rightful fiscal policies and governance reforms aimed at enhancing savings and attracting foreign direct investment also comprise the key pillar that delivers a country into a demographic dividend.

The resulting surplus labour force is well educated, skilled, healthy, and economically engaged. Having quality human capital becomes key to optimize productivity and associated socio-economic benefits that a country can harness from the demographic transition.

2.4.4 Uganda's Education and Socio-Economic Transformation

Government of Uganda through Universal Primary Education and other Educational programme has continued to improve with the Gross Enrolment Ratio (GER) (total enrolment in a specific level of education, regardless of age, expressed as a percentage of the eligible official school-age population corresponding to the same level of education in a given school year). This is the most commonly used and most readily available measure of participation. In Uganda, the official age for being in primary school is between 6 and 12 years. This is seen as a preparation of the young population for employment and marketability beyond the country.

Table 1 show that the GER for Uganda was estimated at 120 percent. This ratio is almost the same for both boys (121%) and girls (120%). The GER in urban areas is lower (111%) than that for rural (122%) because children in urban areas are more likely to attend at the official school-going age of 6-12 years. Regional variations show that the Eastern region has the highest gross enrolment ratio (126%) while Central region had the lowest (113%).

Table 1: Gross Enrolment Ratios by Selected Background Characteristics

Background Characteristics	No. of Persons attending Primary	Number of persons aged 6-12 years	Gross Enrolment Ratio
Sex			
Male	4417	3644	121
Female	4293	3592	120
Residence			
Urban	937	843	111
Rural	7773	6394	122
Region			
Kampala	272	294	110
Central	1696	1504	113
Eastern	2816	2243	126
Northern	1909	1594	120
Western	2017	1647	122
Uganda	8710	7236	120

Source: UNHS 2009/10

Information from the Uganda National Household Survey 2010/11 for Ugandan household members aged 5 years and above on the highest education level attained reveals that 17 percent of persons aged 15 years and above do not have any formal education. On a good note this figure shows a 3 percentage point reduction from what was reported in 2005/06.

The proportion of females with no formal education (24%) is more than double that of males (10%). The results further show that 51 percent of persons aged 15 years and above had attended or completed primary while 25 percent had attended or completed secondary education. Only six percent had post-secondary education. Urban residents (18%) were more likely to have attained higher education levels as compared to their rural counterparts (3%). Residents of Kampala (4%) and those in Central region (11%) generally had lower proportions of persons with no formal education compared to other regions.

Table 2: Educational Status of Persons aged 15 years and above by Selected Background Characteristics

Background Characteristics	Number Formal schooling	Some/Completed Primary	Some/Completed Secondary	Secondary
Sex				
Male	9.8	53.8	29.1	7.3
Female	24.1	49.3	21.9	4.7
Residence				
Urban	6.6	30.5	44.8	18.1
Rural	19.7	56.0	21.1	3.3
Region				
Kampala	4.4	27.9	46.0	21.7
Central	10.3	47.1	33.4	9.1
Eastern	18.3	56.1	23.1	2.5
Northern	22.8	54.7	18.2	4.4
Western	21.9	54.1	20.4	3.7
Uganda	17.3	51.4	25.3	5.9

Source: UNHS 2009/10

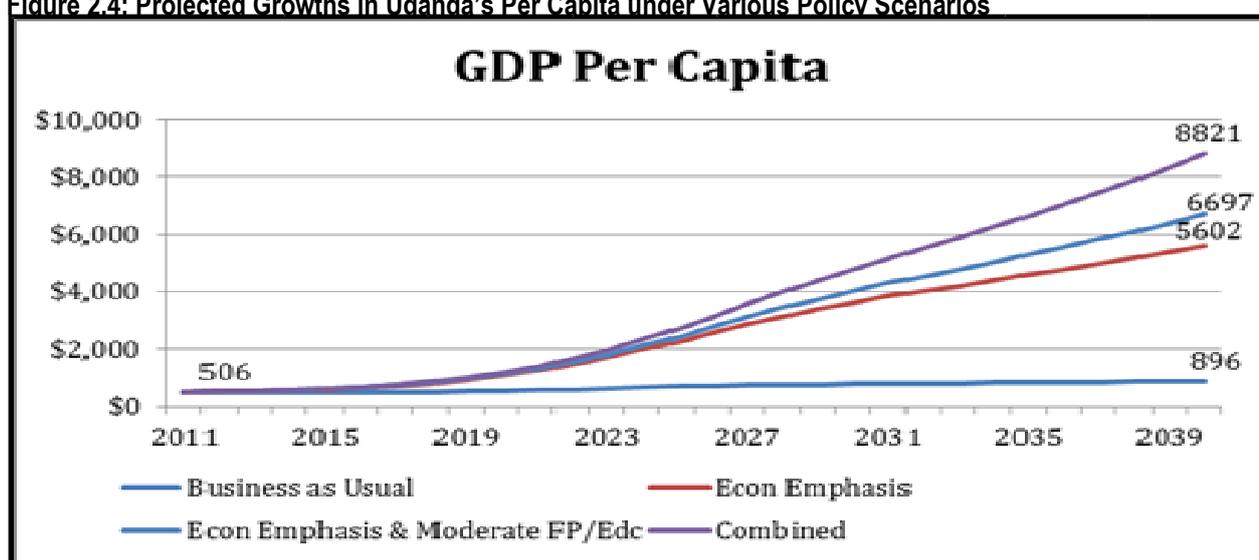
2.4.5 Uganda's Economic Growth and Socio-Economic Transformation

Uganda's journey for economic transformation can be traced in two major shifts. Firstly a shift from almost failed state in the 1970's to the introduction of Structural Adjustment Programme Strategy (SAPS), Economic Recovery Programme (ERP) and Poverty Eradication Action Plan (PEAP) in late 1980's. Secondly the economic transformation promise shift with the oil discovery which form partly the basis for the socio-economic transformation expectations as a result of attracting foreign direct investment, remittances and infrastructure development. Today, Uganda has posted strong economic growth, averaging 6.4 per cent per year since 2002 (GOU, 2013). GDP grew from Ushs. 11 trillion (US\$ 5.7 billion) in 2002 to Ushs. 53 trillion (US\$ 20 billion) in 2012 (UBOS, 2013). It is explained that a stable macroeconomic environment, strong export growth, high foreign direct investment, and increased private investment have been at the centre of this growth.

Despite the economic growth in the past decade, many Ugandans live in poverty and confront or face social and economic inequities. The percentage of Ugandans living below the poverty level decreased significantly from 56.4 per cent in 1992 to 19.7 percent in 2012 (GOU, 2014). Although the proportion living below poverty level generally declined, the absolute numbers increased due to the larger population size. In addition, income inequality increased dramatically, with the Gini Coefficient rising from 0.37 in 1992/3 to 0.43 in 2009/10 (UBOS, 2013). Highest inequality is in the urban areas. Increasing levels of income inequality could perpetuate intergenerational transmission of poverty, thus it is important that all sections of the population participate productively in the economy, and are guaranteed of economic security. One of the Vision 2040 targets is to reduce the proportion of people living below the poverty line to 5 per cent by 2040.

Figure 2.4 and 2.5 below presents growth in Gross Domestic Products (GDP) between 2011 and 2040 under various policy scenarios. The GDP would grow from the current level of US\$ 17 billion to US\$ 83 billion, US\$ 518 billion, US\$ 567 billion and US\$ 624 billion for the Business as Usual scenario, economic emphasis scenario, family planning and education emphasis scenario and both economic and demographic scenarios combined respectively.

Figure 2.4: Projected Growths in Uganda's Per Capita under Various Policy Scenarios

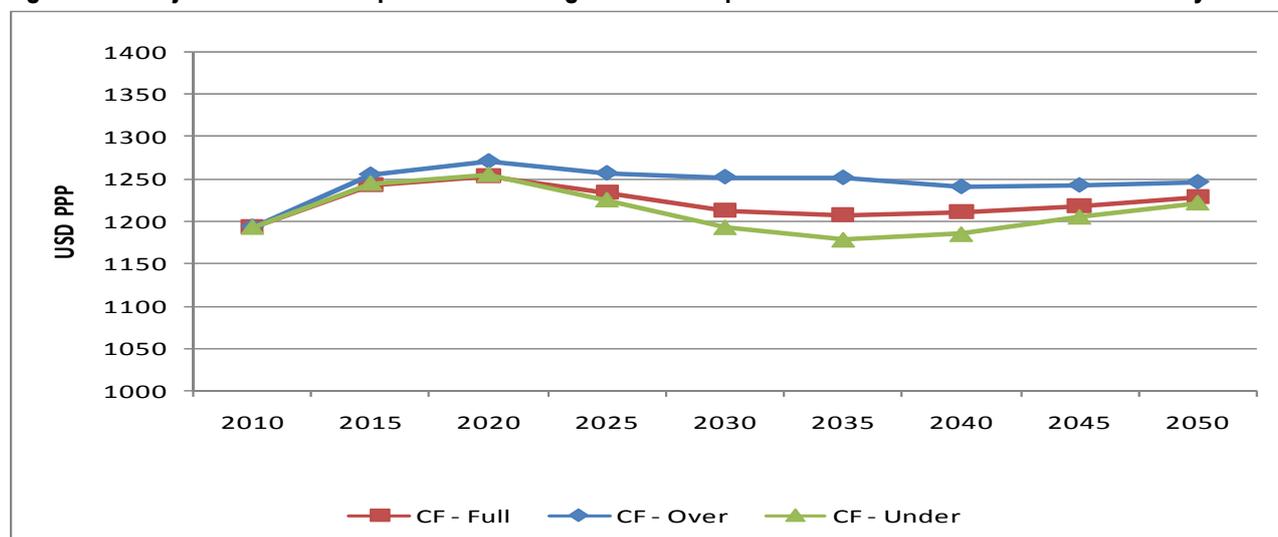


Source: NPA, July, 2014

Using the Demographic Dividend (DemDiv)(Moreland et. al. 2014)the effect relationship between demographic variables on income per capita levels in Uganda was estimated. The model includes a number of demographic variables, such as life expectancy at birth and family planning. Baseline simulations for three scenarios (Business as Usual, economic emphasis, economic emphasis with moderate family planning and education, combined scenarios). This modelling was meant to design scenarios to demonstrate the combination of family planning; health, education and

economy help to deliver the economy to achieving the demographic dividend as enshrined in the vision 2040 for Uganda. If the status quo is maintained, and persistent high child dependency ratios coupled with poor economic performance continue to prevail, the country is expected to attain only 30 percent of the progress that it needs to attain average global competitiveness amidst a slow progress in prevalence and use of family planning.

Figure 2.5: Projections of Per Capita Income in Uganda for the period 2010- 2050 under Constant Fertility



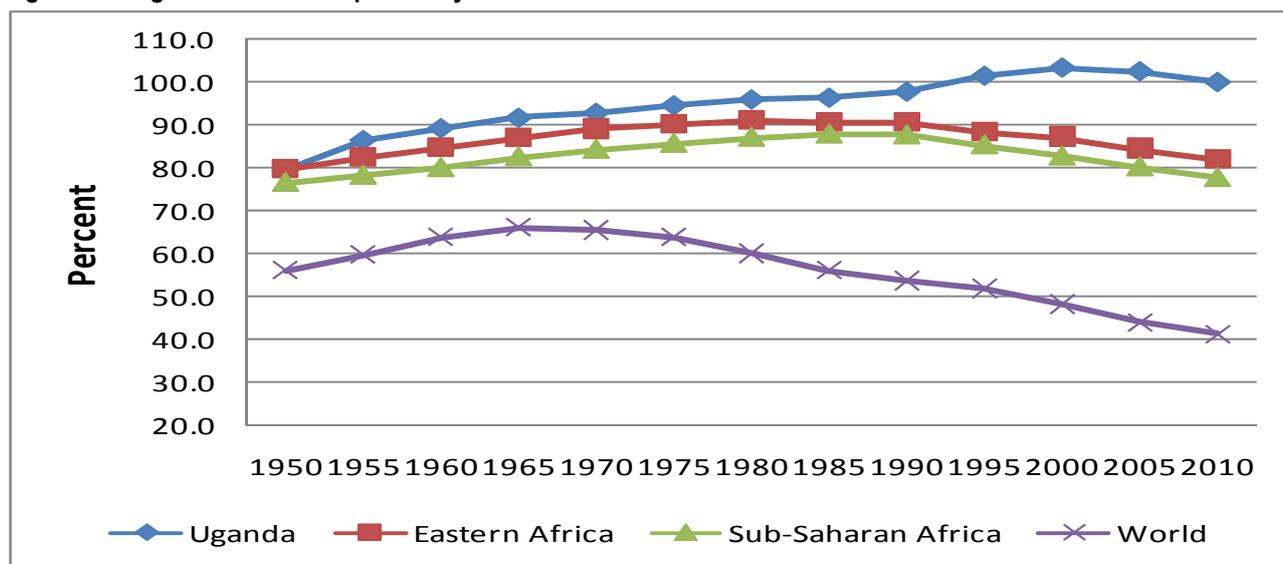
Source: NPA, July, 2014

If the status quo is maintained, and persistent high child dependency ratios coupled with poor economic performance continue to prevail, the country is expected to attain only 30 percent of the progress that it needs to attain average global competitiveness amidst a slow progress in prevalence and use of family planning. Compared to countries that capitalized the demographic dividend (Asian Tigers), models results reveal that concurrent prioritization of job oriented economic reforms, investments in family planning and education to accelerate fertility decline for human capital development provides Uganda the most relevant scenario for achievement of socio- economic transformation. In this scenario it is projected that on average every Ugandan would earn US\$ 8,821 per annum, which translates into US\$ 735 per month (approximately Ushs. 1,900,000/=). This is in tandem with what Uganda dreams to be in the Country's Vision 2040.

2.4.6 Uganda's Youth Dependency Ratio and Socio-Economic Transformation

Unemployment for Ugandan Youth stands at more than 65 per cent and the rate of underemployment is high, despite a 10 per cent unemployment rate. This situation in Uganda is connected to a UNESCO report on youth and skills, working below the poverty line is a much more widespread phenomenon than not working at all (UNESCO, 2012). The youth dependency ratios for Uganda, East Africa, and sub-Saharan Africa are presented in figure 2.6. This is vital to determine the level at which a country is ready to reap from the demographic dividend. According to figure 2.6 below, above, as noted before, Uganda having the youngest and most rapidly growing populations in the world and a high total fertility rate (TFR) of 6.7, a big percentage of Uganda's population is younger than 15 years and it is above Sub-Saharan Africa's average of 43.2 percent. This situation translates into high youth dependency ratio as shown in the figure.

Just like the Asian Countries that have harnessed the demographic dividend and turned around their countries, it is important that Uganda could industrialize from the agricultural base that provides livelihoods for most families and has higher job-multiplier effects than many of the fast-growing industrialized countries and this can partly be done by electrifying rural Uganda, a trial that is already underway. This is the only sure way of engaging a growing youthful population.

Figure 2.6: Uganda's Youth Dependency Ratios


Source: UN World Population Prospects 2014

2.4.7 Uganda's Population Health Status and Socio-Economic Transformation.

According to table 3 below, the disease burden situation in Uganda is presented. The health status of a country's population is directly related to its development. Uganda's population has experienced a fair improvement in health indicators. However, child malnutrition, high prevalence of malaria and HIV/AIDS, and high rates of maternal morbidity and mortality remain a challenge, to the country's development. Proper nutrition for boys and girls in Uganda needs to be prioritized if the government is to realize sensible human capital development that will drive the nation into reaping a demographic dividend and achieve socio-economic transformation. Therefore if the country is to harness the demographic dividend, the high population that is ready to provide labour force need to be healthy and should bear a minimum disease burden.

Table 3: Population that Suffered Illness within 30 days prior to the Survey, 2009/2010

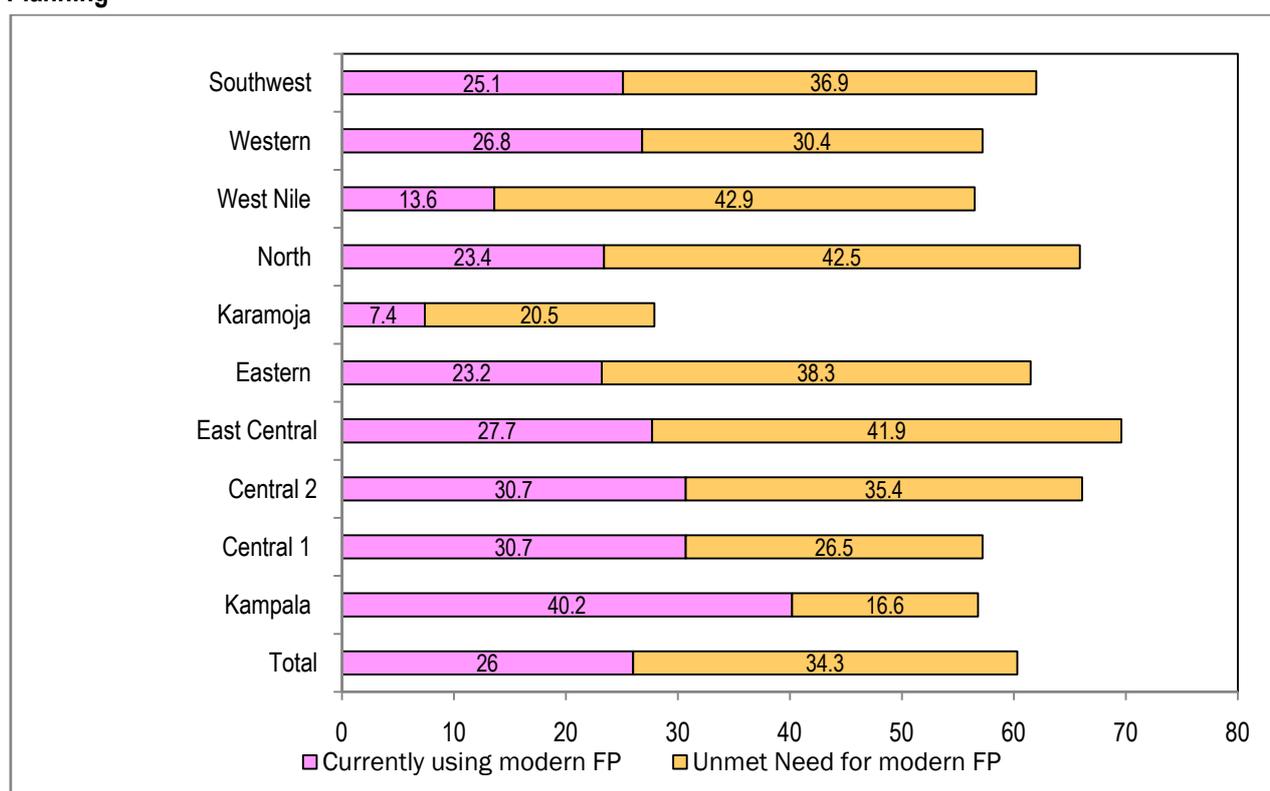
Back Ground Characteristics	Male	Females	Both Sexes
Residence			
Urban	37.8	37.7	37.8
Rural	41.0	46.6	43.8
Region			
Kampala	35.4	35.3	35.3
Central	41.7	45.0	43.4
Eastern	47.7	53.4	50.6
Northern	37.8	42.4	40.2
Western	34.1	39.8	37.0
Age			
Under 5 years	58.0	55.2	58.1
5-17	34.1	36.0	35.0
18-30	32.2	39.1	35.7
31-59	40.7	53.1	47.0
60+	62.7	71.1	67.1
Uganda	40.5	45.2	42.9

Source: UNHS 2009/10

Fertility indicators in Uganda show that fertility has declined over time albeit slowly from 7.1 children per woman on average in 1991 to 6.2 children per woman on average in 2011. This decline only presents a 1.1 percentage point, which is still less than expected.

Figure 2.7 shows a national average unmet need for family planning of 34.3 % meaning that on average, 3 out of every ten women do not wish to be pregnant but they are not using any contraception even when they are sexually active, this puts them at risk of having unwanted children. This is largely explained by the high demand for children, which is explained by culture and mortality. The high unmet need for family planning in Uganda is also explained by early initiation to child bearing as well as young age at marriage, high school dropout rates for the girl child among other factors. With the exception of Central 1 and Karamoja regions, all other regions have a high unmet need which is way above the national average of 34.3%. This means that unmet need continues to affect rural areas more compared to urban Uganda.

Figure 2.7: Percent Married Women Using Modern Family Planning and those with Unmet need for Family Planning



Source: UDHS Series 2014

2.5. Policies and Governance and Socio-Economic Transformation in Uganda

Uganda's policy environment, the country's ability to influence of markets and building lasting credible institutions are at least as important as the population growth rate itself in determining whether Uganda's with expanding population will suffer or thrive. Analysts at all levels must not ignore a critical dimension of population dynamics in Uganda population evolving age structure because these changes are arguably as important as population growth. There must be an understanding of each age group as each age group in a population behaves differently, with distinct economic consequences: the young require intensive investment in health and education, prime-age adults supply labour and savings, and the aged require health care and retirement. As the relative size of each of these groups in a population changes, so does the relative intensity of these economic behaviours.

2.6 Strategic Policy Suggestions for Utilizing Uganda's Demographic Dividend for Socio-Economic Transformation

In this section we present policy suggestions for each discussed demographic dividend pillar for socioeconomic transformation in Uganda.

1. For a Well Equipped Quality Educated and Skilled Population

There is need for Uganda's population to compete globally; it therefore needs to be well equipped with requisite skills and qualifications for the world market. To this end, Uganda needs to enhance education both from the supply and demand side. From the demand side, there is need for the government to equip Ugandans with education that embraces, modern technology and wider practical skills to allow Ugandans compete beyond the Ugandan Market. From the supply side Ugandan educational resources (teachers) need to be oriented so that they respond to the changing demands in the world education market.

A specific focus on education at all levels will prepare Uganda's young population that will be incorporated into the workforce in the future. Practical, relevant curricula (taking into account the importance of changing technology as well as, for example, the health problems that beset the Ugandan society) can give Uganda a better chance of catching up to some of the more advanced societies.

2. For Economic Growth and Socio-Economic Transformation

Policies to improve Ugandan human resource capabilities and creating jobs are essential to absorb a large number of Ugandan teenagers coming of age. Open trade policies will go a long way in driving faster growth during the period of demographic dividend. Also, policies to generate capital are needed to fuel growth. There is need to encourage personal savings as well as other sources for Government and business savings. All these can happen if there are favourable Government actions.

3. For a Healthy Population and Socio-Economic Transformation

Uganda's demographic transition offers significant opportunities, but opportunities that are unlikely to recur. Therefore action should be taken soon to implement the policy mix required to accelerate the demographic transition and make its effects more pronounced. As mortality declines, policies to facilitate family planning and push down fertility rates should follow. Such measures will have broader collateral impacts than just reducing fertility and women will have more time to work and their health will be improved.

Government needs to extend services for family planning, with the public sector targeting services and resources to the poor while, at the same time, releasing the energies of the private sector to meet the needs of those who can afford to pay for family planning and other health services. Investing in the health of children and teenagers, to improve educational performance in order to prepare them for available employment in the country needs to be done in earlier phases of Uganda's development.

Uganda's institutional issues also need to be addressed to improve the implementation of population and health policies and strategies. Improving services delivery and the performance of the health system will imply improving governance (e.g., the issue of absentee health workers). These goals will also entail strengthening priority-setting mechanisms by setting up an appropriate monitoring and evaluation system, and improving inter-agency coordination between various line ministries for a multi-sectoral approach, as well as coordination between the Government, Lawmakers, and Civil Society institutions.

4. For a Governance and Socio-Economic Transformation

The demographic transition that explains the demographic dividend changes society profoundly and fundamentally influences family structure, the status of women and children, and the way people work. Policymakers in Uganda should therefore work hard to explain the changes that are happening and articulate the policies that are needed to take full advantage of them. Embracing and understanding Uganda's demographic challenges should be priority for Government of Uganda, as it builds broad partnerships necessary to secure change.

2.7 Conclusion

Having a larger, healthier, and better-educated workforce will only bear economic fruit if the extra workers can find jobs. While Uganda's economy has grown significantly over recent years and will continue to do so into the future, this has not translated into better jobs. The vast majority of Uganda's labour force remains employed in subsistence agriculture and informal sector. The non-agricultural informal sector alone had 14.1 percent (2.1 million). To take advantage of the demographic dividend, Uganda will need to create good jobs at a fast rate to absorb the growing labour force.

Uganda's demographic dividend opportunity will not last long and will not be repeated. Once the demographic dividend window closes, favourable policies take time to establish and take effect. Investments in education, health, and job creation are vital, as are policies that favour the fertility declines, which create and sustain the demographic window of opportunity.

Therefore, Uganda should stand warned that "A failure to act on these issues could have a damaging effect on future prospects, as unemployment rises, the social fabric crumbles, and rising numbers of old people begin to overwhelm available resources. Embracing and understanding demographic challenges must therefore be a priority for the Government.

References

- Birdsall, Nancy, Allen C. Kelley and Steven Siding (2003). *Population Matters: Demographic Change, Economic Growth, and Poverty in the Developing World*. Oxford University Press.
- Bloom, D., D. Canning, and P. Malaney. 2000. "Demographic Change and Economic Growth in Asia." *Population and Development Review* 26
- Bloom, D., D. Canning, and J. Seville. 2003. "The Demographic Dividend: A New Perspective on the Economic Consequences of Population Change." *Population Matters Series*. Santa Monica, California: Rand.
- Bloom, D. and J. Williamson. 1998. "Demographic Transitions and Economic Miracles in Emerging Asia." *World Bank Economic Review* 12:
- Bongaarts, J. 1999. "Future Population Growth and Policy Options." In A. Mason, T. Merrick, and R.P. Shaw (Eds.), *Population Economics, Demographic Transition, and Development: Research and Policy Implications*. Washington, DC: World Bank.
- Henshaw, S., S. Singh, and T. Haas. 1999. "The Incidence of Abortion Worldwide." *International Family Planning Perspectives*. United Nations. 2001. *World Population Prospects: The 2000 Revision*. New York: United Nations.
- Population Reference Bureau (2010). *2010 World Population Data Sheet*. Washington, DC: Population Reference Bureau.
- The Republic of Uganda (1990, 1995, 2000-2001, 2006, 2011). *Uganda Demographic and Health Surveys (DHS)*. Kampala, UG: Bureau of Statistics.
- The Republic of Uganda (1995). *National Population Policy for Sustainable Development*. Kampala: Ministry of Finance and Economic Planning.
- The Republic of Uganda (2001). *National Youth Policy*. Kampala, UG: Ministry of Gender, Labor and Social Development.
- The Republic of Uganda (2007a). *National Gender Policy*. Kampala, UG: Ministry of Gender, Labor and Social Development.
- The Republic of Uganda (2007b). *Roadmap to Reduction of Maternal and Neonatal Morbidity and Mortality 2007-2015*. Kampala, UG: Ministry of Health.
- The Republic of Uganda (2008). *National Population Policy for Social Transformation and Sustainable Development*. Kampala: Ministry of Finance, Planning and Economic Development.
- The Republic of Uganda (2009). *Reproductive Health Commodity Security Plan 2009/10 -2013/13*. Kampala, UG:

Ministry of Health.

The Republic of Uganda (2010a). *Millennium Development Goals Report for Uganda 2010*. Kampala, UG: Ministry of Finance, Planning and Economic Development.

The Republic of Uganda (2010b). *National Development Plan 2010/11 – 2014/15*. Kampala, UG: Ministry of Finance, Planning and Economic Development.

World Bank (2007b). *Population Issues in the 21st Century: The Role of the World Bank*. HNP Discussion Paper. Washington, DC: The World Bank.

World Bank (2010). *Unmet Need for Contraception at a Glance*. Washington, DC: The World Bank.

World Bank (2011). *2011 World Development Indicators*. Washington, DC: The World Bank.

NVTI
INSTRUCTOR



CHAPTER 3

EQUIPPING UGANDA'S POPULATION FOR SOCIO-ECONOMIC TRANSFORMATION

3.1 Introduction

Uganda recognizes the intricate and fundamental relationship between population and development as partly shown by the National Population Policy for Sustainable development of 1995¹. The policy highlights the fact that the process of development has an important effect on population trends and that population factors, in turn, have a major impact on the attainment of development objectives and targets. Specifically, the policy indicates a need to harmonize the population growth rate with that of economic growth if the country is to achieve fast development. In 2008, government reiterated the need to redress challenges and interrelations between population, sustained economic growth and poverty reduction².

Social economic transformation involves changes in human economic systems and dominant human economic activities by way of continuous improvement in sector productivity growth rates. Socio-economic transformation is a necessary vehicle for rapid economic growth as it increases reliance on more productive and value addition sectors like services and industry compared to primary-based production or an agricultural nature. The process should be driven by advances in technology, innovations, accumulated practical knowledge and experience, education and research, as well as credible institutions that make high quality decisions.

In view of the foregoing, social economic transformation requires strategic investments in the population for effective propagation of the required processes. Critical focus will be required in the following areas: youth, education and health. The National Population Action Plan and the National Development Plan reflect the Government's focus on actions aimed at increasing human development through a higher quality of education outcomes at primary and post-primary levels, as well as better health outcomes³. Education plays a vital role in promoting sustainable development through improving the people's skills as well as raising awareness on various issues of national importance including improving general standards of living. Good health is equally instrumental in facilitating socio-economic transformation. From 1997/98 when social sector investments were increased as part of the poverty eradication agenda, the processes of equipping the population through delivery of basic education and health services has progressed well by increasing access albeit with significant challenges in quality as shown in sections 3.3 and 3.4.

3.2 The Youth and the Socio-Economic Transformation Agenda

The National Youth Policy of 2001 recognises the strategic importance of and immense potential in the youth for development of Uganda. It is noted that the resources of the youth are yet to be adequately harnessed for economic development and points out the need to harmonise, complement, enhance and promote actions roles of all stakeholders towards effective engagement of this segment of the population. Equipping the population for social economic transformation requires specific emphasis on the youth given their potential and dominance of the population in terms of size and ability to realize future development opportunities. Already, a number of legal and institutional frameworks recognize and commit Government to national obligations in developing the youth as a specific segment of the population. These include the National Youth Council Statute (1993); Vision 2025; the World Programme of Action for Youth to Year 2000 and beyond; and the East African Cooperation Treaty (1999).

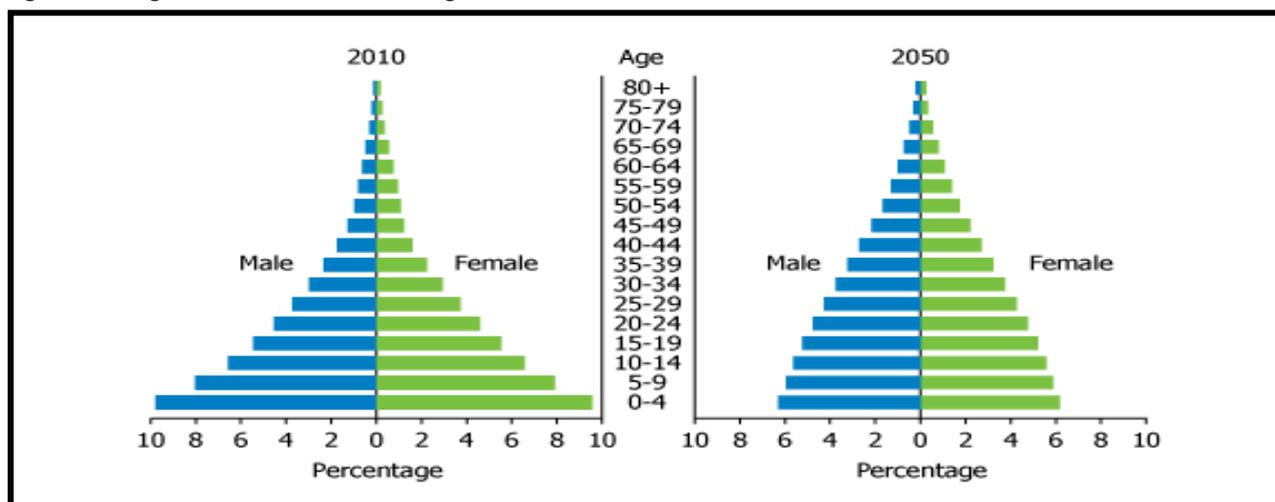
¹ MFPE (1995), *National Population Policy for Sustainable Development.*, Population Secretariat, Ministry of Finance, Planning and Economic Development

² MFPE (2008), *National Population Policy for Social Transformation and Sustainable Development*, Ministry of Finance, Planning and Economic Development

³ MFPE (2010), *The National Population Policy Action Plan, 2011-2015*, Ministry of Finance, Planning and Economic Development

The current youthful population structure and dynamics for Uganda present a great opportunity to harness strategic resources for socio-economic transformation and realization of the vision of becoming a middle income country by 2040. According to MoFPED (2010), almost half of the population (48.7) is below the age of 15 years indicating a very youthful structure. This structure is not expected to change soon as the population will continue to grow because of the large number of people who are either currently at an age when they are having children or who will soon enter that age group. Figure 3.1 shows that significant changes in the structure are not expected until the middle of the century.

Figure 3.1: Age and Sex Structure of Uganda, 2010 and 2050



Source: United Nations Population Division, *World Population Prospects: The 2010 Revision*. (2011).

Presently, the youthful population represents a number of challenges including migration in search of better social services, amenities and income generation opportunities. At the same time, the youth lack appropriate skills, have negative attitudes towards certain kinds of work such as agriculture, and have limited access to resources such as land and capital (MoGLSD, 2001). The youth find it difficult to effectively secure self-employment, which was the main preoccupation of 79% of the population between 14 and 64 years (UBOS, 2012). In addition, the MoGLSD indicated the lack of a comprehensive employment policy, overemphasis on experience and lack of apprenticeship schemes as major drawbacks to youth participation in development and social economic transformation.

The inability of the industrial and service sectors to absorb the labour force is a challenge to effective transformation and translation of economic growth into tangible and sustainable welfare gains. The reduction of the contribution of agriculture to GDP from 42% in 1997/98 to less than 22.5% in 2012/13, the sector still employed 66% of the working population between 2005/06 and 2009/10 (UBOS, 2002; 2013, and MoFPED, 2014). While Uganda may be described as a country that is already on the move, it is still more of a success in the making rather than a success story. Until the changes in production and employment structures are reflected in economic productivity, income sources and welfare improvement, the quest for social economic transformation will have to continue. According to UBOS (2002 and 2013), the poverty reduction gains, from a high of 44% in 1997 to 19.7% in 2009/10 have not been matched by reduction in inequality as the Gini coefficient – a measure of inequality has deteriorated from about 0.36 in 1997 to 0.43 in 2009/10.

The current challenge to economic transformation is related to slow transition of labour across economic sectors and limited change of sectoral contribution to GDP. Much as the agricultural sector has reduced greatly over the last two decades, the population that is directly dependent on agriculture remains substantial and is much higher in the rural areas. According to UBOS (2013), agriculture sector engaged 63% of the 4.44 million youth in the labour force, followed by the services sector (29 percent) and the production sector (8 percent). Majority of the working youth, 57%, (between 18 and 30 years) in 2011/12 were self-employed with only 24% in wage employees. A total of 5.2% of the youth in the

labour force were unemployed.

Yet the youthful structure of the population offers a great opportunity to benefit from provision of appropriate skills and health conditions. Harnessing the demographic dividend will require Uganda to control population growth by partly investing in improving general health care services and education. Such a trend will result in high-quality labour force in the coming years, with labour intensive but productivity raising technologies likely to offer Uganda a good start towards the long journey to structural transformation. In this regard, the next sections address the issues of education and health as part of the strategy for equipping the population for socio-economic transformation.

3.3 Education and Socio-Economic Transformation

As noted in the introduction, the process of socio-economic transformation involves changes in human economic systems and is largely driven by advances in accumulated practical knowledge and experience, education and research. Therefore, improvements in the country's education system and the resultant knowledge quality of the population are critical component of the transformation process. The situation in Uganda requires substantial attention as highlighted in the current National Development Plan (NDP). The NDP for 2010/11 – 2014/15 flagged the inadequate quantity and quality of the human resources as one of the seven major constraints to national development.

Specifically, the NDP identified the mismatch between the training and job requirements, which is a lack of appropriate skills, as a major challenge (NPA, 2010). The lack of skilled human resources was attributed to quality in the education system, limited capacity in technical and vocational training institutions and inadequate manpower planning in key areas of the economy. The skills gap was related to limited opportunities for linking investments in the training systems to basic needs of the different sectors due to lack of background survey information to guide the planning.

In 1997, Uganda introduced Universal Primary Education (UPE) and abolished payment of school fees with households only required to provide a few scholastic materials. This was followed by Universal Secondary Education (USE) partly to address the low transition rate from primary to post-primary and increase the provision of education beyond basic skills. In 2012/13, the number of children in primary, secondary, and tertiary level training was 8.5, 1.5 and 0.2 million respectively. With such a large numbers of youth in the education system already, the task ahead is reduced to retention of children in the school system and provision of training that is appropriate to the transformation agenda.

The education system still lacks adequate funding and effective implementation and supervision mechanisms to ensure effective service delivery. For example, in 2010, over 2.8 million of the 8.4 million children in primary school did not have adequate sitting capacity while 16% failed to obtain a minimum of grade IV in Primary Leaving Examination (UBOS, 2013). A similar trend is reflected in secondary education where the rapid increase in enrolment from over 954,000 students in 2007 to over 1,225,000 in 2010 caused an increase in the number of students without adequate sitting space from 62,794 to 92,660 over the same period (UBOS, 2013).

Pupils attending Lessons at a School in Mbarara District



Source Monitor New Paper

In response to the needs of providing relevant skills, Government is undertaking a number of reforms in the curriculum to match the requirements established through employment surveys and related demands for social-economic transformation. In various labour market surveys used by the National Curriculum Development Centre (NCDC), to assess competence levels of new recruits, it was noted that less than 50% of firms indicated that new recruits had adequate competence levels in basic skills (See Table 4).

Table 4: Competence Level of New Recruits in Basic Skills in Ugandan Firms

Skills	Firms that do not Export % of firms	Firms that Export % of firms
1. Can read and write	45.1	37.3
2. Can communicate orally	42.7	44.1
3. Learns on job	34.7	48.3
4. Interacts positively with others	45.5	50.0
5. Works in a team	35.5	54.2
6. Follows instructions	38.7	58.6

Source: NCDC Labour Market Survey, 2011

Going forward, the challenge of inadequate relevant skills will require response of the education system in terms of policy and curriculum reforms, increasing funding to match the rapid enrolment, and strengthening the Local Government systems to supervise actual service delivery. The education sector has to resolve challenges related to delivery of quality education that is relevant, training and monitoring of teachers, and provision of training materials. Beyond formal education, Government needs to integrate population and family matters in the education curricula, and promotion of non-formal education including basic and functional literacy. These elements of education, according to MoFPED (1995), are necessary ingredients for the population to understand and integrate development issues.

From 2011, the NCDC has been undertaking curriculum reform of lower secondary to shift from a system that prepares students for higher education and public service to a broader more inclusive curriculum designed to satisfy needs of all abilities. The new curriculum has replaced the term 'subjects', with 'learning areas' which have been identified as Mathematics, Science, Social Studies, Languages, Technology and Enterprise, Life Education, Religious Studies and Creative Arts. The width and scope of the learning areas have also been significantly reduced to allow students to understand the concepts taught. At higher levels of learning, the education structure will have to contend with the need to adopt specific intensive training that is characteristic of innovation, research and development.

More educational reforms are being instituted at the skills development level of the Business, Technical Vocational Education and Training (BTJET) level. The BTJET system is expected to emerge from an educational sub-sector into a comprehensive system of skills development for employment, enhanced productivity and growth. The main purpose will be to create employable skills and competencies relevant in the labour market instead of educational certificates. It will embrace all Ugandans in need of skills, including but not only primary and secondary school leavers (see Figure 3.2 below).

The current Education Sector Strategic Plan (ESSP) for 2010-2015 envisages that BTJET will continue to expand particularly at post-primary level, with an enrolment target of 30% of total post primary enrolment. The total BTJET enrolment target for the end of the plan period is set at 290,000 students. Overall, the updated ESSP emphasizes a shift towards quality of education and training with a focus on defining and raising standards and improving overall sector governance. The skills development and certification for learners, billions of shillings for investors in the construction industry and profits accruing from tuition paid to private investors, is just a handful of the available investment opportunities under 'Skilling Uganda'.

Figure 3.2: Schematic Diagram Showing the Paradigm Shift in BTJET System



Source: MoES, Kampala

EQUIPPING UGANDA'S POPULATION FOR SOCIAL ECONOMIC DEVELOPMENT -SKILLING UGANDA APPROACH

Skilling Uganda is one of the government 10-year development strategic plans that is managed under the Business, Technical and Vocational Education Training (BTJET) programme. It is meant to give more practical skills to students at various learning levels than acquiring mere certificates with theoretical knowledge.

Skilling Uganda is intended to give relevant skills and competences to students relevant in the labour market to enable them face the world of work. It shifted from targeting school leavers to provision of skills to all Ugandans, from school system to a more flexible workplace oriented environment, according to Sarah Namuli-Tamale, Acting commissioner for BTJET, Ministry of Education and Sports. The curriculum was meant to ensure that the content is relevant to the world of work and assessment is based on industrial work standards.

Government under the arrangement is supporting over 300 institutions, mainly private providers, to expand further and foster a market-led expansion of BTJET supply under the non-formal education programme. Several private sector institutions have been accredited as training and assessment centres. Technical teachers have also been trained in order to develop their skills while technical teachers from private institutions have undergone similar training for one year at Kyambogo University in the field of Technical Teacher training. All this was meant to shift from offering theoretical knowledge to learners to practical skills required in the job market.

To implement this programme, Government has constructed Health and Departmental training institutions which are at different levels of completion. They include Hoima School of Nursing, Jinja School of Nursing, Butabika Psychiatric School, Gulu School of Clinical Officers, Fort Portal School of Clinical Officers, Lira School of Nursing and Mulago Paramedical School.

Government has also constructed technical institutes in 17 districts that did not have any institute and plans were underway to cover the remaining 26 districts. These have been constructed through a Government long-term loan financing from OPEC – Fund for International Development (OFID) that provided USD22.95million for construction and fully equipping of nine technical institutes in nine districts. The institutes include Ogolai Technical Institute in Amuria, Basoga Nsadhu Memorial Technical Institute in Namutumba, Nawanyago Technical Institute in Kamuli, Buhimba Technical Institute in Hoima, Lwengo Technical Institute in Lwengo, Namataba Technical Institute in Mukono, Sasiira Technical Institute in Nakasongola, Kilak Corner Technical Institute in Pader and Lokopio Technical Institute in Yumbe.

The Saudi Fund for Development (SFD) provided US\$ 12 million for another five new technical institutes that have been constructed in five districts and will similarly be equipped. They include Amelo Technical Institute in Adjumani, Bukedea Technical Institute in Bukedea, Bukomero Technical Institute in Kiboga, Lyantonde Technical Institute in Lyantonde and Nyamango Technical Institute in Kyenjojo

The Islamic Development Bank (IDB) provided US\$ 13.8 million under phase I of the Uganda National Education Support (UNES) Project for expansion and equipping of two Uganda Technical Colleges at Elgon in Mbale and Lira.

Under the same arrangement, National Teachers' College Unyama in Gulu has also been rehabilitated, expanded and equipped, with a focus on improved teaching and learning of science subjects, with the view of improving the quality of BTJET entrants.

The Ministry of Education and Sports, working with the National Curriculum Development Centre (NCDC) has embarked on reviewing curricula for five National Diploma programmes offered at the Technical Colleges for better market alignment. In addition, the skills of various in-service tutors and administrators are being improved through appropriate short courses at reputable national training institutions.

Namuli says that in order for the Skills Development programme to remain relevant, a number of initiatives have been undertaken to achieve the set objectives including, among others, setting new curriculum that ensures the content offered is relevant to the World of work and demand driven.

Students under this arrangement can get exposed to real life projects like constructing a house or wiring a house, selling in a shop or supermarket for business students or attending to patients in a clinic for students that study medicine at the completion of their training.

A student should be able to get a workers pass, transcript and a certificate at the completion of internship or apprenticeship.

Namuli suggests that post-primary technical schools and community polytechnics should be converted into skills development centers so that they can offer modular programs with flexible entry and exit points along with short term community oriented non - formal programs.

Alongside established technical and vocational institutes, the Ministry of Education and Sports is implementing Skilling Uganda in formal primary and secondary schools with a purpose of giving practical skills to learners in addition to the normal academic teaching. A number of schools throughout the country have already started implementing the program.

At Kisubi Girls' Boarding Primary School in Wakiso, pupils are provided with farming skills such as rearing pigs. After normal classes, pupils attached to the piggery project go with their teacher and involve themselves in cleaning, feeding and treating the pigs. Other pupils are involved in learning how to grow crops-clearing the land, planting, weeding and harvesting among others. They also rear chicken, rabbits, goats and cows.

Uganda Martyrs Namugongo Girls Boarding School is emphasizing practical science teaching. Students learn science in a laboratory where they carry out experiments that give students deeper knowledge. Mengo Secondary School students learn different skills that include carpentry and joinery, metal fabrication, motor mechanics, sewing, fine art and crafts, computer and information technology, catering, among others in addition to normal classroom subjects.

With such training, the students are useful to society after school. At the completion of Ordinary level or Advanced level, the students are in position to work in an established workshop in one of the city suburbs doing metal fabrication, carpentry of motor mechanics. Others are able to set up their own projects like baking bread or set up fashion and design stalls wherever they may be.

A Second Year skills student at LVTI working on an engine of a car



Source Author

Finally, beyond the curriculum and programming, the mobilization and effective use of resources for developing an education system is still a binding challenge. There is need to address pressing matters in the areas of public sector management, culture and community involvement in determining the type of training and delivery mechanism. Additional funding, beyond the current capitation grant that was set more than a decade ago, is required to meet the increased enrolment and training systems that are more creative and intensive. For example, interactions with private sector firms through internships and apprenticeships come with extra costs and yet are vital if the skills gap is to be closed. Furthermore, the journey to establishing a solid educational foundation to equip the population for socio-economic transformation and effective modern, market-oriented systems requires harmonizing cross-cutting interventions. Specific attention is needed in the area of improving the Local Government system.

3.4 Improving Health for Socio-Economic Transformation

In line with the unquestionable role of a healthy population to socio-economic transformation, Uganda has made significant investments in the health sector, especially in the period of the Millennium Development Goals (MDGs). The country has registered improvement in key health indicators: life expectancy at birth improved from 52 years in 2008 to 54 years in 2011; under 5 mortality rate reduced from 137 to 90 per 1,000 live births in 2006 and 2011; births attended by skilled health personnel increased from 41% to 57% in 2006 and 2011; and infant mortality rate reduced from 76 in 2006 to 54 per 1,000 live births in 2011 (UDHS 2011).

However, building a health system that matches the need and demands of equipping the population for socio-economic transformation calls for innovative and focused approaches that keep costs down while increasing effectiveness. For

example, a shift in emphasis to preventive rather than facility-based curative approaches is often associated with more cost-effective health delivery systems. The persistent complaints about poor service delivery associated with stock outs of drugs and other supplies, inadequate staffing, and lack of appropriate medical equipment needs to be addressed.

Additionally, there is need to increase focus on the health of children and infants as this has implications on the development of cognitive and learning abilities. Evidence shows that malnutrition affects cognitive development and physical work capacity, and exposes people to several adult-onset chronic diseases (Pelletier and Frongillo, 2003). To harness the benefits of equipping a young and growing population, improvement of child nutrition will have to be prioritized to ensure that children reach their full cognitive potential. Much as Uganda's child nutrition status has improved over the years, there is still a high level of malnutrition. The prevalence of underweight children declined from 18 percent in 1988 to 14 percent in 2011, while the proportion of children whose growth was stunted decreased from 38 percent in 1995 to 34 percent in 2011 (UBOS and ICF, 2012).

There is still a high prevalence of malaria and respiratory infections, which are also the most common causes of morbidity. A study by the Institute for Health Metrics and Evaluation, conducted in 2010, found that HIV/AIDS, malaria, and lower-respiratory infections were the highest contributors to premature death and disability in the country. The disease burden tends to lower the productivity of the labour force, so access to both preventive and curative health care services should be improved to reduce the working time lost to illnesses. Specifically, the loss of women from the labour force due to death or debilitating conditions has a negative impact on the country's economy, since women's incomes tend to go towards food, education, medicine, and other family needs—a direct investment in the family's well-being.

3.5 Beyond and Besides the Skills Strategy

Equipping the population for structural transformation has to go hand in hand with building a resilient economy and sustainable development. Uganda's journey to structural transformation and building of the skills required will also be determined by events beyond the country's borders. Global labour markets are now heavily influenced by emerging technologies and integration of global product and services markets, increased competition among both products and labour, financial and political crises, and higher ability of multi-nationals to set up production and distribution chains across countries. The process of internalization of production and distribution has made the global value chain context a necessity for any economy. Inter-dependence, integration, competition and cooperation among countries have become popular modes of production that need to be incorporated in the socio-economic transformation agenda.

Since it is no longer feasible for any country to exist in isolation, Uganda must plan her future skills requirement with a view of attaining competitive integration into the global structures. Promoting internal policy controls and strengths as well as taking advantages of external forces will be crucial and decisive factors for fast and sustainable economic transformation and development. It is necessary to incessantly reinforce economic potential and overall strength to proactively and actively integrate into the globe in an intensive and effective manner.

To manage global risks and vulnerabilities, it is necessary to ensure the prerequisites for sustainable economic development such as macroeconomic stability, economic and social infrastructure, and national security, which, apart from increasing employment opportunities, also provide the right environment for equipping the population. The broader strategy of Government should be integrated to facilitate the movement of labour within the structures of the economy to maximize quality, productivity, effectiveness and competitiveness of production processes.

The fact that Uganda has already established her strategic long-term development goal in the Vision 2040 provides an opportunity to refine the desired global integration process as well as the required types of training and education. This will entail building up an advanced culture with in-depth national identities, modernization of traditional production processes and technologies, and hence increasing the chances for people to develop comprehensive intellectual, ethical, physical and creativity aspects. Such a broad level of training has to be incorporated into the strategy of

equipping the population with the relevant skills for socio-economic transformation.

3.6 Towards a Strategy for Equipping the Population

The starting point is the analysis of the current state of development technology, skills set and the strategies for skills development, given the country's set of aspirations expressed in the projections of Vision 2040 and the National Development Plan. A comparison of the two sets – aspirations and available skills set – leads to proposition of an appropriate strategy for equipping the population with skills required to realize socio-economic transformation. Designing appropriate training for the population should be informed by an assessment of the difference between the current and future manpower requirements. Understanding of the economy's human resource requirements is a critical step towards blending the training and innovation with technologies and business processes required for socio-economic transformation.

Enhancement of the social-economic transformation agenda will be realized through strategic investments that equip the population with special skills, knowledge, socio-cultural orientation, and attitudes to manage innovations, research and development for change. The overall strategy should be informed by the Government programmes in the major sectors expected to drive economic growth and the transformation agenda. The strategy for realizing the citizens aspiration, which would inform and anchor the agenda and plans for training the population, is inclined to reform and optimization of the industrial structure and establishment of a modern system for industrial transformation. The critical sectors in this agenda include physical infrastructure, mainly energy and transport, for which Government plans to frontload planned investments, and use of innovative, research and development approaches to resolving production and service delivery challenges.

Finally, the policy on the national value system should be implemented to address the ideological disorientation, poor attitudes and mind sets related to non-progressive cultural practices. Vision 2040 recognises a need to adopt models of other middle income countries by applying skills, technology, attitudes and training that was used in western countries⁴. The recommendation is for Uganda to take a duo approach of strengthening training institutions and sending personnel abroad to facilitate faster development. The duo approach will expeditiously address the critical skills gap, technology deficiency, limited creativity and innovativeness, productivity and attitudes towards work.

3.7 Conclusions for Appropriate Equipment of the Population

It is clear that Uganda needs to take a multi-pronged approach towards development and equipping her population for socio-economic development. The interventions, which need to have a special focus on the youthful population, need to span the education, health and Local Government sectors, as well as target the local, regional and wider global economic aspects.

Within the education sector, Government will have to revamp the education and training systems including physical structures, curricula, provision of training materials and quality of teachers. To improve the quality of human resources there is need to pay attention to leadership, management, governance, and science and technology. Specific improvements in the quality of education, particularly tertiary level, will be realized through focusing on the aspects of quality rather than expansion of training in quantitative terms. The strategy should focus on reforming the curriculum, and maintaining quality service delivery systems through proper supervision and inspections. The curriculum should provide for critical thinking and orientation to problem solving training rather than teaching individual subject.

⁴ NPA (2013) *Uganda Vision 2040*, National Planning Authority, Kampala

The BTVET system should also provide for all citizens including those who have not gone through the formal education system based on certificates. The country must attach importance to vocational training aimed at producing certain quantities of specific skilled workers in the rural or urban areas depending on the established need identified in the manpower survey. The type of education and delivery modes must promote science based training with practical skills at almost all levels of education to ensure that people dropping out of school at any point have some basic skill to enable effective engagement in the labour market. Continue to renovate the existing mechanisms and policies to back up investment into scientific and technological activities, and management mechanism for the development of a knowledge-based economy even at the rural grassroots. Give attention to strongly develop research, application and technological transfer, making science and technology part of production in all sectors and fields of economic development.

To harness the demographic benefits associated with equipping the population, Uganda's labour force should be healthy because poor health undermines labour productivity. The country should invest in public health and general health care services to ensure a high-quality labour force. There should be sustained improvements in the health status of the population and general working conditions by, among others, decreasing occupational hazards (diseases and accidents), labour disputes and build harmonious, stable and modern labour relations. Uganda needs to reorganize and improve healthcare services to consolidate and develop local healthcare and preventive health networks.

It is imperative that Government continuously strengthens the apparatus of Local Governments at all levels through improvement of the regulations and administrative procedures. The Local Governments in Uganda are central to the provision of training services right from the identification of skills requirements through interaction with the private sector, to ensuring the right conditions for deployment and usage of the skilled labour. The greater part of Government resources and plans for promotion of new training and re-training of human resources to improve labour productivity will be implemented by Local Governments. Accordingly, the ability and effectiveness of Local Governments will determine the level of success for the strategy of equipping Uganda's population for socio-economic transformation.

3.8 Recommendations towards a Strategy for Equipping the Population

The Government should establish a specific Skills Development Strategy (SDS) as a framework for providing skills required for socio-economic transformation. The strategy should encourage and actively support the integration of workplace training with academic learning, and to facilitate the individual transition from school, or periods of unemployment, to sustained employment and in-work progression. Emphasis should be placed on training to enable trainees to enter the formal workforce or create a new work opportunities for increased production, productivity and socio-economic transformation.

The current structure of the population and by default the labour market demands that special bias be placed towards the youth who are not only the bulk of the current labour force but are also form the category of people who will be available to sustain the process of transformation. Additional bias should be given to women and men who, in the current set up, do not have the required skills to compete in the current labour market. Previous training systems have not benefited women as much as men partly because of cultural biases that have not been favourable to the girl child. The strategy should be targeted at meeting the national need for skills development that should also be communicated to enable effective planning across all economic sectors.

The strategy should be designed to realize the following objectives:

1. Improving the effectiveness and efficiency of the general school system and skills development component in particular. The skills development system and architecture should respond to the needs of the labour market and social equity. Thus, the strategy should involve establishment strengthening of closer links between employers and training institutions. Deliberate provisions should be made to link the skills development process to career development and promoting sustainable employment through continuous training.

2. Enabling persons with no relevant technical skills or adequate reading and numeracy skills to engage in informal or non-conventional training to enable them access the labour market on competitive terms. The national strategy should specifically provide young people leaving school with an opportunity to engage in training or work experience, and improve their employability. The strategy should provide for work-based training especially in artisanal and technical areas.
3. Ensure that both training institutions and businesses in all sectors of the economy equip their workforce to adapt to change to keep with the pace of transformation as the economy becomes more knowledge-based. Quite often Uganda's education system has focused on learning and not made sufficient progress towards providing skills required to propel growth sectors in a knowledge economy.
4. The process of socio-transformation requires development both in the urban and rural areas. However, there is a general urban bias of economic development, which has resulted in a similar bias in the skills development initiatives. The future skills development strategies have to incorporate development of skills for rural development. It is important to note that rural development skills can indeed be regional-specific as they have to depend on geographical resources such as natural and other.
5. The significant involvement of women in rural sector development process demands that the strategy specifically targets women to increase their participation in the formal sector. In the early stages of transformation where women are still encumbered by traditional ties household domestic responsibilities, their training has to be delivered in non-conventional ways such as use of women groups at community levels.
6. As part of the transition, Government should put in place a parallel tactical strategy for delivering the immediate skills needs through imports. This will be guided by skills – particularly scarce skills needed for economic growth as established independently through market research to establish the country's skills priorities and the areas of particular shortage on an ongoing basis.
7. A national skills fund or equivalent funding mechanism should be established to enable the Government and private partners to drive key skills strategies. The provision will be used to target existing employment gaps and also complement other ways of resolving financial challenges to realization of national priorities. The funds should not be pegged to any specific level of training but to meeting needs in development of critical skills in the country's transformation agenda.
8. Building partnership and collective responsibility between Government, public sector agencies, employers, business organisations, trade unions, professional bodies, CBOs, co-operatives and NGOs is critical to achieving the objectives of such a skills training strategy. This will improve the linkages between universities, colleges, and employers, particularly at a local level, and to promote training that matches the needs of both public and private sector employers and increased university research collaboration with industry. In addition, the partnerships should incorporate the necessary international linkages as well as support the role of community partnerships in planning and delivering local employment and skills support services.

3.9 Conclusion

Uganda's economic development and socio-economic transformation will require alignment of population attributes such as growth rate, and embedded skills and knowledge. To achieve the necessary strategic alignment, the country will have to address the underlying drivers such as morbidity and mortality, family size and welfare, as well as ensure a human resource with appropriate skills. A broad range of education covering the entire spectrum of basic, vocation and

tertiary is necessary for proper integration of the population and related socio-economic factors. There is need to eliminate negative socio-cultural practices that hinder development; and evolution of a society that is both informed and conscious of development issues and concerns.

3.10 Policy Recommendations:

1. Building partnership and collective responsibility between Government, public sector and other stakeholders to improve the linkages between the education system and the process of socio-economic transformation through training that matches the needs of enterprises.
2. The skills development agenda should focus on the youth and address imbalances between the needs of different sectors as well as provide for rural development. Presently, there appear to be a strong bias on provision of skills required in urban-based activities. It is important to note that rural development skills can indeed be regional-specific as they have to depend on unique geographical resources.
3. Ensure that both training institutions and businesses in all sectors of the economy equip their workforce to adapt to change to keep with the pace of transformation as the economy becomes more knowledge-based. The new curriculum and modes of its delivery will require reorientation of teachers and training materials that should be addressed along the way.
4. A system-wide approach is required to ensure that Local Government, macroeconomics, regional and global integration approaches are in line and supportive of the socio-economic transformation process. Beyond direct process of equipping the population through education and health interventions, broader issues of supportive and enabling systems should be addressed to promote the process of transformation.

References

- Institute for Health Metrics and Evaluation. (2010). *Global Burden of Diseases, Injury and Risk Factors Study 2010*. Seattle: Institute for Health Metrics and Evaluation.
- MoFPED (1995), *National Population Policy for Sustainable Development*, Population Secretariat, Ministry of Finance, Planning and Economic Development
- MoFPED (2008), *National Population Policy for Social Transformation and Sustainable Development*, Ministry of Finance, Planning and Economic Development
- MoFPED (2010), *The National Population Policy Action Plan, 2011-2015*, Ministry of Finance, Planning and Economic Development
- MoFPED (2014), *Background to the Budget – 2014/15 Fiscal Year*, Ministry of Finance, Planning and Economic Development
- MoGLSD (2001), *The National Youth Policy: A Vision for Youth in the 21st Century*, Ministry of Gender, Labor and Social Development
- NPA (2013) *Uganda Vision 2040*, National Planning Authority, Kampala
- Pelletier, D. L., and E. A. Frongillo. (2003), *Changes in Child Survival Are Strongly Associated with Changes in Malnutrition in Developing Countries*, *The Journal of Nutrition*; 133(1): 107–119.
- UBOS (2002), *Statistical Abstract, 2012*, Uganda Bureau of Statistics
- UBOS (2012), *Statistical Abstract, 2012*, Uganda Bureau of Statistics
- UBOS (2013), *Statistical Abstract, 2013*, Uganda Bureau of Statistics
- United Nations (2011), *World Population Prospects: The 2010 Revision*, United Nations Population Division

CHAPTER 4

EFFICIENT AND EFFECTIVE GOVERNANCE FOR SOCIO-ECONOMIC TRANSFORMATION

4.1 Introduction

According to the African Union's State of African Population report 2012, Africa has the youngest population in the world with almost 200 million people aged between 15 and 24. In fact, Africa is currently experiencing a 'youth bulge', with about 42% of the entire population under the age of 15. While the population age structure of each population varies, the continent is largely characterized by a significant population of young people. As countries move through a demographic transition from high fertility and high mortality to low fertility and low mortality equilibrium, the size of the working age population automatically increases. This large cohort of working age population presents the opportunity to stimulate economic growth and lead to a demographic dividend. On average, African nations are approaching a favourable demographic picture where the size of the labour force is twice that of the dependent population (child and elderly population).

With Uganda recognized as having one of the youngest populations in the world - 78% of its population below 30 years (SUPRE 2012) - the country is especially poised to experience the benefits that can accrue from a well harnessed demographic dividend. This chapter will look at the strategies that policy makers can consider in order for Uganda to actually reap the demographic dividend, specifically through the strengthening the structures for good governance. This approach will take cognizance of the fact that Uganda's youthful population has specific needs and can play a unique role in driving social economic transformation. The National Youth Policy of Uganda defines poverty, unemployment and underemployment as the main challenges facing the youth in Uganda. Few can deny the importance of the youth vote in the political arena. The youth can quickly be mobilized for both negative and positive ends. Bearing this in mind, this chapter will examine how efficient and effective good governance can be a tool for realizing the potential of this segment of the population in order to achieve economic growth and transformation of Uganda to middle-income status.

4.2 Situation Analysis

Good governance is required throughout the process of reaping a dividend. This section provides a brief background on Uganda's governance and economic situation as well as its demographic structure, with a focus on the youth population.

Governance in Uganda: The Government of Uganda's blueprint for development – the National Development Plan - recognises the importance of democratic governance to stability and progress. Uganda ranked 18th out of 52 in 2013 Mo Ibrahim Index of African Governance (October 2013), an improvement from the previous position of 19th in 2011. Uganda also ranked 19th overall for national security on Mo Ibrahim Index African Governance Indicators in 2011. As to the extent of democratic practice in Uganda: According to the Economic Intelligence Unit (EIU) 2012 report, Uganda is ranked 94th in the world; it scored above world average (5.52) on political culture (6.25), Civic Liberties (5.88), and Electoral Pluralism (5.67). Functioning of Government (3.57) and political participation (4.44) lowered the country average to below world average. With regards to the extent of Ugandan women and men's enjoyment of fundamental human rights and freedoms, Uganda ranks its highest on this indicator, with a score of 41, in the 2013 Mo Ibrahim Index of African Governance. According to Transparency International, the corruption perception index score for Uganda has remained between 20 and 30 (0 represents the worst corruption levels, 100 represents little or no corruption), indicating that corruption is rampant in the country. Vision 2040 recognises corruption as one of the major barriers to Uganda's development because it *"increases the costs of doing business and negatively affects service delivery."*

Economic Performance: Uganda's economy continued to grow through Financial Year 2013/14 albeit more modestly than the 6.2% that was projected year ago. During next fiscal year 2014/15, real GDP growth is projected at 6.1%. Cash

crops production, manufacturing, mining and quarrying, increased electricity production, and transport and communication are projected to be the major drivers of growth. Domestic household demand is slowly gaining traction and is expected to continue to rise. According to the Budget Speech FY 2014/15, Government's medium term objective is to restore real GDP growth to 7 percent per annum as this is the minimum level of growth that can achieve socio-economic transformation. In its drive towards middle income status, Uganda is prioritizing the development of infrastructure, particularly energy and transport, in order to unlock Uganda's economic development and thus ensure social cohesion and political stability. However, despite the economic growth in the past decade, many Ugandans live in poverty and confront or face social and economic inequities. The percentage of Ugandans living below the poverty level decreased significantly from 56.4 per cent in 1992 to 19.7 per cent in 2012. Although the proportion living below poverty level generally declined, the absolute numbers increased due to the larger population size.

Youth Population: Uganda's population as per the 2002 Population and Housing Census was 24.2 million and it was projected at 34.1 million by mid 2012, with 16.7 million males and 17.4 million females. 78% of Uganda's population is below the age of 30 years. 52% are 15 years and below (UBOS 2012). Currently about 6.5 million (21.3%) Ugandans are between 18-30 years. The number of young people is projected to grow to 7.7 million by 2015. The next census, planned for August 2014 is likely to confirm the trend of a large youth population in Uganda.

Youth Unemployment in Uganda stands at more than 65 per cent and the rate of underemployment is high, despite a 10 per cent unemployment rate. According to a UNESCO report on youth and skills, working below the poverty line is a much more widespread phenomenon than not working at all (UNESCO, 2012).

4.3 Governance and Youth in Uganda

4.3.1 History of Youth Engagement in Governance

The history of youth engagement in governance dates back to the first post-independence Government of Uganda which established a section on youth affairs in the Ministry of Culture and Community Development. It also established three youth organizations namely: National Union of Youth Organizations (NUYO), which was replaced by Uganda Youth Development Organization (UYDO) in the 1970s; National Union of Students of Uganda (NUSU) and Youth Farmers Union (YFU). Though these organizations were initially set up to rally young people for developmental initiatives, for the most part they were used for political mobilization for the ruling political party the Uganda People's Congress (UPC).

The NRM Government introduced a number of far reaching political, economic and social reforms including affirmative action for previously marginalized groups like women, the youth and disabled persons. Laws were enacted to ensure gender sensitivity at all levels of representation including youth representation. The Uganda National Students Association (UNSA) which continues to have presence in schools was formed to champion interests of young people especially in issues of governance.

4.3.2 The Youth's Place in Governance

At the National level, there is a provision for 5 youth representatives in Parliament who are elected by an electoral college at the regional level comprising of all members of District Youth Councils in the relevant region. For the first time a provision was introduced in the law to provide for female representation of the youth from the village to the national level.

The National Youth Council is composed of 9 member Executive Committees at the national, district, sub county/division/municipality/town council, parish, and village levels one of whom has to be a female secretary for women affairs. Only youth (age 18-30) are eligible to vote and stand for office in these elections, which are conducted according to an Electoral College system from the village-level upwards. Apart from the national youth council, the NRM Government has a minister of state in charge of the youth in the Ministry of Gender, Labour and Social Development to lead different initiatives designed to mitigate the plight of young men and women in Uganda.

There are several civil society organizations serving the specific interests of young men and women. The most notable of these is the Uganda Youth Network (UYONET) which is a network organization with an affiliation of 37 youth organizations spread across the country. Its main focus is on strengthening the capacity of youth leaders and youth network members to organize and collectively engage through partnership with fellow youth, youth leaders, political parties, broader civil society, district and regional networks and other key stakeholders to ensure more systemic integration of youth concerns into mainstream discussions at community, district, regional and national levels. Apart from UYONET, there are hundreds of other registered Non-Governmental Organizations (NGOs) and Community Based Organizations (CBOs) that are engaged in various thematic issues targeting young men and women.

4.3.3 Major Challenges faced by the Youth

According to the 2001 National Youth Policy of Uganda, poverty, unemployment and under employment are the main problems affecting the youth. The major causes of these problems is low level of employable skills, poor access to resources like land and capital, negative attitudes by the youth towards work especially in agriculture and negative cultural attitudes like gender discrimination. A study commissioned by Action Aid Uganda (AAU), Uganda National NGO Forum, and Development Research Training (DRT) entitled "Lost Opportunities" released in February 2013, found that 61.6% of the youth in Uganda are unemployed. The same report goes ahead to state that 12% of all youths in Uganda are chronically poor. Other areas of serious concern to young men and women in Uganda are poor access to quality education and health services.

Examples of Youth Targeted Initiatives

The Uganda Parliamentary Forum on Youth Affairs (UPFYA) has been at the forefront of advocating for the Youth Enterprise Bill which is a private members effort to provide for an institutionalized framework that provides funding for young people's entrepreneurial initiatives. UPFYA is now also leading the process to raise awareness and monitor the implementation of the Ushs. 265 billion Youth Livelihood Fund Initiative that the GoU intends to roll out from FY 2013/14 to run for the next five years, targeting rural and urban youth.

Uganda Youth Network (UYONET) has finalized preparations for starting a leadership academy that it will run in partnership with Uganda Management Institute (UMI). The academy will offer leadership skills development for young leaders and provide both formal instruction and mentorship in a demand driven model.

4.4 Link between Good Governance and the Demographic Dividend

The demographic dividend is all about harnessing the potential of the large cohort of the population that is able to work and sustain and grow the country's economy. The Population Reference Bureau has produced an info graphic (Figure 4.1 below) that explains the demographic dividend, highlighting how changes in population structures, especially through investments in family planning, can significantly affect economic growth in Sub-Saharan African countries.

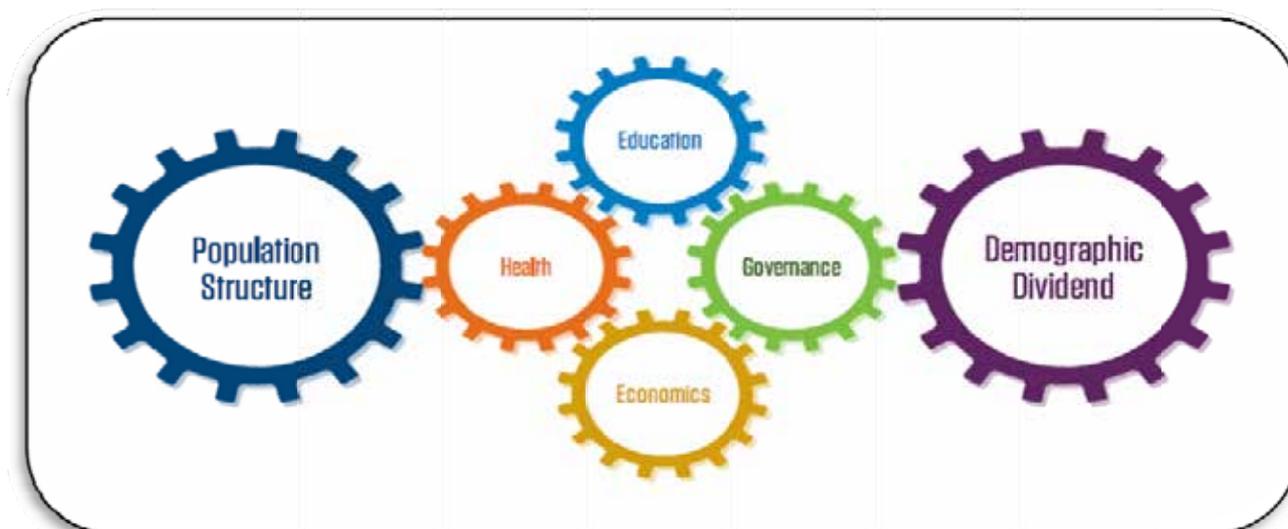
Policy Pillars/wheels for Harnessing the Demographic Dividend:

1. **Accelerating demographic transition** through investments that facilitate rapid fertility decline, enhance child survival, and improve education and general empowerment of women;
2. Enhancing **investments in high-level education** to develop a well-educated, skilled, and innovative labour force;
3. Enhancing **investments in health** to nurture a healthy and productive labour force;
4. **Economic reforms to accelerate economic growth and job creation** for the rapidly expanding labour force;
5. **Fiscal policies and governance reforms** to enhance savings, attract foreign direct investment (FDI), and ensure efficiency and accountability in the use of public resources

Similarly, the National Planning Authority's Report on Harnessing the Demographic Dividend (July 2014) identifies five policy pillars/ wheels that are required for the dividend to happen. All five policy pillars/wheels are interrelated; they reinforce each other and should be implemented concurrently to drive the country towards the economic prosperity that can accrue from the demographic dividend.

In order to deliver the services that bolster this investment: health; education; employment opportunities; the role of good governance is paramount. The existence of the key ingredients of good governance: functional institutions; visionary leadership; and participatory governance mechanisms; are the foundation upon which the country is able to deliver services to its citizens. The Government's capacity to provide sufficient jobs, education and resources for its population is enhanced by good governance.

Figure 4.1: The Drivers/Wheels for Harnessing a Demographic Dividend in Sub-Saharan Africa



Source: Population Reference Bureau, 2014

On the other hand, when these key ingredients are missing, the potential for strife and collapse is high in a population that is heavily tilted towards the youth. The case has been made in various forums that a poorly managed young population leads to instability and civil conflict. In contexts where the growing youth population have suffered political exclusion and economic marginalisation, as was the case with the Arab Spring in North Africa, the situation can be a recipe for revolution. Even within a peaceful environment, a rapidly growing young population presents a major challenge. In many cities in Africa, the impact of the continent's growing young population is noticeable in the mushrooming slums that surround the big cities. These settlements are often a breeding ground for crime and public health problems.

Good governance reinforces progress toward the demographic dividend. People have to be confident that the Government and social institutions are responsibly and fairly managing economic opportunities and benefits. Strong institutions that ensure the protection of citizens' rights and the prudent management of the country's resources are a good foundation that will enable the country to ensure that when its young ones mature to working age, they will confidently contribute to the economy.

A country whose people know that their taxes are put to good use, that elections at all levels are free and fair, that judges are impartial and that criminality is punished without fear or favour is a country which will have a fully engaged citizenry that participates in development and contributes resources willingly. A country with good leadership that is trusted by its youth will have young people that aspire to leadership for the right reasons and not to fleece the masses. Good governance means that people have a voice and that provision is made for the representation of the marginalised or vulnerable sections of society. When all sections of society are represented in leadership and in the governance arena, the country can only benefit from the full utilisation of its most important resource – its people. Efficient systems

and effective polices are a key factor in harnessing the power of the people for the good of the nation.

4.5 What Governance Challenges does the “Youth Bulge” present?

Countries that lack the means to provide for basic needs of their people face greater risk of instability and conflict. This is especially so when there is a high percentage of young people with fewer economic opportunities. While there is not a direct causal relationship between age structure and conflict, researchers have noted that 80 percent of all outbreaks of civil conflict between 1970 and 1999 occurred in countries in which at least 60 percent of the population was under the age of 30 (Population Action International, 2011).

Like all other population groups, the youth can be sub categorized into male and female, the educated and uneducated, urban and rural, rich and poor etc. All these unique sub categories of young men and women face peculiar challenges. However there are a number of cross cutting challenges that can also be called “generational challenges” affecting young men and women in Uganda. These issues include things like widespread unemployment, poor quality of education, inadequate access to health services and lack of access to resources.

It has been reported in neighbouring Kenya, and even in Uganda, that terrorist groups have found fertile recruiting ground amongst the youth. Some youth have ended up in the ranks of the Somali Islamist group al-Shabab, because they were promised salaries by their recruiters when there were not any more conventional job offers (BBC News, 2014). Elsewhere in Africa can be found similar cases like Boko Haram in Nigeria and the Mungiki sect in Kenya, proving the vulnerability of youth to joining terror organisations due to the pressures of poverty and joblessness or because of social and political marginalisation.

Figure 4.2: Good Governance reinforces progress toward the Demographic Dividend



Source: Population Reference Bureau, 2014

Idle and jobless youth are a problem in many countries. Violent crime in South Africa is among the highest in the world, alongside youth unemployment (BBC News, 2014). Mega slums such as Katanga or Kisenyi in Kampala, Kibera in

Nairobi, Sodom and Gomorrah in Accra and Makoko in Lagos are lawless enclaves rife with drug dealing and prostitution and a wide range of public health problems. Many examples across Africa show that unless political leadership offers young people something to live for, social stresses such as unemployment can make them easy prey to those who offer them something to eat or even to die for.

Despite elaborate spaces for youth representation in the governance structure in Uganda, young men and women continue to be marginalized in terms of meaningful inclusion in the governance and development processes. The 2001 National Youth Policy of Uganda attributes the low participation of youth in decision making mainly to lack of leadership programmes. Many existing youth organisations have weak structures, are led by elites with poor linkages to the majority of youth in rural areas and are unable to effectively engage in the national policy process. The youth also have low levels of civic competence that limits their ability to demand for their rights and participation in the political process and management skills, organizational regulatory barriers and impediments and low resource allocation to youth

During electoral periods in Uganda, it has been common for the youth to be engaged by different political actors in a manner that is not helpful to them as a constituency. Often the youth are used to act as "militant youth brigades" to intimidate supporters of rival political groups. The youth have been identified as the main actors and victims in electoral violence in a number of reports (Nyakana, 2014).

The above challenges need to be addressed by countries like Uganda which are at the cusp of the significant change in the population structure. The challenges that are prevailing now are only a taste of what will happen when a large majority of the population is marginalised and ill-equipped to participate in national development and leadership. In order to experience a demographic dividend, Uganda needs to put in place measures to limit the marginalisation of its young people.

4.6 Why Efficient and Effective Governance is Essential for Socio-Economic Transformation

Good governance is vital for sustainable development, poverty eradication and socio-economic transformation. Efficient and effective governance is characterised by the existence of functional institutions, visionary leadership, and participatory governance mechanisms. When all these key ingredients are in place they underpin economic and social development as they promote long term investment, unlock the potential for domestic resource mobilization, unleash entrepreneurial capacity and induce broad-based participation and property rights. The key attributes of good governance are: transparency; responsibility; accountability; participation and responsiveness (to the needs of the people).

Socio-economic transformation is normally achieved by increasing the economic output and employment that is generated by sectors other than agriculture. There should be a shift from agricultural-based societies to urban, industrial and/or service-based economies with sustained high GDP growth rates. However, in the case of Uganda, agriculture will remain the most important sector in the economy because of the country's comparative advantage. What needs to be emphasised in the modernisation of agriculture and the growth of agribusiness. An expansion of the economy so that the agricultural and other sectors become more productive should be the main goal of policy makers. In order to drive this growth in the current and emerging sectors of the economy, strengthened governance at the national, regional, and local levels is key. This will achieve economic growth while simultaneously enhancing peace and political stability and place Uganda at a vantage point to reap the demographic dividend.

Efficient governance means that resources will have to be well utilised by the Government, with proper planning and execution of Government programmes. Effective governance will be based on sound policies that are successfully implemented with value for money achieved. These policies can only be implemented successfully if there are strong institutions with the necessary capacity to ensure effective integration of population dynamics into development planning. With the just concluded Population Census 2014, policy makers are better equipped for accurate projection and modelling.

Furthermore, good monitoring and evaluation mechanisms will be required to effectively assess performance and ensure continuous learning and accountability. An environment that enables full participation of all is critical for advancing sustainable development and responsive governance backed by accountable institutions is critical for social and economic inclusion and sustainability.

4.7 Conclusion

The emerging population structure in Africa presents a few challenges but many more opportunities that can be harnessed for economic transformation. The higher density of the population will mean larger domestic markets, increased demand for goods and services, the growth of local firms and the development of an economic environment that is more business friendly than in previous decades. A large working class will mean that there is more Government revenue for provision of social services, and building infrastructure.

For Uganda, leaders and policy makers will need to continuously develop strategies that will find the country ready for the new crop of workers, managers and leaders in the coming decades. What quality of workforce will this be? What type of leaders will they become? How many business moguls will emerge? Are there enough institutions of learning to take in the increased numbers? Will the nation bequeath its children conflict, corrupt institutions, a failed health system, poor education and a large public debt? Will the coming generations be proud to call Uganda home or will they risk their lives like those migrants that keep drowning off the coasts of Europe? These are the questions that policy makers need to deal with now, in order to get the country fully prepared for a successful passing of the baton to the next generation.

4.8 Policy Recommendations

For Uganda to ensure that its population growth reaps positive benefits, policy makers and leaders need to put in place structures that will cater to the large youth segment and strengthen the already existing programs and achievements that the country has made in the economic and social sectors. The following areas of focus can help Uganda reap the dividends from the looming youth bulge:

- a) **Expand the Economy:** There is need to identify the sectors of the economy that can expand and foster job growth in order to absorb the incoming numbers of youth entering the workforce. Uganda must look at the areas where it has a comparative advantage. Investments in infrastructure will expand access to lucrative markets within and outside the country. Investments in the agricultural sector will strengthen the role of agribusiness in the economy and enhance value addition to exports. Well-managed export of labour will also increase Uganda's wealth generation.
- b) **Improve Quality of Education:** A well-educated youth that is thoroughly inculcated with a spirit of entrepreneurship is necessary to take advantage of the opportunities that Uganda has for wealth generation. Critical thinking skills, project management and financial management skills will boost young people's ability to offer excellent services and run profitable businesses.
- c) **Improve Quality of Health Care:** Improvement in access to health care and provision of good services will foster the development of a population that is healthy and capable of contributing to economic growth. For this segment of the population that is transitioning to adulthood, keen attention must be paid to their health needs, especially reproductive health needs.

A country that enjoys stability and steady economic growth as a result of good governance is one where its youth population will develop into a productive and peaceful adulthood. When the youth feel included in Government policies, when economic opportunities are seen as fairly distributed and when young people have an outlet for their grievances, Uganda will enjoy transformational growth, built on the potential of its young people. The following are areas of focus that can achieve this:

- a) **Foster Youth participation in Governance:** The youth should be enlisted in designing and implementing policies, programmes and services that are directed at them. Youth involvement helps ensure that policy actions are relevant and helps develop youth as partners and leaders in development. Both state and non-state actors need to actively seek out youth involvement in governance and make issues of governance relevant to them, in a language that they understand.
- b) **Prevent Acute Wealth Inequalities:** When youth who are transitioning into adulthood are faced with no prospect of upward social and economic mobility, when they feel they will not get anywhere that no matter how hard they work, and when wealth and opportunities are held in perpetuity by only a chosen few, the risk of social upheaval is more acute. Ugandan policy makers and leaders need to ensure that all sectors of the economy work together to reduce inequalities in society.
- c) **Develop strong Institutions and respect for the Rule of Law:** When people's rights are guaranteed and protected by the State, and when everyone is treated equally before the law and when Government resources are protected from plunder, the economy of a country can only benefit. Social economic transformation is a result of a strong foundation built on credible institutions that guide as well as regulate growth in all sectors of the economy. Strong institutions will ready the nation to utilise the potential of its huge number of young people so that when they attain working age they will easily contribute to national development.
- d) **Ensure prudent management of sovereign debt:** Today's generation of leaders and policy makers can guarantee a prosperous future for this nation by ensuring that sovereign debt is invested in viable projects that will stimulate economic growth and generate returns to pay off the loans. This will avoid the worst case scenario of future generations struggling with debt defaults, unsustainable debt repayments, resulting in lack of funds to invest in social services and other sectors of the economy.

References:

- Ashford L.S. (2007). *"Africa's Youthful Population: Risk or Opportunity?"* Washington, DC. Population Reference Bureau. June 2007
- BBC News (2014). *"Head-to-head: Is Africa's young population a risk or an asset?"* 29 January 2014 <http://www.bbc.com/news/world-africa-25869838>
- Cleland J. (2012). *"Will Africa Benefit from a Demographic Dividend?"* Health & Education Advice & Resource Team (HEART). United Kingdom. November 2012.
- Eloundou-Enyegue P. (2013). *"Harnessing a Demographic Dividend: Challenges and Opportunities in High and Intermediate Fertility Countries."* Population Division Expert Paper No. 2013/7. United Nations Department of Economic and Social Affairs. New York, 2013
- Ministry of Gender, Labour and Social Development (2001). *"The National Youth Policy: A Vision for Youth in the 21st Century"*. Kampala, 2001.
- National Planning Authority (2014). *"Harnessing the Demographic Dividend. Accelerating Socioeconomic Transformation in Uganda"*. Kampala, July 2014.
- Nyakaana F.R. (2014). *"DGF Youth Strategy."* Paper prepared for the Democratic Governance Facility, June 2014.
- Olajide A. (2012). *"Harnessing the Demographic Dividend for Africa's Socio-Economic Development"*. State of African Population Report 2012. African Union Commission.
- POPNET (2014). *"The Demographic Dividend is an Education-triggered Dividend"*. Population Network Newsletter. No. 45, Winter 2014.
- Population Action International (2011). *"Why Population Matters to Security"*. Washington DC, USA. 2011.
- Population Action International (2013). *"10 things you should know about family planning and the Demographic Dividend"*. Washington DC, USA. November 12, 2013.
- Population Reference Bureau (2013). *"The Potential of Youth for a Demographic Dividend: Investing In Health, Education, and Job Creation"*. International Conference on Family Planning, November 12-15 2013, Addis Ababa,

Ethiopia.

Population Reference Bureau (2014). *Harnessing a Demographic Dividend in Sub-Saharan Africa Infographic*. Washington DC, USA . July 2014.

Staveteig S. (2005). "*The Young and the Restless: Population Age Structure and Civil War*". *Population and Conflict: Exploring the links*. ECSP report. Issue 11. 2005.

Uganda Bureau of Statistics. 2012 Statistical Abstract. UBOS, June 2012.

United Nations Economic Commission for Africa (2013). "*Addis Ababa Declaration on Population and Development in Africa beyond 2014*." African Regional Conference on Population and Development. Addis, Ababa, Ethiopia 3-4 October 2013.

United Nations Economic Commission for Africa (2013). "*Creating and Capitalizing on the Demographic Dividend for Africa*". Paper presented at the 20th AU Conference of African Ministers of Industry (CAMI) 10th-14th June 2013, Nairobi Kenya.

Worae E. (2014). "Can Africa Capitalize on the Demographic Dividend?" *Impatient Optimists*. January 16,

**NAKAWA
V.T.I
NON FORMAL**



CHAPTER 5

UNLOCKING THE POTENTIALS OF UGANDA'S YOUTHFUL POPULATION FOR SOCIO-ECONOMIC TRANSFORMATION

5.1 Introduction

Uganda's economic recovery and transformation since 1986 has been a result of austerity measures to improve the macro-economic environment and strategic poverty reduction initiatives. This was characterized by reduction in the size of the civil service, liberalization of the economy, divestiture of public assets and a drive for foreign investment. Government also embarked on poverty reduction measures to improve the quality of life of the people; the PEAP framework is one to the most prominent measures by Government to address issues of poverty. To date the PEAP has been replaced by the National Development Plan (NDP), and the Vision 2040 which define Governments' new development priorities and plan to transform Uganda into a middle income country.

The role of the youth in these programmes is peripheral although much has been said about the inclusion of the youth in these programs. The Vision 2040 and the State of Uganda Population Report 2014 under the theme '*Harnessing Uganda's Demographic Dividend for Socio-economic Transformation*' has brought this debate to the fore and this article will specifically discuss how Uganda can '*Unlock the Potential of its Youthful Population for Socio-Economic Transformation*'.

5.2 Background

Uganda was lauded as one of the economic success stories of the mid 1990s and early 2000s. Government and its Development partners invested significantly to stimulate economic growth which saw sustained GDP growth over the last two decades, increase in revenue collection, and growth in sectors like construction, services and industry. The national economy grew at an average rate of 6.4% per year and gross domestic product (GDP) increased from Ushs. 11 trillion (US\$ 5.7 billion) to Ushs. 53 trillion (US\$ 20 billion) between 2002 and 2012. This economic growth was centered on the IMF and WB development models of liberalization and macro-economic stabilization. The success also coincided with specific events such as the coffee boom in the 1990s, the peace in most parts of the country, foreign remittances and inflows of foreign Aid. The rapid growth was also against the backdrop of a weak pre-1986 economy.

Despite posting impressive growth figures, experts have faulted this economic growth for not bringing socio-economic transformation by creating an adequate number of high-quality jobs and failing to reduce the high levels of unemployment and underemployment, among women and youth. They attribute this failure to a growth driven model that centres on sectors that have low job-multiplier impact. Besides recent developments both global and local have exposed the inadequacy of the old IMF and WB model in bringing about future growth, the events that facilitated growth under these models can no longer be relied upon to drive the economy into the future. Conceptually the expected flow of oil will provide a driving force to take Uganda's economy, but this in itself will require the right socio-economic model to achieve the anticipated growth.

There is overwhelming evidence that the notion enshrined in the old IMF and WB economic models for Uganda premised on liberalization, markets and positioning of the state as a bad business manager is no longer tenable for future economic growth and transformation of Uganda into a middle income economy as envisaged in the Vision 2040. Civil society activists have pointed at the cultural dimensions created by the rapid neo-liberal reforms prescribed by the IMF and the World bank have favoured the multi-national and large business corporations, while negatively affecting the relationships, trade practices, small enterprises, economic inclusion and participation of youth and women. The capitalist model of development was exposed by the global economic crisis of 2007 in which several Western economies like Britain and the USA abandoned some of the essential doctrines of neo-liberal economics by nationalizing bankrupt corporations, injecting public funds into reviving private businesses to stabilize their economies, effectively putting the

state once again at the centre of business.

This has led to a call for alternative economic models that will ensure equitable distribution of wealth and getting the greater part of the productive population to participate in the economy. The Vision 2040 provides the framework to address the strategic bottlenecks that have constrained Uganda's socioeconomic development in the past and seeks to optimize the unique opportunities that exist to accelerate its socio-economic transformation and achieve a middle income society.

5.3 Policy Framework for Socio-Economic Transformation.

The NRM Government from the start in 1986 had a vision for socio-economic transformation. This vision was well articulated in the 10 point programme which argued that post-independence Ugandan political rulers had greatly worsened the problems of economic distortion introduced by colonial rulers. Points four and five of the 10point programme are of particular interest in this discussion. Point number four, talked about developing independent priorities based on Ugandan interests, those interests as described in point number five refer to a process of socio-economic transformation to create an independent, integrated, and self-sustaining national economy that would stop the leakage of Uganda's wealth abroad, eliminate economic disparities and distortion created by the colonial and neo-colonial interests. Point 10 suggested that Uganda should maintain a mixed economy where small businesses remains in the hands of private entrepreneurs, while the state maintains control of licensing, infrastructure development, and monetary policy, ownership of heavy and strategic industries and delivery of social services.

In line with the strategies outlined above, Government took steps to revamp the economy through economic liberalizations, agricultural sector redevelopment through the PMA whose public face has been NAADs, the PEAP (1-3), the NDP and now the Vision 2040. The implementation of most these programmes has suffered from what many believe was a policy shift to court the IMF, WB and the Paris group. Critics though applauding these programmes believe the policy position adopted by the Government served the interests of foreign financiers like the IMF and WB and undermined the spirit of the 10 point programme.

The inability to realize socio-economic transformation from these programmes has lent credence to the critical arguments which call for a new approach to reset Uganda's development priorities. Such an approach ought to focus on the human capital and the rich social and demographic potential for socio-economic transformation. Government's development support to different sectors and the national budgetary process ought to view the sectors in the economy as vehicles to deliver the key priorities for socio-economic transformation. There are possible advantages to this view; first we can tap into the demographic strength of Uganda which lies in its youthfulness, to drive socio-economic transformation; this age group forms the majority of the population, has the greatest levels of energy, creativity and innovation. They can drive the agenda for job creation, income distribution and labour force utilization leading to increased national productivity.

Secondly economic resilience can best be achieved by strengthening domestic markets through increasing the purchasing power within the local population. Uganda's population is projected to grow to 70million by 2040, like in the case of the Asian tiger economies this should translate into a larger local market for Ugandan goods. The first marketfor Ugandan goods should be Ugandans; this will provide a launch pad to exploit regional markets. Recent political upheavals in Southern Sudan demonstrated the fragility of Uganda's economy and vulnerability of our industries and agricultural sector due to dependence in external regional markets largely because of the weak domestic market. The domestic market could not sustain local industry and production when the Sudan markets closed for a couple of months. Borrowing a leaf from the experience of the East Asian countries like Malaysia and Thailand, should encourage Uganda to turn its rapidly growing and large youthful population into a market advantage for socio-economic transformation.

5.4 Uganda's Demographic Profile

The population in Uganda's projected to be 35.4 million in 2013, up from 9.5 million in 1969. According to UN projections, it will grow to 83 million by 2040. Exponential growth is expected to continue until the 170million mark by

2100. These projections guarantee that Uganda will have a big population driven by the high fertility rate (6.2) and the concentration of young people who are yet to reach childbearing age. The challenge to policy makers and leadership is to turn this abundant population into valuable human resources for socio-economic transformation and development.

According to the UBOS population projections, Uganda's population is youthful based on the Shylock, Siegel and Associates (1976) classification with a median age below 20 years. The population is projected to remain youthful for the foreseeable future with the annual birth rate at 3.2%, increasing levels of teenage pregnancy estimated at 24% (UDHS 2014), and the high fertility rate estimated at 6.2 in 2014. The working age population (14-64 years) is expected to grow to 21million by 2017⁵, The rural population is at 82.1% and over 90% of the rural population derives their livelihood from agriculture. Over the years Government has demonstrated the will and commitment to economic transformation through the implementation of the Poverty Eradication Action Plans (PEAP) of 1997-2008. Noting that the aged population (above 60 years) will constitute only 1.83million by 2017, much of the working age population is youthful.

Uganda defines a youth as anybody aged between 15-34 years; this age group will be 13.437million by 2017. The dependent population is defined as persons in the age group below 15 years and persons above 64 years. Based on this classification the dependency rate is projected to be 107 persons for every 100 persons of working age by 2017. This classification in itself is faulty because it ignores the fact that much of the youth population which is expected to be of working age is actually unemployed and very dependent. This demographic profile has two major implications to socio-economic transformation in Uganda;

First it means that Uganda has abundant supply of labour from a youthful and readily available labour force which is a great opportunity for increasing national productivity and achieving socio-economic transformation. This is only possible if government policy can focus on job creation through support to innovations, investments and social structures that tap into the enormous energies of the youth.

Secondly if this population is not exploited by channelling their energies into productive ventures, the levels of dependency will get higher as a result of increased unemployment, marginalization of the youth and subsequent increase in crime and delinquent activities among the youth. This is already evident from the number of youth involved in criminal activities including being used by powerful cartels for drug trafficking. The recent execution of Ugandan youth in China and the number languishing in Chinese prisons is a sign of the youth desperation and vulnerability.

5.5 Drivers of Economic Growth in Uganda

Uganda's economy is an agrarian economy; agricultural sector employs 82% of the labour force directly and indirectly and contributes to 22.2% of GDP (UBOS 2013). The growth of the service and manufacturing sector which combined contributed 75.8% of GDP as at December 2013 has a strong linkage to the agricultural sector. While agriculture is the bedrock of the economy and feeds into other sectors such as industry, construction and services all of which have experienced fast growth over the years, private sector and Government investment in agriculture has remained low relative to other sectors. Government and the international development partners have invested substantial resources to achieve sustained economic growth over the last two and a half decades. Despite the good indicators of growth, the sustained economic growth has not translated into socio-economic transformation, rather it has widened economic disparity between the different sections of the population, the benefits envisaged in the 1995 constitution and the PEAP have not been realized.

The failure to achieve socio-economic transformation can partly be attributed to the national budget process which focuses on an economic growth ideology built round sector development, markets and macro-economic stability. This approach is largely responsible for the sustained GDP growth over the last two decades, increased revenue collection

⁵ UBOS projection of Demographic Trends in Uganda 2007-2017

and growth in some sectors like industry, construction and services; but has not translated into socio-economic transformation. The lack of socio-economic growth can be seen in the performance of sectors that demonstrate socio-economic growth like education, health, infrastructure (especially roads, utilities). The growth in services especially private education and health services is more of a response to Government's failures rather than socio-economic transformation and has been observed to even undermine rather than improve service delivery in Government institutions like hospitals and schools. Even security around which much of the successes have been anchored is beginning to take a reversal in spite of the end to insurgent activities in Northern Uganda because of the growing levels of crime.

The sector development approach has had major implication to Government development priority setting. The prioritization process looks at sectors as the drivers of economic development and therefore attention is paid to stimulating those sectors considered to be beneficial to economic growth, this does not translate into socio-economic transformation, but has in our case created some of the economic disparities within the population. To achieve socio-economic transformation, Government planners must strike a balance between stimulating growth in the key sectors of the economy and socio-economic growth. Experts argue that this can be achieved by viewing the various sectors of the economy as a means towards achieving the desired transformational goals. The national budget process must therefore focus on socio-economic priorities, and sectors should be treated as vehicles to achieve socio-economic goals. The Vision 2040 attempts to deviate from the PEAP approach which was sector driven and anchors on priorities of socio-economic goals, but the budget for financial year 2014/15 presented by the Minister of Finance, Planning and Economic Development did not reflect this approach, as envisaged in the Vision 2040. This budgetary approach if not reviewed will put to jeopardy any chance of socio-economic transformation and the creation of a middle income society envisaged in the Vision 2040.

Much of the economic growth registered so far has been financed by national revenue collection, donor budget financing and socio-economic projects financed by NGO project activity. Uganda's exports especially agricultural related exports have considerably grown since 1990, foreign remittances by Ugandans in the Diaspora and recently oil revenues are key sources of foreign exchange. The limited success in achieving socio-economic transformation has not been for lack of Government's efforts or lack of finances but rather the underlying philosophy behind planning and key initiatives, corruption and the mis-match between these initiatives and the national priorities as spelt in the national budget and budget implementation process. While these challenges persist the country will continue to face a challenge in bringing about prosperity for all. The PEAP (1-3), the Entandikwa, NAADS, Bonabagawale, the micro-finance support centre and the SACCOs, the revival of cooperatives and many other initiatives over the years are all indicators of Government efforts to promote socio-economic transformation. Unfortunately these have not delivered the expected result; several reasons can be given to explain this dismal performance;

1. The mis-match between the national budget priorities and implementation actions with the objectives outlined in each of these socio-economic transformation programmes.
2. Lack of a clear policy framework for socio-economic transformation, most of these programmes have been perceived as merely planning frameworks for the technocrats and guide the development of technical papers rather the development of transformation strategies.
3. These programs do not have any specific target groups to guide investments and financing strategy, which have left them vulnerable to corruption and political manipulation to meet short-term interests of politicians rather than the long-term goals of socio-economic transformation. Under these circumstances, key sections of the population with capacity to spur socio-economic transformation like the youth, women and even cultural institutions get relegated in the implementation and the process gets high jacked by technocrats in endless planning and learning workshops and politicians to reward cronies and influential individuals or sections of individuals at the expense of the larger society.

The realization of any socio-economic transformation should result from a dedicated approach built around the demographic profile of the country. In Uganda this should be anchored on its youthful demographic profile to design

economic development programmes targeted at the productive sections of the population and clearly pegged to identified opportunities irrespective of the sector, and eliminate wastage by technocrats and politicians.

5.6 The Role of the Youth in Socio-Economic Transformation

The concept of the demographic dividend refers to the economic benefit a society enjoys when fertility and mortality decline and the ratio of working-age adults significantly increases relative to dependents. The experience from the Asian Tigers shows that in order to earn the demographic dividend, countries should prioritise investments in human capital to ensure a healthy and well-educated population; accelerate economic growth and job creation to ensure that the "surplus" labour force is gainfully employed, the large population has a strong purchasing power; and enforce accountability and efficiency in the use of public resources and delivery of social services.

Around the world today youth are pushing for systemic, democratic and economic changes as vehicles for social transformation. In Uganda youth have been at the forefront of resistance to poor governance and economic exploitation. The NRA and NRM transformers benefited from the youth energies to bring about a wave of socio-economic changes before and between 1986 and 1996. After 1996 the role of the youth in Uganda diminished with ineffective representation in the leadership and economic structures across the country. Following the 2006 and 2012 elections the youth have again emerged at the fore of many agitative activities demanding reforms and Government attention towards the youth and their socio-economic plight in the country.

The youth were prominent in the walk to work campaigns, the "Mabira protests", the Buganda protest and recently solo actions by the members of the "jobless fraternity" with a notable act of staging a protest with pigs in the precincts of parliament. In all these cases the youth have expressed frustration with corruption in high places, unemployment and vocalized their desire for change. These incidents if viewed from a development perspective demonstrate the readiness of Uganda's youth population to lead the way for socio-economic transformation. The question is whether the Governments in power is ready to cash on this momentum, recognize the positive energies rather than suppress them and direct them to productivity initiatives that can bring national economic growth and social transformation.

The Vision 2040 sees the youthful population as the springboard for achieving a middle income status, policy actions need to reflect this if Uganda is to cash on the endowment of the demographic dividend. This calls for harnessing the youthful labour force through job creation, the creativity of the youthful minds for innovation and expanding the tax base through income distribution to reduce the dependency and tax burden on the current working population. The current constraints to youth participation in the economic and social affairs of Uganda are numerous; The poor structure of Uganda's financial sector which limits opportunities for youth to access investment capital, lacks financing services that are structured to promote enterprise through creativity and innovation. The financial sector in Uganda can best be described as conservative, archaic and risk averse. It relies on collateral based lending, which naturally excludes youth because most of them lack access to acceptable collateral assets, demands business experience and focuses on already existing business notwithstanding that most youth ventures will always be start-up businesses. The implication is that a vital element for economic growth is overlooked; the majority of Ugandans with the most creative, energetic and productive minds (the youth) have no access to capital resources to transform those qualities into economic value.

The social and political structure in the country exclude the youth in decision making processes and relegates them to a position of consumers of the decisions. Government programmes like the youth fund, demonstrated Governments willingness and effort to harness the potential in youth, these programmes have not differed from the poorly structured and inaccessible financial services from the mainstream financial sector. Youth are still required to meet stringent conditions most of which they cannot fulfill to access the youth development fund.

5.7 The Need for Paradigm Shift

The conceptual modelling of Uganda's socio-economic development calls for a paradigm shift in which policy makers and planners begin to view ventures involving youth entrepreneurs proactively. Financing youth ventures should not focus on short-term returns. Youthful ventures are naturally high risk ventures because they are start-ups and often

novel innovations, this puts them in the high risk bracket from which financial institutions and current Government financing structures will shy away. Any agenda that involves youth entrepreneurs will require that the Government takes the lead in promoting youth enterprise. The development ideology of any Government in power is often translated into a National Development Policy Framework. It is incumbent upon the Government in power to transcend its party interest in a multiparty system and develop a National Development Ideology that will transcend the tenure of any single political organization in power. Such a national agenda should provide a framework to development and socio-economic transformation irrespective of the group in power. Uganda needs to define its socio-economic transformation agenda, one that can be referred to as the "Ugandan Dream". Such an agenda must be grounded on the dominant facets of the country's social and economic structure. In our case such an agenda will only have meaning when it can tap into the youthfulness of Uganda's population and the natural resources.

A paradigm shift to unlock the youthful potential of Uganda requires that Government puts the youth at the centre of economic and social programmes and motivate them to exhibit their creative and innovative capacity. The current thinking and strategies to a great extent have relegated or kept the youth at the periphery of economic development. The key sectors that are vital to unlocking the youthful potential in Uganda are the; 1) the financial sector, 2) the educational sector, 3) the agricultural sector and 4) the tourism sector. Rethinking current strategies in these sectors requires that pro-youth people occupy positions in the economy with decisional powers to harness the creative and innovation capacity of youth and translate it into socio-economic productivity. A look at the financial sector demonstrates



Source: Monitor publications: Young men nap the afternoon away at the Railway grounds in Kampala. Many people who have no jobs tend to idle their time away. Photo by Abubaker Lubowa

the inadequacy of the current dominant strategy in the sector and Government financing schemes for small business through commercial and micro-finance loans. The lending regime is premised on interest payments, collateral security and businesses that are going concerns, the youth enterprises in most cases do not qualify for financing under these conditions. If Government is to succeed in developing youth entrepreneurs and youth enterprises, then Government must take an active role in business to finance youth enterprises through mechanisms like venture capital financing, investment grants, business incubation schemes and guarantee funds.

5.8 Financing Mechanisms for Youth Enterprises

The guiding philosophy in designing financial services for youth enterprise should be grounded on the business idea

concept rather than the going concern approach. This means financing through patient finance mechanisms like venture capital as opposed to debt and trade credit. Some of the proposed strategies to create financing services that are youth friendly to harness the youth entrepreneurial capabilities should include;

1. The Government through bank of Uganda and the Ministry of Gender, Labour and Social Development should convert the youth fund into a strategic venture capital and equity fund for youth enterprise financing. This method of financing has two major advantages;
 - It will enable youth to access financing for their innovative business ideas and start-up business without the need for collateral security and interest payments. Instead the financier as a venture capitalist will take a stake in the business and put technical or experienced managers in the board or management to mentor the youth entrepreneurs, for the duration of the venture fund. In return the venture capital financier earns dividends which can be ploughed back into the fund instead of interest. Once the venture fund is repaid and the business is strong the venture capital fund is withdrawn and the entrepreneur left to continue with the business in a position where they can now access formal commercial financing.
 - In putting an experienced manager to be part of the management team, the youth entrepreneurs get mentorship and skills needed to build a successful business enterprise.
 - It also increases chances of business success where the business could have failed because of lack managerial experience.
2. Business incubation centres; Government needs to build and equip regional youth innovation centres to develop ideas, translate these ideas into products through research and product development and then incubate the successful ideas into business ventures. These should be dedicated incubation centres where youth from the Universities, Vocational institutions, traditional artisans can come to test out their product ideas. It will also be centre for apprenticeship for youth that have not furthered their education to learn employable skills from their colleagues from school.
3. Investment grants; A fund should be set up and made available for expansion to provide for business enterprise emerging from the venture capital and business incubation initiatives to facilitate business expansion and venture into new markets. This approaches contributed to the successful Japanese adventure into the foreign markets.

5.9 Solving the Unemployment Problems

The background to the budget 2014/15 shows that approximately 25 out of 100 people in Uganda are poor. This when put in context from the 2013 report on the State of Uganda's Population, 78% of the population is below 30 years old and 52% is below 15 years old. The majority of these do not work and therefore they have no income and do not contribute to the country's production. This puts the estimated dependency ratio of 107 to 100 persons in the spotlight. The case of execution of Ugandan youth in China highlighted above for drug trafficking, the recent fighting in the Ruwenzori region demonstrated the vulnerability of the youth to being lured into risk adventure due to unemployment. Policy and decision makers have to critically think about the issue of youth unemployment, one avenue is to develop strategies to make the agricultural sector which is the backbone of our economy more attractive to the youth; this sector has enormous opportunities for youth exploits.

Lessons can be drawn from the socio-economic transformation that took place in Europe during the industrial revolution. In Uganda where over 80% of the population leaves on subsistence farming, and relies on rain fed agriculture in rural areas, the Agricultural sector can be a vehicle for job creation both downstream through the supply chain services and upstream through the off-take market channels which include industrial, tourism, hospitality and household consumer markets. These prospects make it an inevitable option for Uganda to create jobs at the rate to match demand from its youthful population. Commercializing agriculture remains the key to unlocking the potential in our youthful population and creating a multiplier effect needed for growth of manufacturing industry.

Many have pointed to the highly fragmented nature of the land as a constraint to commercialization; however this should not be confused with mechanizations. First it is possible to commercialize and increase productivity through intensive farming approaches and move away from farming for subsistence. Mobilization to this effect can best be done politically to attract youth back to farming and create ground for the growth of agro-industries. Secondly increased productivity is a pre-requisite to viable commercial farming. This calls for Government policy interventions towards relevant education, extension services, availability of quality seed, fertilizers and agro-chemicals needed to increase in productivity and make agricultural investments at all levels profitability and better paying.

PREPARING YOUTHS FOR EMPLOYMENT IN THE COMPETITIVE JOB MARKET

Action for Fundamental Change and Development (AFFCD), a youth employment empowerment organization was set up by four unemployed young men in Bwaise, one of the poorest slums in Kampala City suburbs.

The youth wanted to create jobs for themselves and their peers who have been jobless mainly because they lack the required skills to compete for the available jobs in the market. This scenario had rendered them idle all the time thus putting their youthful life to waste.

Jaffar Nyombi, one of the founders of AFFCD says some of the youth in Bwaise are engaged in disguised employment, doing petty tasks like vending small items, making chapati, gambling and sports betting due to lack of employable skills. Such youth end up creating a huge dependent burden to their parents and respective communities. They often engage in criminal activities turning into a big inconvenience to society.

According to Nyombi, vocational training should start in primary schools so that by the time one completes secondary education, he or she is able to be employed or create his or her own project. This would go a long way in solving youth unemployment.

Against such a background, Nyombi and his colleagues were inspired to form a community based organization named *Bwaise Youth Employment Centre* located along Mukalazi Road in Bwaise town. The centre started in January 2014 by recruiting 238 youth between the ages of 16 and 25 of different education levels who started free training, under the sponsorship of the United States Embassy in Kampala.

The centre started with courses like photography and video editing, catering services, electrical and electronic repair, art and local crafts. Others are tailoring and fashion design, hair dressing and cosmetology. A trainee is first given three weeks orientation before he or she can be able to finally choose a course of his or her choice.

The first batch completed their four-month rigorous training and was sent for internship in different companies and organizations around Bwaise and other suburbs. At least 194 were retained at their internship postings and are fully employed while others have started their own business ventures.

The second intake in May, 2014 admitted 223 trainees and was able to complete training in September, 2014. Out of these, 117 were able to find employment soon after school, with 94 being retained at their internship places. This makes a total of 620 in two admissions.

This shows that the people who handled these students during internship liked their services and decided to retain them. At the same time, it reveals that the skills given to these young people are appropriate to the job market needs. Some of the recruits were prostitutes who would stage at local bars and night clubs luring men into sex for money but after their training many no longer want to associate with the business.

But Nyombi wants government to help graduates who do not find immediate employment with start-up capital so that they can form small groups and start operating from their homes.

The youth are always willing to deploy their labour where it is paying; they form a huge energy resource for our labour intensive agriculture which offers a platform for creating millions of jobs. On average a 2.5 acre farm is capable of creating up to 15 jobs from farm labour to disposal of the farm products. That is the power of agriculture in respect to job creation. The markets form the secondary tier of job creation vehicles, this lies in ensuring viable markets to absorb the increased production. Uganda can benefit more by first creating a viable internal market as a launch pad to accessing regional and international markets. Increasing opportunities to paid employment will naturally put more money in the hands of more people and increase the amounts of disposable income in the hands of the populace. Key internal markets for Uganda include the industrial and urban consumer markets. The regional markets and international markets should be looked at as the second tier markets to absorb surplus agricultural and industrial products; they should form the next level drivers for job creation. This would safeguard the sector from dependency on foreign markets as has been the case for Uganda and Southern Sudan. Finally the internal and regional markets can form a good springboard for the international markets. This approach demonstrates a huge multiplier effect in terms of job creation right from farm level to associated industry and the export markets, which takes the potential of jobs created beyond the 15 jobs per acre estimate above when we factor in the regional and international markets.

These clues mean that Uganda's youth population can be a source of competitive advantage in the sector of agriculture and related industry. The question should be, how do we position ourselves as a country to exploit this demographic and economic opportunity and translate it into an economic benefit to the country? The answer to this question lies with the policy and selection of the industries where we can build competitive and comparative advantage. In all respects agriculture is best positioned to lead us there. Tourism on the other hand has a similar potential and can be seen from a perspective of complementarity to agriculture, these two can lead to strategic industrialization.

A look at countries where Governments have taken a deliberate policy to support strategic sectors of the economy through local financing, outside of the restrictive claws of Aid or handouts, they have achieved real socio-economic transformation. Examples include Japan following the aftermath of WWII, Israel, Egypt, Malaysia, Indonesia and Taiwan. While these may not be contextually at the same level with Uganda at the time they did this, there is a lot we can learn in terms of prioritizing support and targeting investments to strategic sectors. Uganda's agriculture is currently donor driven, and therefore operates according to the dictates of the donors. Agriculture and tourism if developed effectively has the potential to unleash the youth potential in this country through creation of jobs, investments and cause the emergence of other forms of the industry. I have deliberately avoided discussing the oil sector and its potential for one reason, it has limited opportunities to harness the potential of Uganda's youthful population, but through agriculture and tourism the youth can have a say in the oil sector.

5.10 Strategies for Skills Development

Many have criticized Uganda's educational system as producing job seekers rather than job creators, never the less the solutions prescribed most of which refer to curriculum changes may not necessarily transform the products from our academic institutions into the job creators we crave. The problem with Uganda's graduates does not lie in the education system, but in the aculturalization process. The youth today go to school not to learn skills but to pass exams, get a paper called a certificate and hopeful use it to hoodwink employers to offer a job. This attitude has been taken so far as to even students hiring examination mercenaries, the famous talked about sex for marks cases besides open cheating of exams and plagiarism. They have substituted class attendance, doing assignments, scientific research and tutorial studies with hired services for marks. This is because emphasis is put on passing at the minimum possible mental effort. It is obvious the poor quality of the products from our educational institutions has less to do with the educational material or curriculum but the attitude of the students and teachers towards learning.

The commercialization of the education system means financial interest have been put a head of learning, this is evident even in government institutions like Makerere University, Gulu University, Mbarara University and others. Suffice to say the same material taught across many educational institutions and universities in the world is similar to that taught in Ugandan institutions, the approach may differ but not completely different, yet they produce what we consider better quality graduates who we are willing to hire as experts. To improve the quality of youth products from our education

system, Government policy makers should look into critical components of the education system which have been neglected; these include apprenticeship schemes, field attachment/internship programmes and graduate volunteer programmes to complement class room learning. Secondly educational institutions should not put the profits motive over and above the learning both in Government supported and private institutions. This is only possible if Government can maintain an active role in financing public educational institutions and subsidizing private educational institutions to ensure increased focus on delivering the right learning environment.

Today most Universities in Uganda both private and Government supported are willing to pass students who have normally failed because they fear student flight, which will diminish their revenues and profits. The arguments put forward by Makerere University for the 10% increment of fees is an indictment to both the Government for failure to finance the institutions and Makerere's commercialization of the University education.

There has also been an argument in the public for and among policy makers as to whether science or arts (humanities courses) are better suited to address Uganda's socio-economic problems. It is surprising that this should even be the debate; the debate should be how each of these can be tailored to provide solutions to Uganda's employment problems. I will take a simple case, if we must develop our tourism industry, then we need more historians to tell the story of Uganda, the region and the rest of the world. We need more conservationists and anthropologists to tell about the geo-ecological wealth of Uganda and our rich heritage. In a nut shell science alone cannot solve Uganda's problems, both science and humanities skills in the population are a pre-requisite for socio-economic transformation. Any educational policy that tries to disrupt this professional symbiotic relationship is doomed to fail. Government should therefore desist from policies that will undermine national development and growth through research biases in policy development. The biggest development challenges facing Uganda are not scientific in nature, Ugandan scientists are capable of solving these countries scientific problems, but they lack that vital support from the humanities side to help transform scientific solutions into solutions to society's problems. Winston Churchill when confronted with problems of the WWI did not just gather the scientists, but built a multidisciplinary team which included a lot of humanities expert's in so doing he resolved the challenge of confronting the fire power of the Germans. Skilling Uganda should therefore put emphasis on a multi-disciplinary skills structure to create a balance in "human capital" resources needed to bring about the required socio-economic transformation. Recent reports from Makerere University indicate that, over 2,000 students have not completed their degrees for various reasons including inability to pay fees.

5.11 Practical Policy Actions and Intervention Options

1. **Skills Development and Educational Interventions:** Government should align policy and funding of the Country's educational sector with skills development needs to harness the available opportunities. This should include funding activities like student internship placement, all students graduating from Ugandan institutions must have mandatory national service apprenticeship training, national and voluntary service mission for both private and Government sponsored students through grants or study loans. The newly introduced loan scheme should be carefully structured to achieve this purpose.
2. **Positioning Agriculture:** Agriculture should be positioned and funded as a strategic socio-economic transformation sector to help Uganda achieve its industrialization ambitions and middle income class status. Modernization of agriculture should be structured to enhance productivity and develop value-addition industries, through better-quality expenditure and investment in agriculture specifically by adopting improved budget processes that are aligned to well-articulated strategies capable of attracting more private investment and elite participation in farming, development of agro-export-oriented industries to create high job-multiplier effects.
3. **Socio-Economic Budgeting Approach:** Government should adopt a budgeting approach that enhances the performance of strategic socio-economic transformation sectors with a higher job multiplier effect. This calls for setting clear socio-economic transformation priorities, identifying and prioritizing the driving sectors in the short and long-term. Preeminence should be put on sectors with high potential for job creation and capacity to absorb

talent from our educational institutions, such as agriculture, tourism, small scale manufacturing and cottage industry.

4. **Skills Development:** A scheme for international placements for the youth from our educational system sponsored by Governments in collaboration with development organizations or other agencies should be put in place to enable students get placements both in internal organizations and abroad through volunteer missions, industrial placements and exposure. This will enhance the pace of scientific innovations and transfer of unique skills acquired from such exposure back into the country.
5. **Strengthening Local Markets:** There is need to invest in strengthening local markets by increasing capacity to save, invest and consume. A population with sufficient purchasing power is important to create a viable local market that can sustain industry in times of difficulty at the export markets.
6. **Mobilizing Youth into Agriculture;** Government should develop a political strategy to mobilize youth to engage in agricultural production through commercialization, supporting agricultural production and transformation of agricultural products into industry and value added products.
7. **Financing Youth Ventures;** Youth responsive financing mechanisms need to be developed to encourage innovation and creativity as well as job creation by the youth. One of the best avenues to achieve this is for Government to lead a process of developing a venture capital and grant financing mechanism to financing innovative business ideas from youth. It will be impossible for the youth who developed KIIRA 1 to bring it to the bank without the help of venture capital or grant financing. Traditionally, Ugandan banks would not finance that venture because it is start up.

5.12 Conclusion

The discussion in this chapter demonstrates that the exclusive focus on economic reforms and investments has been insufficient and will not enable Uganda to achieve the desired poverty reduction goals and the socio-economic transformation needed to realize a middle-income status envisaged in Vision 2040. For Uganda to achieve the same level of development and socio-economic transformation as the Asian Tiger economies, it must prioritize concurrent investments in sector that have an economic and social multiplier effect such as agriculture, education, tourism and energy with a goal of accelerating economic growth and reduction of poverty.

References

1. The republic of Uganda Report: Harnessing the Demographic Dividend Accelerating Socioeconomic Transformation in Uganda July 2014
2. Population Secretariat. (2013). *State of Uganda of Population Report, 'Population and Social Transformation: Addressing the needs of Special Interest Groups'*. Kampala, Uganda: Population
3. Secretariat - UBOS projection of demographic trends in Uganda 2007-2017.
4. UBOS. (2013a). *Statistical Abstract 2013*. Kampala, Uganda: UBOS.
5. UBOS. (2013b). *Uganda National Household Survey, 2012/13*. Kampala, Uganda: UBOS.
6. Bloom, D.E., D. Canning, and J. Sevilla. (2001). *Economic Growth and Demographic Transition*.
7. UBOS. (2007). *Projections of Demographic Trends in Uganda 2007-2017*. Vol. 1. Kampala, Uganda: UBOS.
8. World Bank. (2011). *Uganda: Demography and Economic Growth in Uganda*. Poverty Reduction and Economic Management Unit (African Region), Report No. 63165-UG. Kampala, Uganda: The World Bank.
9. National Bureau of Economic Research Working Paper Series No. 8685. Cambridge, MA: National Bureau of Economic Research.
10. Bloom, D., and J. Williamson. (1998). *Demographic Transitions and Economic Miracles in Emerging Asia*. *The World Bank Economic Review* 12(3): 419–455.

11. Government of Uganda (GOU). (2014). *Uganda National Budget 2014/2015*. Kampala, Uganda: Ministry of Finance, Planning and Economic Development.
12. Mason, A. (2005). "Demographic Transition and Demographic Dividend in Developed and Developing Countries." United Nations Expert Group Meeting on Social and Economic Implications of Changing Population Age Structures (Mexico City).
13. National Planning Authority (NPA). (2013). *Uganda Vision 2040*. Kampala, Uganda: National Planning Authority.
14. Julius Ecuru (2013), *Unlocking Potentials of Innovation Systems in Low Resource Settings*. Blekinge Institute of Technology Doctoral Dissertation Series No 2013:10.
15. *Unlocking Uganda's Development Potential; The 8 Fundamentals for the Development of the National Development Plan (NDP)*. A civil Society Perspective Paper (2009).
16. *Education Policy Reforms in Uganda: The Missing Link* - By the Forum for Education NGOs in Uganda (FENU).
17. *The Position of Culture in Development: A Civil Society input for the National Development Plan*. By the Cross-cultural Foundation of Uganda (CCFU), January 2008
18. *Women and Agriculture: Gender and National Development Plan, 2008/09 - 2012/13 – A Submission by the Centre for Land Economy and Rights of Women (CLEAR - U)*
19. *Achieving a high quality population in Uganda: Population Issues and Perspectives for the National Development Plan*. By Reproductive Health Uganda (RHU)
20. *Refocusing Uganda's Budget Priorities and Public Expenditure: A Civil Society Contribution to the PEAP Review and the National Development Plan* - By the Advocates Coalition on the Environment and Development (ACODE).



UGANDA:

POPULATION AND DEVELOPMENT DATA SHEET

1. DEMOGRAPHIC, HEALTH AND SOCIAL, ECONOMIC AND DEVELOPMENT INDICATORS 1994 - 2014				
Key Indicators	Year of Reporting			
	1994/95	2001/2002	2005/06	2013/14
A: Population Outcome and Process Indicators				
Crude Birth Rate per 1,000 population per year	52.1	47.0	-	-
Crude Death Rate per 1,000 population per year	17.3	14.7	-	-
Total Fertility Rate	6.9	6.9	6.7	6.2
Annual Population Growth Rate (%)	2.5	3.2	3.2	3.2
Life Expectancy at Birth (years)	48.1	50.4	*52.0	*54.0
Percent Urban Population	11.3	12.3	15.0	16.1
Mean Household Size (persons)	4.8	4.7	-	-
B: Health Indicators				
Infant mortality rate (IMR) per 1,000 live births	81	88	76	54
Under five mortality rate per 1,000 live births	147	152	137	90
Maternal mortality ratio per 100,000 live birth	506	505	435	438
Contraceptive Prevalence Rate (%)	14.8	22.8	23.7	30
HIV Prevalence rate (%)	6.0	6.4	6.4	7.3
Percentage of births delivered by a skilled provider (%)	39	39	41	59
C: Social Indicators				
Literacy rate (%)	54	70	69	73
Proportion of Households with access to Toilet facilities (%)	71.4	83.8	88	88
Proportion of Households with access to safe drinking water (%)	25.8	62.6	67.6	73.8
Pupil - Teacher ratio (Primary School)	-	53	57	49
Pupil - Classroom ratio (Primary School)	-	87	72	58
Student - Teacher ratio (Secondary School)	-	-	-	19
D: Economic Indicators				
GINI Coefficient (Inequality measure in household consumption)	-	0.428	0.408	0.426
Urban Unemployment rate (%)	-	12.2	6.9	9.5
GDP per Capita (US \$)	-	280	370	533
E: Human Development Indicators				
Human development index	-	0.488	0.581	0.422
Life expectancy at birth (year)	48.1	50.4	*52.0	*54.0
Percentage of population below the poverty line (%)	-	38.8	31.1	24.5
F: Gender Empowerment Indicators				
Gender Empowerment Index	-	0.549	0.583	-
Female Adult literacy rate (%)	-	59	58	61
Share of women in wage employment in the non-agricultural sector (%)	-	-	37	43.7
G: Burden of Diseases				
Malaria (%)	47.9	38	36.2	-
Cough or Cold (%)	18.5	16.3	19.3	-
Intestinal Worms (%)	10.9	6.1	5.2	-
All Others (%)	22.7	39.6	39.3	-
H: National Public Expenditure on Key Sectors as Percent of GDP				
Education and Sports (%)	19.3	16.5	17.4	16.4
Health (%)	10.6	8.4	8.5	9.4
Water and Environment (%)	3.7	3.1	3.8	3.4
Production and Marketing (%)	5.2	4.8	4.2	3.4
Works and Transport (%)	14.7	13.4	16.1	20.6
Energy and Mineral Development (%)	5.7	15.8	14.5	14.5

Source: Statistical Abstract 2012 and 2013, UDHS 2000/01, 2005/06, 2011, 2012 and 2013, Population and Housing Census Main Report (2005), 1991 Population and Housing Census, Analytical Reports (1995), Volumes I, II and III, National Household Survey Report 2012/13, Background to the Budget FY 2012/2013 and Human Development Report 2010, 2011, 2012, 2013 and 2014, Uganda AIDS Indicator Survey Report 2011

* National Planning Authority

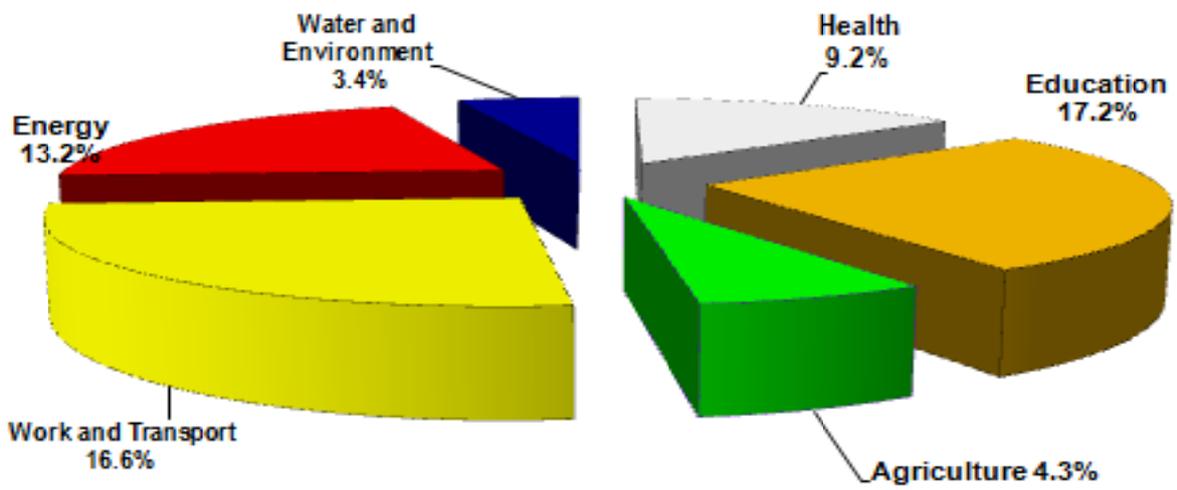
2. TRACKING PERFORMANCE OF MILLENNIUM DEVELOPMENT GOALS (MDGS) IN UGANDA FROM 2000/01- 2013/2014							
Goal	Millennium Development Goal	Millennium Development Goal (MDG) Indicator	Tracking MDGs Progress since 2000				Millennium Development Goal Target 2015
			2000/01	2005/06	2010/11	2013/14	
1.	Eradicate extreme poverty and hunger	1. Percent of Population that is living below the poverty line 2. Poverty gap 3. Percent of underweight children (moderate and Severe under 5 years)	38.31.1 10.0 22.8	31.1 8.7 16	24.5 6.8 17	19.7 - 17	28.0 - 12.5
2.	Achieve universal primary education	1. Net enrolment ratio in primary education 2. Literacy rate of 15-24 year olds	84.0 81.0	81.8 76.3	83.2 -	- -	100.0 -
3.	Promote gender equality and empowerment of women	1. Ratio of girls to boys in primary schools 2. Ratio of girls to boys in secondary schools 3. Ratio of girls to boys in tertiary education 4. Proportion of seats held by women in parliament	0.95 0.79 - 19.0	0.95 0.81 0.92 30.1	0.98 - - 43.7	- - - -	1.00 1.00 1.00 50.0
4.	Reduce/ child mortality	1. Infant mortality rate per 1,000 live births 2. Under-five mortality per 1,000 live births 3. Percent of 1 year old children immunized against measles	894 158 56.8	76 137 68.1	54 90 76	54 90 -	31.0 56.0 90.0
5.	Improve maternal mortality	1. Maternal mortality ratio per 100,000 live births 2. Percent of births attended by skilled health personnel	505 39.0	435 41.1	438 57	- -	131 90.0
6.	Combat HIV/AIDS, malaria and other diseases	1. HIV prevalence rate among 15-49 year pregnant mother 2. Condom at last higher- risk sex among 15-24 years old 3. Contraceptive prevalence rate among married women 15-49 years 4. Proportion of 15-24 year old who have comprehensive knowledge of HIV/AIDS	6.0 49.8 23.0 28.0	6.4 52.9 23.6 35.1	7.3 - 30 39	- - - -	- - - -
7.	Ensure environmental sustainability	1. Proportion of land area covered by THF forest 2. Proportion of population with access to an improved water source (Urban) 3. Proportion of population with access to an improved water source (Rural)	21.3 87.0 57.6	18.3 84 63.6	- 92.2 69.5	- - -	- 100 70
8.	Develop a global partnership for development	1. Debt service as percent of export of goods and services 2. Telephone fixed line subscriptions 3. Cellular/Mobile subscribers 4. Tele density (lines per 100 population) 5. Fixed internet subscribers 6. Mobile wireless subscriptions 7. Estimated internet users	20.4 59.472 505.627 2.35 9,500 - -	15.8 100.777 1,525,125 6,14 30,000 358,228 1,000,000	17.1 464,849 16,696,992 52.1 88,786 977,500 4,800,000	- - - - - - -	- - - - - - -

3. TRACKING PERFORMANCE OF INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT (ICPD) IN UGANDA FROM 1994/95 TO 2013/14 :				
International Conference on Population and Development (ICPD) Indicators	Progress in Achievement of ICPD Since 1994			
	1994/95	2000/2001	2005/06	2010/11
Mortality				
Infant Mortality Rate per 1,000 live births	97	88	76	54
Maternal Mortality Rate per 1,000 live births	505	505	435	438
Life Expectancy (years)	Male	46	48.8	48.8
	Female	51	52.0	52.0
Education				
Gross Primary enrolment	Male	48	130	118
	Female	36	124	117
Gross Secondary Enrolment	Male	-	38.2	36.8
	Female	-	30.4	33.3
Percent Illiterate (age above 15 years)	Male	36	22.2	16
	Female	55	42.3	39
Reproductive Health				
Contraceptive Prevalence	Any method	15	19	24
	Modern Method	8	14	18
Unmet Need for Family Planning		25	35	41
HIV Prevalence Rate (%) 15-49 years	Male	-	5.0	5.1
	Female	-	7.5	8.3
Women Age 15-19 that have begun child childbearing (%)		43	31	25
				24

Source: UBOS Statistical Abstract 2012, UDHS 2000/01, 2005/06, 2011, UNHS 2009/10 and Uganda AIDS Indicator Survey Report 2011

Source: UBOS Statistical Abstract 2012, 2013, UDHS 2011, UNHS 2009/10, 2002 Population and Housing Census Main Report (2005), 1991 Population and Housing Census, Analytical Reports (1995), Volumes I, II and III, and Uganda AIDS Indicator Survey Report 2011

Financing of Major Sectors by the Government of Uganda from FY 2010/11-2013/14



Source: MoFPED, 2014

Population Secretariat (POPSEC)
Ministry of Finance, Planning and Economic Development
Statistics House, Plot 9, Colville Street
P. O. Box 2666, Kampala, Uganda
Tel: +256-414-705400, Fax: +256-414-705454
E-mail: popsec@popsec.org
Website: www.popsec.org