

The Non-Profit Sector's Contributions to the Creation of Dignified and Fulfilling Work for Young People in Uganda



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In partnership with



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Bhekinkosi Moyo CAPSI Director

#### DISCLAIMER

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### EXECUTIVE SUMMARY

A social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives, and equality of opportunity and treatment for all women and men (Rantanen, Muchiri, & Lehtinen, 2020). As a result of being unable to find formal employment, several youths in Uganda are turning to the informal sector for livelihood. Limited skills and lack of access to capital make them resort to the informal sector for a holistic approach that considers the creation of decent jobs, skills development, and provision of microcredit.

Non-profit organizations (NPOs) in Uganda are commonly referred to as Nongovernmental Organisations (NGOs) and have, over the years, played an important role in supporting inclusive development in Uganda, for instance, through support towards the provision of basic social services like healthcare and education (Barr, Fafchamps, & Owens, 2003). They have also played an important role in the creation of employment opportunities. This has been done directly through job vacancies with the NGOs and indirectly through supporting other organisations that create jobs, such as incubators and accelerators. The quality and quantity of the jobs created by non-profits are not well documented in the available literature – and perhaps this could be because they do not have a regulatory

obligation to report on the number of jobs created. As such, no data is available. The non-profits also play a key role in helping build their capacity through skills training, mentorship, and capital provision for most youth venturing into the informal sector (World Bank, 2019).

The literature review examines the non-profit sector's contribution to Ugandan economic development and employment creation. The literature review involved a systematic desktop review, which included searching the existing relevant literature on the non-profit sector and its contribution to the creation of decent, dignified, and fulfilling work for the youth in Uganda. This process included screening The review tried to be as exhaustive as possible, ensuring that all relevant studies, news articles, and books published online were included.

for inclusion, assessing the material's quality, extracting data, and synthesising the evidence. The review tried to be as exhaustive as possible, ensuring that all relevant studies, news articles, and books published online were included. The inclusion criteria encompassed academic publications, journal and newspaper articles on the nonprofit sector's economic contribution to youth employment in Uganda, key factors influencing youth employment, and initiatives implemented by NPOs.

The review highlights that although the non-profit sector does play a crucial role in skills acquisition by youth, there is no comprehensive dataset on the number, quality, or sustainability of these jobs. To take this research forward, the review recommends a mixed-method methodology to ascertain the type and number of jobs created by the non-profit sector. Furthermore, to ascertain whether these jobs are decent, the ILO framework on decent work could be used as a guiding frame for the study. The review also identifies key sectors for job creation within the country and recommends that further study is carried out to ascertain the type, quantity, and quality of jobs in these sectors.

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### LIST OF ACRONYMS

ACSOs	Authority on Civil Societies organisations
AAU	Action Aid Uganda
BT	Bertelsmann Stiftung Transformation Index
EAC	East African Community
FAO	Food and Agriculture Organization
FAD	Foundation for African Development
GOAL	Not expanded in the document
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Development Agency)
ILO	International Labour Organisation
INGO	International Non-Governmental Organisation
MGLSD	Ministry of Gender, Labour and Social Development
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
NRC	Norwegian Refugee Council
PROSPECTS	Not expanded in the document
SSA	Sub-Saharan Africa
STRYDE	Strengthening Rural Youth Development through Enterprise
TIN	Tax Identification Number
TVET	Technical and Vocational Education and Training
UYDEL	Uganda Youth Development Link
WiTU	Women in Technology Uganda
YLP	Youth Livelihood Programme

## 01 INTRODUCTION AND BACKGROUND

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ganda is a landlocked country in East Africa with one of the youngest and fastest-growing populations in the world. 78 per cent of its citizens are under the age of 30, and the population is growing at a rate of 3.7 per cent annually (BTI, 2022). With over a million young people entering the workforce each year, youth unemployment is currently one of the most significant challenges facing Uganda. The Uganda National Youth Policy defines youth as "all young persons, male and female, aged 12 to 30 years" (The Republic of Uganda, Ministry of Gender, Labour, and Social Development, 2001, p. xx). World Bank data shows that Uganda's unemployment rate increased from 2.7 in 2013 to 6.5 in 2021 (ILO, 2021). The nation's youth unemployment rate is 17 per cent as of 2021. Compared to young men (55 per cent), young women experience higher unemployment rates (71 per cent). Furthermore, the unemployment rate in rural areas is higher (66 per cent) than in urban areas (54 per cent), and the majority of young people who are employed (58 per cent), work in agriculture and fishing (Ahaibwe & Mbowa, 2014).

There is more to youth unemployment than just a statistic in data. The complex dynamic it supports has numerous facets that are influenced by external and internal factors. The Government of Uganda (GoU) has made several interventions to address the youth unemployment crisis. The Food and Agriculture Organization (FAO) and the GoU's October 2017 introduction to the National Strategy for Employment in Agriculture (NSYEA) have two notable interventions that have been put into action. With a budget of UGX 52.9 billion, this five-year plan aimed to get young people involved again in agriculture. More and better jobs were to be created in the agricultural value chain, from the production of agricultural inputs and products to their agro-processing and marketing. Specifically, the strategy sought to establish a national information centre that would serve as a hub for innovation, ensure that youth-sensitive agricultural extension services are provided, and fortify the institutional and legal foundation for youth employment in agriculture (FAO, 2017).

In 2013/2014, the government launched a Youth Livelihood Programme (YLP), a five-year programme (2013/14-2017/18) with a budget of UShs265 Billion (about US\$.100 million). It aimed to "empower the target youth to harness their socio-economic potential and increase self-employment opportunities and income levels" (The Ministry of Gender, Labour and Social Development (MGLSD, n.d: 1). YLP had three components: skills Development, livelihood support & institutional support. MGLSD was responsible for overseeing its implementation. This was a community-driven initiative. In addition to a revolving fund of up to UGX 12.5 million to purchase start-up kits, youth were provided with vocational skills. Additionally, the program management only approved loans up to UGX 25 million after careful evaluation (MGLSD, 2023). The first twelve months of the loans to beneficiaries were interest-free. The programme was in line with the Social Development Investment Plan (SDIP) II of the MGLSD, which aims at promoting employment among marginalized groups for social transformation, as well as the National Youth Policy that recognised productive employment as a measure of ensuring effective participation of the youth in economic growth and development. However, these programmes have been hindered by inadequate implementation and governance. Due to donors' dissatisfaction with the government's failure to spur economic growth and create jobs, the non-profit sector has been recognised as a vital substitute to provide much-needed jobs for Ugandan youth.



NPOs are commonly referred to as NGOs in Uganda (Council on Foundations, 2024) and are regulated by the Non-Governmental Organizations Act of 2016. The 1970s and 1980s saw a large influx of NGOs to Uganda to fill the void left by the fall of the government. This is when the sector began to grow. The Catholic Church and the Protestants were the main faith-based organisations that started the movement. International NGOs later

supported this movement, which was subsequently supported by governmental donors. More recently, the Ugandan government supports NGOs in the country (Barr et al., 2003). International, regional, and national NGOs are hosted in Uganda. In response to the principles outlined in the Treaty for East African Cooperation (EAC), Regional Nongovernmental Organisations (RENGOs) are also emerging. Most International Nongovernmental Organisations (INGOs) work closely with line ministries and local NGOs.

Through their various activities, many NGOs in Uganda have inadvertently contributed to Uganda's development across different sectors. This role has grown in importance as a result of increased donor funding, as well as the dissatisfaction with the government's In response to the principles outlined in the Treaty for East African Cooperation (EAC), Regional Nongovernmental Organisations (RENGOs) are also emerging.

inadequate service delivery. Thus, NGOs have become a vital means of employment creation for Ugandans, especially the youth (Baguma, 2009). What is unclear is the proportion of young Ugandans working in NPOs. There is no reliable data on the number, nature, and quality of jobs created. This could be due to several factors. First, Second, NGOs are not mandated to report on the jobs they create. Third, how precisely NGOs provide respectable and long-term employment for the nation's youth is unclear.

This review identifies data gaps in the literature regarding Ugandan NPOs and their role in promoting youth employment in the country. Additionally, it highlights how different subsectors within the Ugandan non-profit sector could be critical in creating dignified and fulfilling jobs. This paper is divided into nine sections. Following this introductory section, section two looks at the methodology, while section three covers the typology of NPOs in Uganda. Sections four to 7 unpack the research questions, and the final section nine concludes the literature review, clearly drawing out the themes that emerge.



# 02 Methodology

he research used a systematic desktop study to conduct a comprehensive literature review. The first step consisted of searching the available literature and deciding the suitability of material to be considered in the review (Cooper, 1988). Exhaustive coverage was followed, meaning an effort was made to be as comprehensive as possible to ensure that all relevant studies, published and unpublished on the subject matter

for Uganda, were included in the review, and, thus, conclusions were based on this all-inclusive knowledge base. The next step consisted of evaluating the applicability of this identified material using a systematic review (Levy & Ellis, 2006; vom Brocke et al., 2009). For the inclusion criteria, the review only considered articles dealing with the non-profit sector and its economic contribution to youth employment in Uganda. Literature that explored the key factors influencing youth employment in the country and the various initiatives and programmes implemented by NPOs to address this issue was included. The type of information that was extracted was informed by the initial research questions. The final step entailed collating, summarising, aggregating, organizing, and making sense of the information gathered and drafting it into a coherent review. The importance of this last phase was to identify themes and gaps.



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O3 TYPOLOGY OF NPOs

he non-profit sector is a broad concept that is understood and described differently by diverse entities. As such various terms have been used to describe it. These include civil society, charitable organisations, and NGOs, among others (Smithet al., 2006). However, in Uganda, as mentioned in section 2, NPOs are commonly referred to as NGOs, and throughout this literature review, these acronyms are used interchangeably. An NGO in Uganda is defined as a legally constituted organisation under the NGO Act, which may be a private voluntary grouping of individuals or associations established to provide voluntary services to the community or any part thereof, but did not operate as a not-for-profit or for commercial purposes.

Several additional regulations and laws have been put in place to regulate the operation and affairs of NGOs: the NGO Regulations of 2017, the Fees Regulations of 2017, the Companies Act of 2012, and the Trustee Incorporation Act of 1939, among other laws (UNNGOF, 2022). The Non-Governmental Organizations Act of 2016 is the primary law, and it mandates the NGO Bureau to register and maintain an up-to-date register of all NGOs in Uganda. NGOs are registered under five different categories.

- (1) Indigenous organisations: These wholly controlled by Ugandan citizens.
- (2) Regional organisations: These are incorporated in one or more countries of the East African Community (EAC), partially or wholly controlled by citizens of EAC partner states, and operating in Uganda.
- (3) Continental organisations are originally incorporated in any African country not part of the EAC and are controlled partially or wholly by citizens of one or more African countries and are operating in the country.
- (4) Foreign organisations: These do not have original incorporation in any country and are partially or wholly controlled by citizens of other countries that are not partner States of the EAC and operate in Uganda.
- (5) International organisations: These are defined , originally incorporated in a country other than a partner State of the EAC, partially or wholly controlled by citizens of one or more countries other than citizens of the EAC partner states, and operating in the country (UNNGOF, 2022).

This registration presents both positive and negative implications. On the positive side, this facilitates coordination of NGO activities, especially service delivery activities, to identify gaps and avoid duplication. It also brings funding channeled through NGOs 'on budget' in the context of current trends toward sector programming initiatives. The regulations provide the NGO Bureau broad powers to inspect NGO offices and records and to suspend their activities without due process. Therefore, on the negative side, there is a concern that the government, through

the Ministry, monitors, controls, and restricts the 'activist' activities of NGOs, especially campaigning around governance and human rights issues. In other countries, NGOs registered as service delivery organisations have lost their license to operate if they exceed this mandate and engage in campaigns that the government considers 'political'

Most NGOs in Uganda are small and dispersed, with the founders usually being elite, urban-based, and part of a network they use to source funding. The sector is also frequently defined by its independence, vibrancy, flexibility, and ease of entry and exit. It also frequently has restricted and chosen ownership, funding, operational scope, and target beneficiaries (Barr et al., 2003). In Uganda, the NGO sector relies heavily on donors, with the majority receiving In Uganda, the NGO sector relies heavily on donors, with the majority receiving funding from outside sources either directly or via INGOs that have operations in the country.

funding from outside sources either directly or via INGOs that have operations in the country. The local NGO sector's fragility and its programme activities' poor sustainability could result from high donor dependence (Barr et al., 2003).

There are differing opinions on whether NGOs belong in a particular category within society's structure. This argument has been discussed by Dicklitch, 1998; Bazaara, 1999; Bazaara & Barya, 1999; & Cleary, 1997. There are other view points. This argument has brought up several topics, including membership, control, and the roles of NGOs. It is commonly noted that many NGOs are run like families, largely due to certain individuals who become 'indispensable' as those groups' leaders. An example cited is the Foundation for African Development (FAD) in Uganda, led by the same person since the 1980s.



NGOs in Uganda work in various sectors ranging from health, education, agriculture, and environment to humanitarian assistance and post-conflict reconstruction (UNNGOF, 2022). Other NGOs work on macro-policy advice, advocacy on various issues such as human rights, integrity and accountability in public service, good governance and democracy, lobbying, and research. These NGOs could be broadly divided into those working in development sectors and those focused on advocacy, awareness, and research.

Some NGOs are national in scope, operating throughout the country, while others exclusively serve one or a combination of districts. In addition, some NGOs engage in multi-sectoral activities, whereas others focus solely on one sector or theme. For instance, NGOs could be active in health care activities (HIV/AIDS), education, community economic development, agriculture, and the environment.



# 04 THE ROLE OF NGOS IN CREATING EMPLOYMENT

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The challenge is that the Ugandan economy needs to create at least 700 000 formal jobs annually to accommodate the rapidly expanding youth labour force. Still, at the moment, only about 75,000 formal jobs are created annually, which means that only about 10% of new entrants into the labour market annually can secure employment (World Bank, 2020). This indicates a shortage of employment opportunities, and the non-

profit sector is one potential pathway for job creation in the country. What is not clear is which sectors are more appealing to the youth, as this has also not been quantified in the available statistics. However, the numbers of jobs created, as well as sectors favoured by the youth, are critical areas for further research, given the sector's impact on Uganda's socioeconomic development.

NGOs are critical in Ugandan society, especially as providers of services and employment, catalysts of social capital, and advocates for vulnerable groups. Further, there is also a need to clarify that NGOs create jobs directly by creating employment opportunities and indirectly through support to organisations that create employment, for instance, incubators and accelerators. The official statistics on the jobs for youth created by the non-profit sector broadly in Uganda are NGOs create jobs directly by creating employment opportunities and indirectly through support to organisations that create employment, for instance, incubators and accelerators.

particularly scarce in the literature. However, Salamon &Anheier (1996) reported that one in every 20 workers is employed in the non-profit sector in the developed countries surveyed. Within the services sector, one in eight is used by NGOs (Barr et al., 2003). It is difficult to obtain comparable data for a developing country such as Uganda; however, employment in the NGO sector is much more extensive than commonly thought. Statistics regarding the employment of Uganda's marginalised youth by the non-profit sector are also broadly lacking.

In as much as there is a lack of data on the number of jobs created by the non-profit sector, there are some available statistics on employment created by social enterprises, which are classified as NPOs. A recent British Council-funded report from Sub-Saharan Africa (SSA) suggested that social enterprises could help meet the jobs challenge and reduce income inequality (Kerlin & Dowsett, 2021). In addition, they create jobs for people from underserved communities, including youth in the margins. Given support, social enterprises that use business models to address social challenges may be an important part of the solution. The estimate of the number of jobs directly created by social enterprises in SSA ranges from 28 million to upwards of 41 million, based on the best available data. In all the countries where comparative data is available, social enterprises employ more women than the private sector (Kerlin & Dowsett, 2021). This is an important metric for gender inclusion. In Uganda, some studies estimate that approximately 27,400 social enterprises operate in the country and employ 62,300 people directly, with the projection of creating more than 86,000 jobs by 2030 (Siemens Stiftung, 2019). This data, however, is not delineated by gender or geography.

Based on the GDP contribution, it was hypothesised that employment is created in the sectors that add the most value to the economy (apart from extractives), including manufacturing, services, and agriculture. These sectors can serve as a proxy to highlight areas in which NGOs are involved and potential areas where employment exists. However, it cannot be guaranteed that these sectors will also have the highest concentration of non-profit activity in Uganda, which warrants further study. In Uganda, though agriculture is the lowest contributor to GDP, the sector has the largest percentage of the labour force at over 63 per cent. The services sector boasts the second-highest percentage of workers in the country at 29 percent. Over three in four youth entering the labour market in Uganda start in the agricultural sector, and many stay there. In addition, the higher share of agricultural employment among youth compared to older workers may also reflect that children in rural areas, whose main option is to work in agriculture, drop out of school earlier than those in urban areas (World Bank, 2019). One conclusion from this review is that agriculture and the service sector (most low-value-added services) contribute 92% of employment in the country. It is a fact that these sectors do not create dignified and fulfilled jobs, including for the youth.

Engaging in a low-productivity economic activity as a first job is a problem if the first job determines further opportunities. Large food manufacturing companies were the biggest employers in terms of job creation in the agricultural sector. These larger enterprises have offered higher-paying positions than wage labour in agricultural primary production. A study conducted on six nations in SSA revealed that by transforming their food systems, more jobs may be created between 2010 and 2025 than by the entire economy combined (World Bank, 2019). These would be better jobs depending on the activity; labour productivity in agribusiness might be up to seven times higher than in agricultural sector by promoting and supporting opportunities in agro-processing, research, and extension services for young people. The youth could be supported in acquiring critical technical skills to improve their employability and entrepreneurial chances in non-farm enterprises and urban areas (World Bank, 2019). This underscores the fact that transforming the agricultural value chain has the potential to contribute to creating dignified and fulfilling jobs for the youth.

The lack of availability of decent jobs for youth in Uganda is a major concern. The ILO has four pillars of decent work: promoting employment and enterprise, guaranteeing rights at work, extending social protection, and promoting social dialogue (Rantanen et al., 2020). The literature on Uganda's non-profit sector does not provide much insight into the sub-sectoral contributions to decent, dignified, and fulfilling work for various categories of young people. Some research shows that NGOs do create decent work opportunities. For example, a study conducted across select countries in SSA on social enterprises examined the quality of work created. This was proxied by notice periods, such as the times before layoffs, training opportunities, and pay levels. On the first two criteria, social enterprises outperformed their profit-first counterparts. When it came to compensation, the outcomes were less obvious. A recent report on social entrepreneurship in Uganda reinforced these findings; social enterprises promote decent and inclusive growth (Status of Social Enterprise in Uganda) (Kerlin & Dowsett, 2021). Some NGOs, such as Restless Development, are working to help several young people in the country to ensure equal access to decent work, essential public services, and a productive, dignified life (Restless Development, n.d.). More research, however, needs to be carried out, utilising the ILO framework to ascertain whether NGOs are creating decent work opportunities for the youth in Uganda, and to what extent.

.Through various interventions, the non-profit sector in Uganda is working to advance inclusive development, including efforts to address the needs of young women and men, especially those on the margins. Several NPOs in the country are creating opportunities, with a special focus on enterprise support interventions as the most effective means of interacting with young people. Across the continent, many NPOs are instrumental in supporting other businesses to create jobs.

NGOs are supporting various stages of the business journey, from developing an entrepreneurial mindset through business ideation and incubation to growth and development. It is important to note that though these NGOs may only employ a few people directly, each can create hundreds of jobs through self-employment, new business startups, and business growth (Siemens Stiftung, 2019). One such initiative in Uganda is the Youth Entrepreneurial Scheme (YES). The YES program was created as a loan programme for young people who want to start their own businesses. The Youth Venture Capital Fund in 2011–12, the Graduate Venture Fund, and the Youth Livelihood Programme are other initiatives implemented to support young people wanting to start their own businesses (Ahaibwe & Mbowa, 2014).



VEGETABLES AND POTATOES
CHICKEN, FISH
FRUITS, HARBS
TEA, COFFEE
VISIT TO INQUIRE ABOUT
CIBIC PROGRAMS
LOCAL FOOD RESTUARANT
AGRO TOURISM

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NGOS BUILDING THE CAPACITY OF YOUTH IN THE INFORMAL SECTOR

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ganda has a small formal sector comprising primarily a large share of small firms; large firms account for very few jobs. Business census data show that in 2010, the structure of Uganda's firm sector was heavily biased towards micro firms: 97 per cent of all firms have fewer than ten employees, and this category accounts for around two thirds of all jobs in the formal sector – with less than 10 per cent of Ugandans in formal employment (Merotto, 2019). In the country, the informal sector has emerged as an important source of livelihood for the marginalised, especially the less educated, youth and women who would otherwise not find employment in the formal economy (Sanday, 2023). The informal sector or informal economy can be defined to mean all market-based legal production of goods and services by business units that have no Tax Identification Number (TIN) but may or may not have business permits (trading licenses) issued by local authorities in areas from which they operate (Mugoda, Esakun, Nakimu, & Bbaale, 2020). The sector ranges from unregistered street vendors and small market businesses to well-established companies that provide jobs for hundreds of people in a variety

of sectors, including trade, manufacturing, forestry, agriculture, and fishing, as well as lodging, dining, transportation services, and mining, and quarrying (Nakitende, 2023).

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Overall, the sector contributes more than 50 per cent of the Ugandan economy and is responsible for more than 80 per cent of employment. There is minimal variation by gender in terms of participation. The results also show that the urban informal employment (81 per cent) is lower than that of the rural areas (90 per cent). (ILO, 2021). For the youth, the main problems do not necessarily lie in acquiring relevant competence, skills, and knowledge but rather in finding suitable employment that matches their education and training (Liimatainen, 2002). This highlights the country's lack of dignified and fulfilling jobs, especially for the youths and women. Nine out of ten (92.2 per cent) young workers in Uganda worked in non-formal jobs. There are two types of informal employment: those who work in the unregistered informal sector and those who receive compensation for working in the formal sector in an informal capacity (Byamugisha, Shamchiyeva, & Kizu, 2014). Employees in the latter group do receive compensation. Still, they do not receive other benefits typically connected to a formal job, such as paid time off for holidays, illness, or social security contributions. Of Ugandan youth who worked in the informal sector, 86.6 percent were employed in the informal sector, compared to 13.4 per cent who worked in the formal sector (Byamugisha et al., 2014). The informal sector is also often predominantly made up of females. Females are usually driven to the informal sector because of a lack of education and skills and their subsequent exclusion from more lucrative jobs where more sophisticated technical skills are needed (ILO, 1995).



Due to the lack of jobs in rural areas, unemployed rural youth often migrate into urban areas to look for employment. However, even in the urban areas, there are not enough jobs to absorb the high number of unemployed youth. In this case, the informal sector has acted as an often-inadequate sink for unemployed and educated young job seekers (Cities Alliance, 2017).

In addition to lacking essential skills and qualities, young people encounter barriers in their job search, such as irregular access to job posting information or insufficient capacity to convey skills to prospective employers (ILO, 2013). The literature reviewed shows that since the informal sector has been and will continue to be a major source of employment in Uganda in the short- to medium term, the productivity of the workforce, especially the youth engaged in the informal sector, must be increased to address the underemployment associated with this sector. One of the interventions being promoted is enterprise development to capacitate some of these informal workers and small businesses in the country. Most of the informal workers indicate that a requirement for them to flourish is access to credit and training in technical skills (Liimatainen, 2002).

Developing relevant skills and knowledge is a major instrument for improving productivity, improving working conditions, and promoting decent work in the informal economy. Better, less work-intensive, and safer technologies can raise productivity and income, reduce work drudgery and occupational risks to health and safety, and improve products. New skills and knowledge can open doors to more economically and socially rewarding jobs (Liimatainen, 2002

To this end, some NGOs in Uganda have been carrying out training and capacity building and providing microfinancing support to the youth to address some of the challenges mentioned above. Through training and capacity-building programmes, informal workers can acquire essential skills and knowledge for better business management, financial literacy, marketing, and improved productivity. Some of these skills include business management, financial literacy, marketing, and other relevant skills to enhance their productivity and competitiveness. For example, the Uganda Youth Development Link (UYDEL) is an NGO that has provided vocational training to 770 marginalised youths aged between 14 and 25 years of age in Kampala and n eighbouring towns like Mukono and Wakiso. Through skills training, these youths have been trained in hairdressing, electronics, motorbike mechanics, catering and bakery, plumbing, welding, tailoring, knitting, jewellery making, and building and construction (Moses & Liu, 2022). Specialized NGOs have recently started encouraging MSE support initiatives that include skill training. One example is Gatsby Trust in Uganda (Haan, 2002). By addressing the skills gap, advocating for fair labour practices, and connecting young people with formal job opportunities, NPOs, and social enterprises can significantly contribute to transitioning from informal to formal, dignified, and fulfilling jobs for young men and women in Uganda. These efforts can ultimately lead to improved economic prospects, social stability, and enhanced well-being for the youth and the communities they serve.



06 NGOs WORKING WITH YOUTH ON THE MARGINS A supervised on the margins refers to those disadvantaged and on the edge of society. This marginalisation is intersectional and cuts across gender, ethnicity, age, class, disability, sexual orientation, religion, nationality, and migratory status. This disenfranchises further youth that is already on the margins of society and compounds forms of oppression from which it isn't easy to emerge. Examining young people's employment, career, livelihood status, and access to suitable opportunities for subsistence in Uganda further reveals that many young people are marginalized. This includes many who live in rural areas, but also youth with disabilities, as well as numerous refugees across the country. As indicated in the sections above, many of these youth are unemployed and have no employment prospects. This is compounded by the fact that most of the marginalised youth also lack the necessary skills to find formal employment. The informal sector is, therefore, a key alternative source of employment and a means of creating jobs for these youth (ILO, 2007). Young people, especially those in rural areas, have turned to small-scale farming and agricultural trade. In contrast, young people in urban settings are more interested in artisanship and small-scale informal trade (AAU, 2012).

For youth in the margin, formal employment is often not an option. Furthermore, just because someone is working, does not automatically mean they are doing well. More than one-third of all Ugandans are classified as 'working poor,' and that share is concentrated disproportionately among young people. Bad work – precarious, underpaid, and exploitative labour-is also common (Mallett, Atim, & Opio, 2016). A significant number of youths also grow up with non-parental relatives, missing out on education because they were instead forced to help support the household. Indeed, there is a particular dynamic around orphan children—the increasingly difficult economic context constraints guardians' capacity to care for them.

Nothing exemplifies youth on the margins like the youth in Northern Uganda – these youth have been affected by decades of civil war, poverty, and lack of livelihood opportunities. In addition, due to the economy's structure, opportunities for formal wage labour are hard to come by. The large post-war investments in the region are reportedly concentrated in the hands of a few. This is in a context where the agricultural sector cannot absorb the region's massive youth labour supply. In short, there are not many viable alternatives available to these youths. Formal employment is seen by many youths in this region as simply beyond reach. These formal opportunities often include NGO jobs, 'office work,' and public sector employment (Mallett et al., 2016). There are not as many opportunities for these marginalised youth because of the lack of education, skills, and networks, but also living in a region that has been ravaged by wars for decades.

Where work is available, there is a high degree of adverse incorporation. This is not because people find themselves locked into highly specific roles but because the same job persists year after year. Research reveals that young people are often highly mobile, shifting between activities, employers, and geographies fairly frequently. Rather, these individuals tend to find themselves adversely incorporated into a particular stratum of the labour market, which

is extremely difficult to escape. While physical mobility might be quite high, it is usually confined to the worst occupations available: casual labour (leja leja), hawking, brokering, lowgrade bar work, and the sex industry, among others (Mallett et al., 2016). The fact that someone is performing one of these occupations makes it hard to secure alternatives, affecting, as it does, personal horizons, the capacity to accumulate the 'right kind' of human capital, and the perceptions of others within the urban community.

As a result, youth on the margin seek to overcome these barriers by creating their own employment or 'being their own boss.' As noted in Section 5, the informal sector has emerged as a youth employment source. For youth on the margin, years For youth on the margin, years of engagement in the informal economy, which often entails combining several types of work simultaneously, have not improved the youth's circumstances.

of engagement in the informal economy, which often entails combining several types of work simultaneously, like paid and unpaid labour, apprenticeships, and self-employment, have not improved the youth's circumstances. The real question is not whether young people are working but what their work's dynamics – the contents – actually look like. Considering what marginalised youth in Uganda are doing to make money, there are several recurring themes: low pay and irregular pay, along with insecure, transient, and socially undesirable work (Mallett et al., 2016). Furthermore, these qualities go beyond those of independent contract labour. Working for someone else can expose young people to various forms of exploitation, including sexual, physical, and financial exploitation (Mallett & Atim, 2014). For many marginalised youths; a lack of credit has been identified as a major barrier to economic activity. NPOs are working to empower these youth through capacity building, training, and provision of microcredit, although their reach is limited.

Several NGOs across Uganda work with youth on the margins – not necessarily to provide them with employment opportunities but to support their efforts towards self-employment. For instance, efforts have been taken by INGOs (such as Enabel, GIZ, Welthungerhilfe (WHH), NRC, IRC), to help improve the prospects of thousands of refugee youth to access the labour market through training. Many more refugees and host community youth already possess skills and competencies acquired through informal apprenticeships or otherwise (ILO, 2022). Some NPOs are creating opportunities for dignified and fulfilling work for various categories of young people. An example is the Markets for Youth programme, which GOAL Uganda manages and delivers in partnership with the Mastercard Foundation and implementing partners. It aims to create dignified and fulfilling work in the agricultural sector for 210,000 young women and 90,000 young men between the ages of 16 and 35 in 18 districts in the country. This includes 30,000 refugees and 15,000 young people living with disabilities. Since its inception in 2020, the programme has reached 23,000 young people and engaged with 10,200. These young people have been offered different services, including access to finance, skills training, and the agricultural market system, as well as opportunities for collaboration and engagement to increase their purchasing power. 5 500 of the young people engaged are young women, 730 are young people living with disabilities, and 700 are refugees/ displaced people (GOAL, 2020).

Also, in 2011, TechnoServe and the Mastercard Foundation partnered to help young rural women and men in Uganda transition to economic independence through the Strengthening Rural Youth Development through Enterprise (STRYDE) programme. In the first phase, the STRYDE program delivered a comprehensive package of services, including skills training, business development, and mentoring to young Ugandan people aged between 18 and 30 years. It aimed to equip 15,000 rural youth by 2015 with the skills and knowledge necessary to capitalise on economic opportunities and increase their incomes, with the ripple effects benefiting more than 67,000 family members. The programme's second phase, STRYDE 2.0, was based on the successes and lessons learned from the first phase. STRYDE 2.0 worked with an additional 53,000 youth (51 percent of all STRYDE participants were women) and included new geographies, expanding into new districts in northern Uganda. Launched in August 2014, this phase ran through to 2019 (TechnoServe, 2019). These are some examples of the initiatives that are conducted by the non-profit sector in Uganda to address the issue of unemployment. What is missing in the literature is an idea of the scale of these interventions. For instance, how many of these exist, are they sector agnostic, and so forth?

As evidenced from the literature review, NPOs cannot adequately address the problem of youth unemployment due to contextual situations—an economy dominated by the informal sector, wars, and a lack of skills and access to finance—coupled with the internal challenges being experienced by NPOs. Without addressing these structural challenges and the other aforementioned problems, the capacity of NPOs to contribute to employment for the youth, especially to creating dignified and fulfilling jobs, will be limited.



07 NGOs AND THE USE OF TECHNOLOGY IN CREATING JOBS

C

he use of digital technologies to create dignified and fulfilling jobs in Uganda is nascent but growing. The country's digital transformation has gathered momentum over the past couple of years, driven by the high mobile phone penetration, growth of the gig economy, and prevalence of microwork (ILO, 2023). However, to enable participation in this labour market, this has to go hand in hand with the expansion of connectivity across the country and, critically, the acquisition of digital skills by the youth (ILO, 2023).

Driven by the high mobile phone penetration, growth of the gig economy, and prevalence of microwork (ILO, 2023). However, to enable participation in this labour market, this has to go hand in hand with the expansion of connectivity across the country and, critically, the acquisition of digital skills by the youth (ILO, 2023). There have been efforts by international organisations to support the creation of decent web-based and digital labour platform work. ILO, for instance, remains committed to inclusive policies that promote and govern decent work in digital labour platforms (ILO, 2023). The Rockefeller Foundation, through the Digital Jobs Africa initiative, has set out to support one million youth with limited employment opportunities in Africa to access digital job opportunities while building and refining transferable skills that make them resilient in the future economy. A few local NPOs are creating digital jobs. For example, Women in Technology Uganda (WiTU), a social enterprise, connects underserved Ugandan women and girls to meaningful and dignified careers. Through the WiTU Digital Job Centre, over 100 young women have transitioned from physical gig work. However, there is no data on the number of digital jobs created for the youth by NPOs in the country. This is an area for future research.

While there is a drive to create virtual jobs for the youth in Uganda, several challenges affect their ability to take up these jobs. These include a lack of digital skills and the affordability of devices and data. Digital skills are defined as the specific skills that enable people to use digital technology to solve real-world problems. Broadly, digital skills can be divided into 'soft' and 'hard' skills. Depending on the work, different skills or different levels of proficiency are required. A key reason for this is the existing digital divide resulting from unequal access to digital infrastructure. Also, the country has inadequate digital infrastructure. Many marginalised youth lack access to digital infrastructure (access to devices, the internet, and digital technology). In addition, they experience inequality in the use of digital technology (due to unequal levels of digital literacy), coupled with financial disparities. To mitigate this, the non-profit sector uses technology to capacitate and empower the youth to be job creators in Uganda through digital skills acquisition by the youth. This will create digital jobs that are dignified and fulfilled. (Mastercard Foundation, 2023).



## 08 conclusion and recommendations

The discussion in the previous section has illuminated the challenge of youth unemployment in Uganda, which is worse for marginalised youth. The literature review has highlighted that NPOs have played a role in employing the youth directly through employment opportunities and indirectly through supporting organisations that create employment. However, there is little evidence from the existing literature to quantify the contribution of NPOs to creating dignified and fulfilled jobs for the youth. This might be because scholars and the National Statistics Agency have not paid much attention to this area. The review clearly shows a lack of data on the number and quality of jobs created directly and indirectly by NGOs in the country.

With respect to the sectors and subsectors that NGOs should focus on to create employment, the review indicated that the agricultural sector is the largest employer of labour in the country. Traditional agriculture is, however, a low-productivity activity, and NGOs could look at higher productivity subsectors, such as value addition across different agricultural value chains, as potential job opportunities for the youth. This would necessitate skills development. Similarly, digital jobs are being seen as a way of addressing the challenge of youth unemployment through gig work and microwork. To this end, some NGOs, with the support of international philanthropic organizations, such as the Mastercard Foundation, support digital skills training and initiatives to create digital jobs.

Also, this review has shown that the informal sector is the primary source of employment for most Ugandan youth. However, youth in the informal economy face several challenges, such as the lack of relevant skills and capital, poor pay, unstable jobs, precarious conditions, and lack of protection. The fact that most youth in the informal sector are regarded as the working poor is evidence of their low pay. In this context, NPOs have a role to play in ensuring the youth transition from the informal to the formal sector.

The literature review has revealed the glaring lack of data available; where it is available, it is scant and outdated. Also, there is a lack of empirical evidence on the quality of jobs that NPOs have contributed to creating, directly and indirectly. However, it can be concluded from the fact that over 80% of the employed are in the informal sector, which means that NPOs have not significantly contributed to creating dignified and fulfilled jobs. This not withstanding, the importance of data cannot be overemphasised.

To address this issue, it is recommended to utilize mixed-method research, which includes both quantitative and qualitative components. The quantitative aspect involves collecting statistics on employment and youth interventions from organizations such as the NGO Bureau and the National Social Security, among others. This will help quantify the number of available jobs. In addition, the qualitative component will gather crucial information through stakeholder interviews and focus group discussions aimed at understanding the quality of jobs created by the non-profit sector. A framework for dignified and fulfilling jobs can serve as a guideline to clearly articulate priority areas.



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