

# Reaching vulnerable youth with second chance learning opportunities





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UCW Country report

October 2015

Understanding Children's Work (UCW) Programme

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## 1. BACKGROUND AND RATIONALE

1. In its *Vision 2040*, Uganda recognizes that transforming “Ugandan society from a peasant to a modern and prosperous country” will depend on the country’s capacity to strengthen, inter alia, its human resources, particularly among young Ugandans preparing to enter the labour force for the first time. Uganda’s very large youth population – 56% of population is below the age of 18 years – has the potential to drive the country’s envisaged growth and transformation. However, in order to exploit this potential, the younger generations need to be equipped with globally competitive skills, relevant knowledge and positive attitudes.

2. In recognizing the importance of its human resources, the Government of Uganda has launched the ‘Business, Technical and Vocational Education and Training (BTVET) Strategic Plan 2011-2020 Skilling Uganda’. The Plan denotes a paradigm shift to create employable skills and competencies relevant in the labour market instead of educational certificates. The Plan, embedded in the overall education policy framework, embraces all Ugandans in need of skills, including primary and secondary school leavers.

3. Increasing equitable access to skills development is one of the five overall objectives of the Strategic Plan. The current Report involves research support to realising this objective. Building on previous cooperation efforts between the Government of Uganda and UCW,<sup>1</sup> the Report is broadly aimed at informing the implementation of the equity and access dimensions of the BTVET Strategic Plan 2011-2020 (*Skilling Uganda*).

4. In particular, the Report is designed to help inform the development of measures targeting of groups that have hitherto had limited access to skills development opportunities – by profiling the young persons who dropped out of education before completing primary schooling. As we will see below, it is the substantial group of Ugandan youth with limited or no education whose prospects for obtaining decent work are especially poor and who are therefore in greatest need of “second chance” training opportunities to improve their human capital levels and the their chances for upward mobility in the labour market.

5. The Report looks at the size of this population of vulnerable youth, as well as the geographical, sex and age distribution of this group and the key background household characteristics (e.g., income level, education level, access to social security, access to credit, etc.) and community characteristics (e.g., schooling access, basic services coverage, local labour market conditions) associated with them. The profile also includes *reasons* for early school leaving, including child labour, based on survey feedback from young persons themselves. Finally, the profile addresses the (relatively poorer) employment outcomes of youth with

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<sup>1</sup> *Understanding children’s work and youth employment outcomes in Uganda*, Inter-Agency Report, Uganda Bureau of Statistics and Understanding Children’s Work Programme, Kampala, June 2014.

limited education, in order to bolster the argument for expanded second chance training opportunities for this group to promote upward mobility. Taken together, the profile helps provide the information needed to effectively target vulnerable youth with second chance interventions.

*Panel 1. Youth employment definitions*

**Labour force participation:** The labour force participation rate is defined as the labour force expressed as a percentage of the working age population. The labour force is in turn the sum of the number of persons employed and the number of persons unemployed.

**Employment:** A person is considered employed if he/she has worked during the week prior to the survey for at least one hour for pay (or without pay), profit, in kind, or family business. A person is also considered to be in employment if was not working but had a job to go back to.

**Unemployment:** A person is considered unemployed if he/she did not work during the week prior to the survey but is actively seeking work and is available for work.

**Unemployment “relaxed definition”:** Includes the persons who do not have a job and are available for work. It 'relaxes' the actively searching for work criteria that is required for the strict definition of unemployment. Relaxed unemployment is therefore defined as the sum of persons who did not engage in any work or economic activity and were available for work but did not actively seek it.

**Underemployment:** A person is considered underemployed if he/she is working less than 40 hours a week but wanting and available to work longer hours. The underemployment rate is the underemployed expressed as a percentage of the total employed population.

**Inactive:** A person is considered inactive if he/she is not in the labour force. The inactivity rate and labour force participation rate sum to 100.

**NEET:** A person is categorised as “NEET” if he/she is not in education, employment or training. It is a measure that therefore reflects both youth who are inactive and out of education as well as youth who are unemployed.

## 2. EDUCATIONAL ATTAINMENT

6. Levels of human capital currently remain very low for Ugandan young people, compromising their future prospects and their potential as a driver of the country's development. Relatively few youth are continuing with their education and share of those out of school with little or no education is very high. As reported in Figure 1, over half of youth in the 18-30 years age range have either very limited (primary) education (43%) or no education at all (10%). At the other end of the spectrum, just one percent of youth have attained a higher education degree or diploma. In between, about 19 percent of youth have completed secondary education and four percent have benefited from some form of post-primary or post-secondary specialisation training.<sup>23</sup>

7. There are two important additional points to consider, however, when interpreting this static picture of attainment. First, almost one-quarter (23%) of youth are still in education, raising the question of at what point along the attainment spectrum these young persons will leave education. Figure 1, which also reports the education level of those still in school, indicates that most are *not* pursuing higher education but rather remain in lower levels and will therefore likely join the ranks of the poorly educated upon leaving the education system. Second, youth educational attainment appears to be gradually improving over time. Annex 1, which reports the share of youth with little or no education by age cohort, indicates that attainment levels are worst for the "oldest", 29-30 years age cohort, and improve progressively with each "younger" cohort.

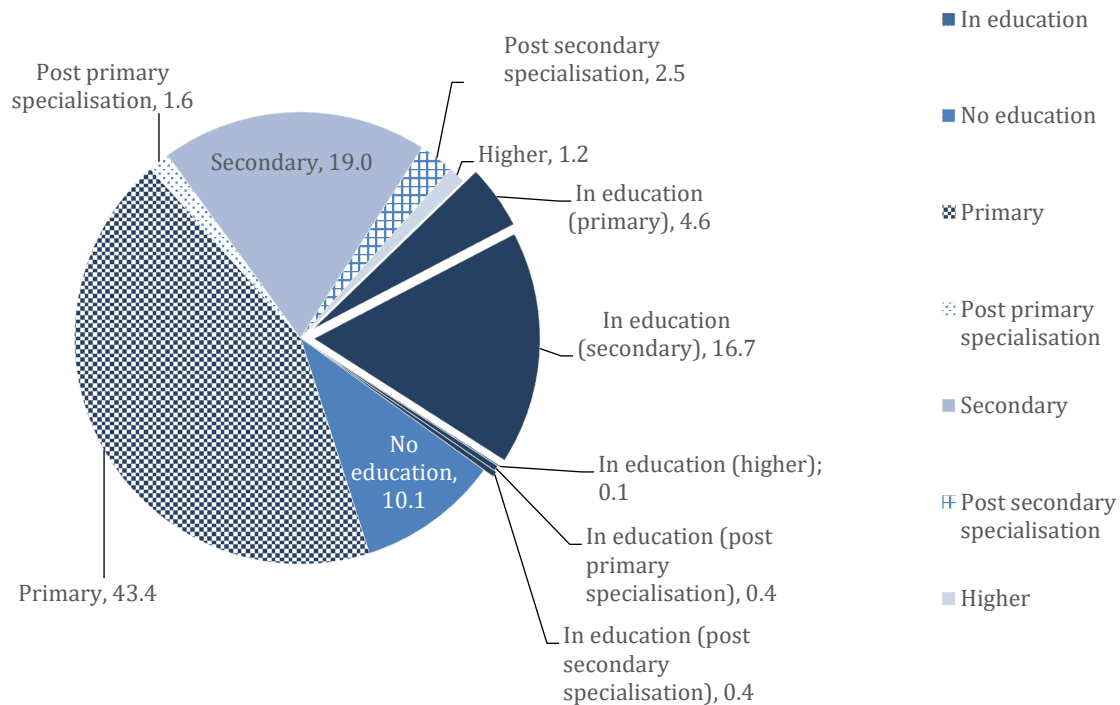
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<sup>2</sup> Uganda's education system consists of seven years of primary education followed by the lower secondary cycle of four years and the upper secondary cycle of two years, after which there are two to five years of higher education (tertiary and non-tertiary) (Source: UNESCO Institute of Statistics). The Ugandan government's Universal Post Primary Education and Training (UPPET) program, launched in 2007, is a comprehensive reform program to provide universal access to quality post primary education and training.

<sup>3</sup> Owing to limited observations, in the remainder of the section those with post-primary specialisation are included in the general "primary education" category and those with post-secondary specialisation are included in the general "secondary education" category.

**Figure 1. Educational levels remain low for many Ugandan young persons**

Educational status,<sup>(a)</sup> youth aged 18-30 years



Notes: (a) "In education" refers to youth still attending an educational institution at any level; "Primary education" refers to youth no longer in education with at least some primary education; "Secondary education" refers to youth no longer in education with at least some secondary education; "Higher education" refers to youth no longer in education with at least some post-secondary education.

Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

8. The overall breakdown of the youth population in terms of educational status disguises substantial differences by residence, region and income levels, with clear implications for the design and targeting of policies aimed at providing second chance learning opportunities to vulnerable youth. Descriptive statistics in this regard, focused on the population of youth no longer in education, are reported in Figure 2.

- **Sex.** Female youth appear to face a relative disadvantage in terms of educational attainment. They are more likely than male youth to leave education with primary or less education (by five percentage points) and they are also much less likely (by 12 percentage points) to be continuing with their education.
- **Residence.** Low human capital is much more pronounced among youth in rural areas, where access to schooling, particularly at the post-primary level, is more limited and where returns to education are lower. The share of rural youth with primary or less education is 30 percentage points lower than for urban youth, while at the same time the share of rural youth still in education is two percentage points lower.
- **Region.** A number of regions also lag behind national averages in terms of youth educational attainment. The Northern and Western regions have the

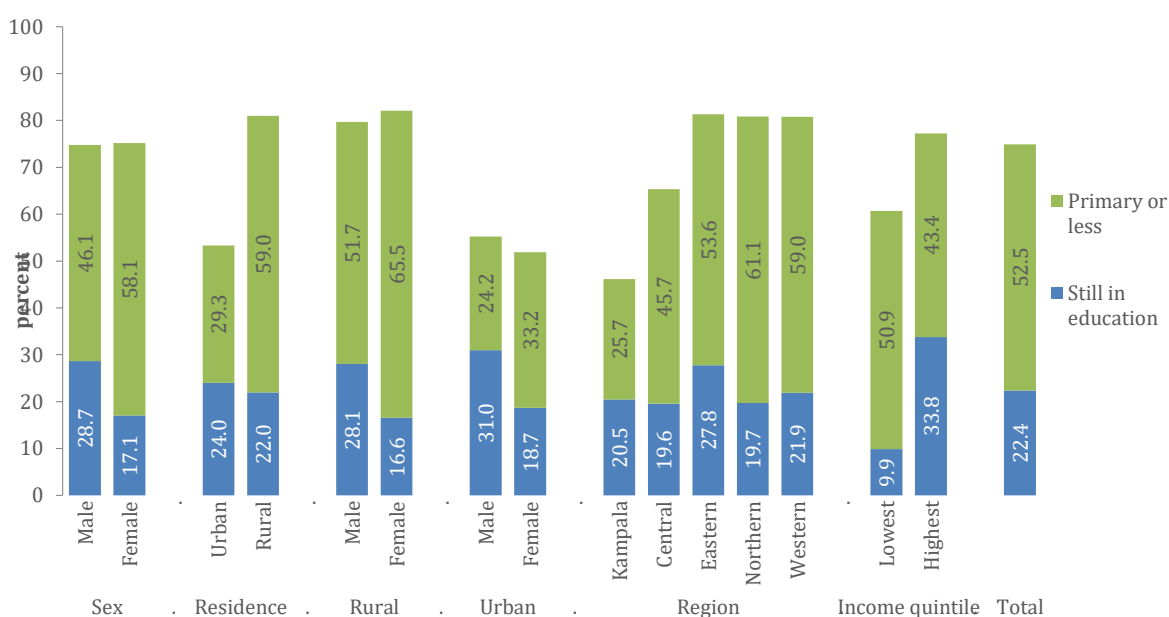


highest share of youth with primary or less education (61% and 59%, respectively) and the lowest share still in education (20% and 22%, respectively). The best-performing region in terms of education attainment is Kampala, where nonetheless 26% of youth have primary or less education.

- **Income quintile.** Low educational attainment is also closely correlated with another indicator of vulnerability – poverty. Youth from poorest households are more likely than their better-off counterparts to have limited or no education and are much less likely to be still in school. The causality underlying this link is likely to operate in both directions: poor families are less likely to be able to afford the (direct and indirect) costs associated with continued education while at the same time youth with limited education are less likely to be able to secure jobs offering a route out of poverty.

**Figure 2. There are various sub-groups of youth who are especially vulnerable owing to limited education**

Educational status,<sup>(a)</sup> youth aged 18-30 years, by sex, residence and department

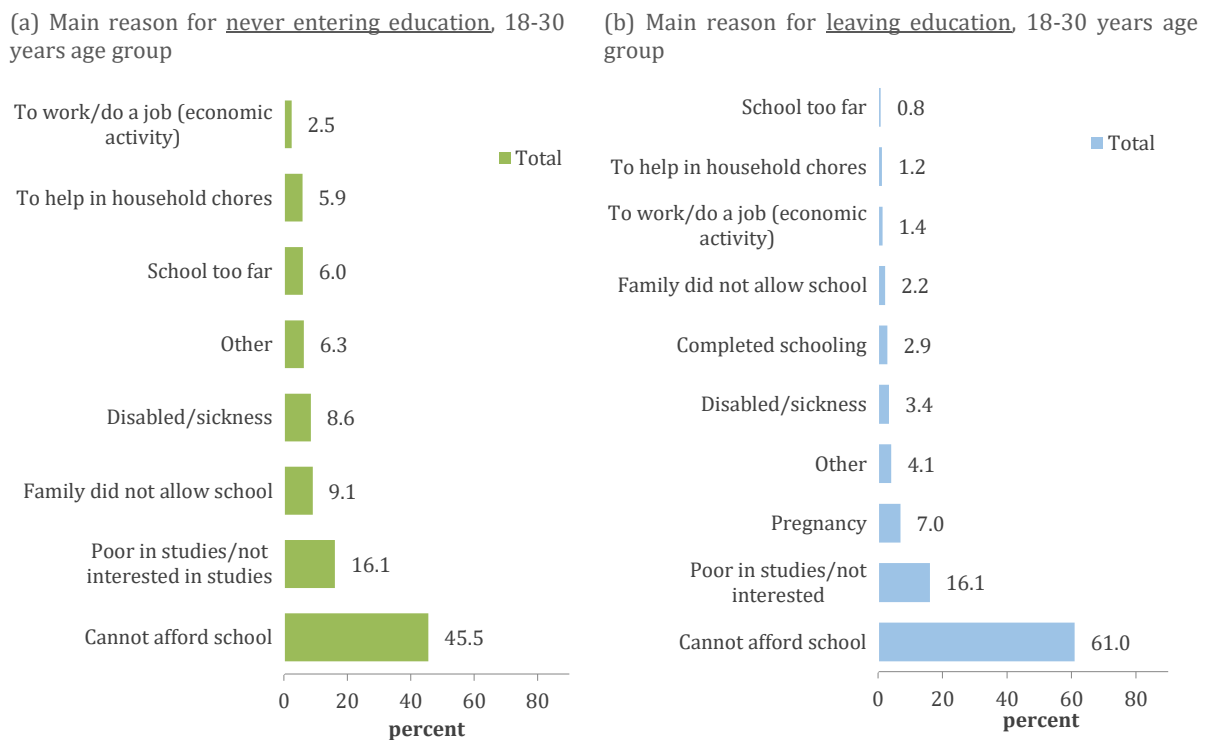


Notes: (a) "Primary education" refers to youth no longer in education with at least some primary education; Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

9. Feedback from young persons themselves provides additional insight into the reasons behind never entering and leaving education, information that in turn is critical for designing policy responses. As reported in Figure 3a, school cost is by far the most common reason for never entering school, cited by two-thirds of all youth with no education. A distant second is lack of interest in studies, together cited by 16% of all uneducated youth, followed by family reluctance (9.1%) and disability or sickness (8.6%). The differences in the reasons cited by male and female youth suggest the gender considerations also play a role in

non-entrance in school. As reported in Annex Figure A3, disability or sickness plays a relatively greater role in keeping males from entering school, while family disapproval, household chores and school distance are relatively more important barriers to school for females. Reasons cited by youth for leaving education, reported in Figure 3b, also point to the importance of school cost and lack of interest or poor performance.

**Figure 3. Demand- and supply-side factors are both important in explaining school non-entrance and drop-out**



Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

### 3. ACCESS TO FORMAL AND NON-FORMAL TRAINING

10. Very few youth have received training as part of the formal education system. Indeed, just four percent of all youth interviewed as part of the NLF&CAS (2011/2012) indicated that they had gone on to specialised formal training after primary or secondary education (Figure 1). The same survey, however, directs a broader set of questions about training to youth from across the entire educational attainment spectrum, allowing a more complete picture of the access of Ugandan youth to various (non-formal and formal) training opportunities. As described in more detail below, youth with the greatest need for second chance education and training opportunities, i.e., those with the least formal education, appear to have the least access to such opportunities.

11. Business, entrepreneurship, or microenterprise development training of any form is generally limited, reaching only 17% of all out-of-school youth aged 18-30 years (Figure 4). This constitutes an important gap in the country's training system, as youth entrepreneurship is one potential vehicle for helping to address demand-side barriers to decent work among Ugandan youth. Access to such training is especially limited for youth with low levels of formal educational attainment: just eight percent of youth with no formal education and 16% of those with primary education have received business, entrepreneurship, or microenterprise development training, compared to 23% and 27% of youth with secondary and higher education, respectively. Youth from rural areas and from poor households also face a relative disadvantage in this regard.

**Figure 4. Very few youth have had the opportunity to benefit from business, entrepreneurship, or microenterprise development training**

Percentage benefiting from business, entrepreneurship, or microenterprise development training,<sup>(a)</sup> out-of-school youth aged 18-30 years, by educational attainment level



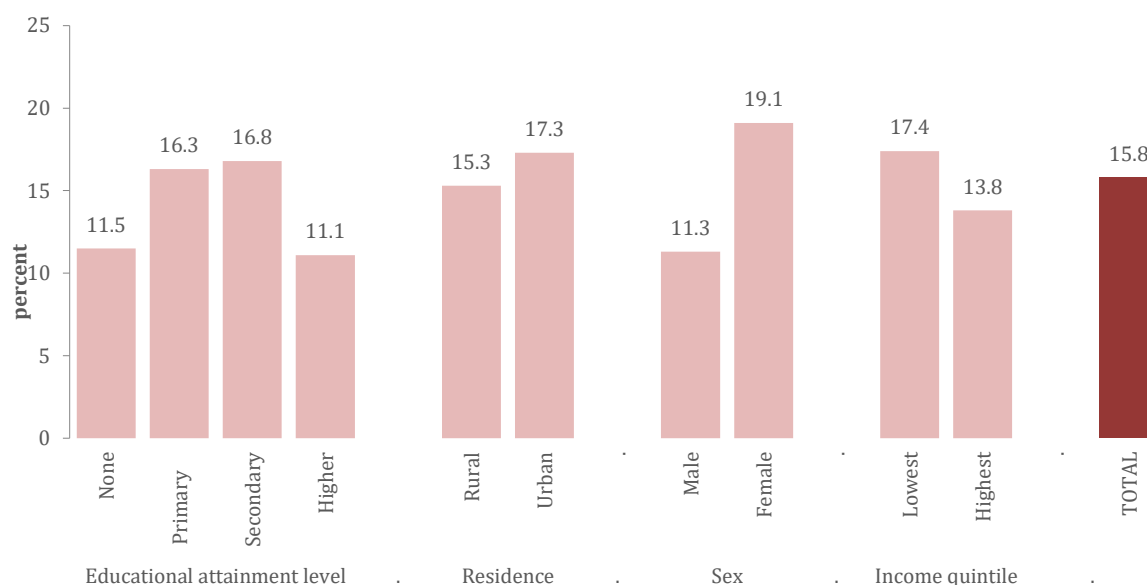
Notes: (a) "Primary education" refers to youth no longer in education with at least some primary education; "Secondary education" refers to youth no longer in education with at least some secondary education; "Higher education" refers to youth no longer in education with at least some post-secondary education; and (b) Refers to post-primary or post-secondary specialized formal training.

Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

12. Opportunities to learn a trade or technical skills are also very limited for young persons, and again this is particularly the case for those with the least formal education who are most in need of such skills. Just 16% of all out of school youth, and 12% of those with no education, have had the opportunity to learn a trade or skill (Figure 5).<sup>4</sup>

**Figure 5. Very few youth have had the opportunity to learn a trade or technical skill**

Percentage learning a trade or technical skill, out-of-school youth aged 18-30 years, by educational attainment level,<sup>(a)</sup> residence, sex and income quintile



Notes: (a) "Primary education" refers to youth no longer in education with at least some primary education; "Secondary education" refers to youth no longer in education with at least some secondary education; "Higher education" refers to youth no longer in education with at least some post-secondary education; and (b) Refers to post-primary or post-secondary specialized formal training.

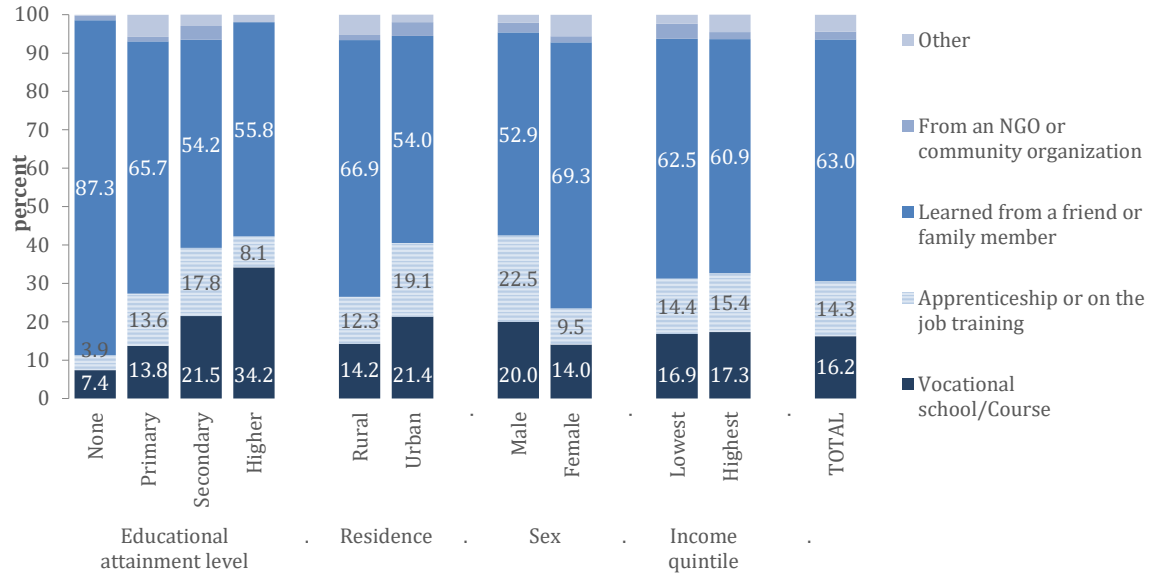
Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

13. Most of those who have learned a trade or technical skill have done so through non-formal channels, further underscoring the limited opportunities for formal training available to youth. As reported in Figure 6, less than one-third (30%) of all those who have learned a trade or technical skill did so either through a vocational course (16%) or an apprenticeship (14%). Almost all of the rest (63%) relied on a friend or family member to acquire their trade or skill. Again, these patterns are especially pronounced for youth with the least formal education.

<sup>4</sup> The percentage of youth with higher education who have had an opportunity to learn and trade or skill is also low at 11%, but such opportunities are less relevant for this group.

**Figure 6. Most of those who have learned a trade or technical skill have done so through informal channels**

Distribution of those learning a trade or technical skill, out-of-school youth aged 18-30 years, by training source, educational attainment level,<sup>(a)</sup> residence, sex and income quintile



Notes: (a) "Primary education" refers to youth no longer in education with at least some primary education; "Secondary education" refers to youth no longer in education with at least some secondary education; "Higher education" refers to youth no longer in education with at least some post-secondary education; and (b) Refers to post-primary or post-secondary specialized formal training.

Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

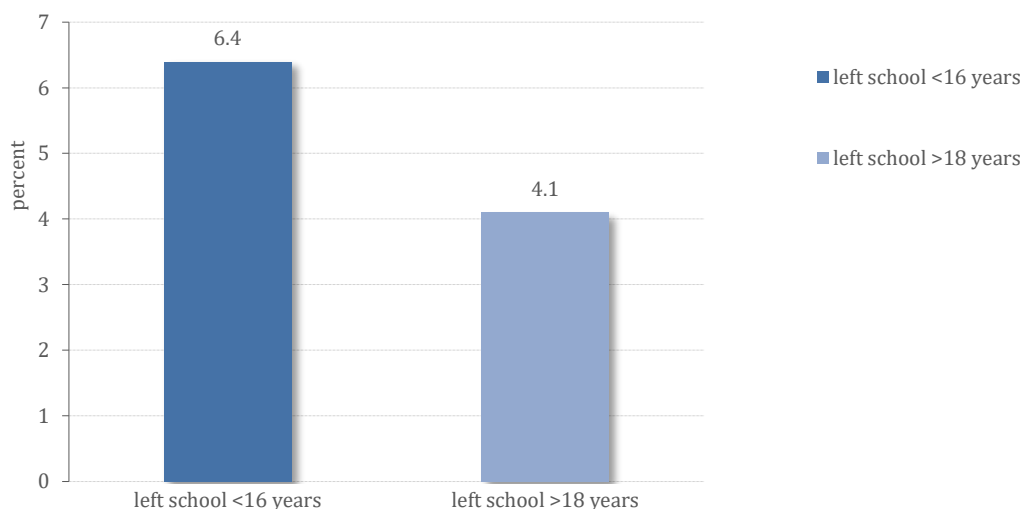
#### 4. EDUCATIONAL ATTAINMENT AND EMPLOYMENT OUTCOMES

14. This section assesses the role of human capital levels in influencing the job access and job quality of young persons in Uganda. It looks, in other words, at why education and training matter in terms of erasing the decent work deficit faced by Ugandan youth. We first make use of evidence from the ILO School to Work Transition Survey undertaken in Uganda to examine how early school leaving affects the likelihood of ever entering the labour force. We then return to evidence from the Uganda Labour Force and Child Activities Survey to look in more detail at how educational attainment and training are linked to job outcomes.

15. A first product of limited education is that it reduces the likelihood of ever entering the world of work. As reported in Figure 7, poorly educated youth, defined here as those leaving school prior to the age of 16 years, are about 50% less likely to enter the labour force at some point in their working lives compared to youth leaving education after the age of 18 years. It should be noted that this result accounts for the possibility that some of the youth that have not entered the labour force at the time of the survey may eventually do so.<sup>5</sup>

Figure 7. Poorly educated youth are less likely to ever enter the labour force

Predicted share of youth never transiting to employment, by age left education and country

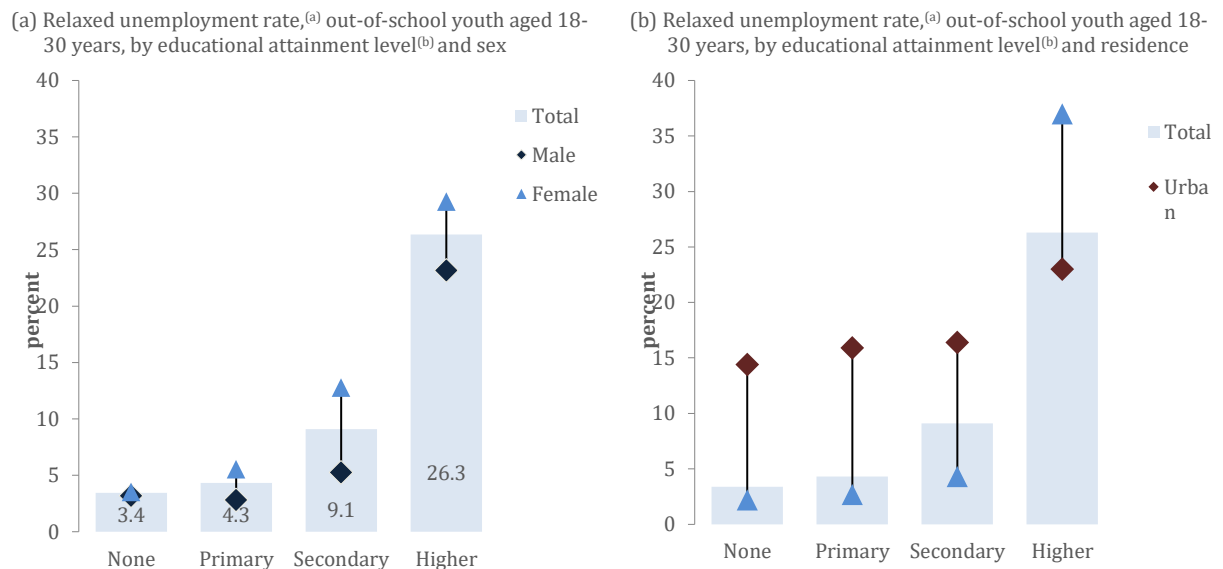


Source: UCW calculations based on ILO School-to-Work Transition Survey, Uganda.

<sup>5</sup> Only a fraction of the young persons who eventually transit to employment have already actually transited at the time of the SWT survey. This is particularly true for those who, at the time of the survey, had only recently left education and for youth who were at the lower end of the 15-29 years age range. The data yielded by the SWT survey are therefore, in technical terms, "right-censored". For our purposes this is an important constraint, as it is not possible to derive reliable estimates of the transition based only on those who have already transited into work at the time of the survey. For a complete picture, we need to consider all youth who will eventually transit. With this consideration in mind, we use an econometric technique that allows us to identify the share of youth never expected to transit to a job. For further details, see UCW: Pathways to work in the developing world: An analysis of young persons' transition from school to the workplace. UCW Working Paper, Geneva, September 2014.

16. While better-educated youth are more likely to eventually enter work, they appear to face greater initial difficulties in actually securing work. As reported in Figure 8, the youth unemployment rate rises with educational attainment, from three percent among youth with no education to 26% among youth with higher education. Educated female youth appear to face special challenges in terms of securing work: female youth face higher overall unemployment rates than their male peers, and the male-female gap in unemployment rates increases with education level (Figure 8a). Unemployment is higher in urban compared to rural areas at all education levels *except* higher education (Figure 8b), underscoring the importance of the agriculture sector in absorbing less-educated rural youth and at the same time the relatively fewer non-farm enterprises in rural areas to absorb better-educated youth.

**Figure 8. Unemployment is highest among youth with the most education**



Notes: (a) Relaxed unemployment considers both unemployed workers and all individuals who are not working and available for work. The relaxed unemployment rate is the sum of unemployed workers and not working individuals available for work expressed as a percentage of the expanded active population. The expanded active population, in turn, comprises not working individuals available to work and the active population. (b) "Primary education" refers to youth no longer in education with at least some primary education; "Secondary education" refers to youth no longer in education with at least some secondary education; "Higher education" refers to youth no longer in education with at least some post-secondary education; and (b) Refers to post-primary or post-secondary specialized formal training.

Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

17. The overall higher rate of unemployment faced by better-educated youth is partially the product of the fact that this group by definition begins its transition to work at a later age, and therefore has had a shorter length of exposure to the labour market and less time to secure employment. To the extent that youth education is correlated with household income, better-educated youth may also be more able to afford spells of unemployment. But the positive link between unemployment and education levels may also be a reflection of mismatches between the skills produced by the education system and those needed in the labour market, and of the need for better mechanisms for bringing together young skilled job seekers and employers.

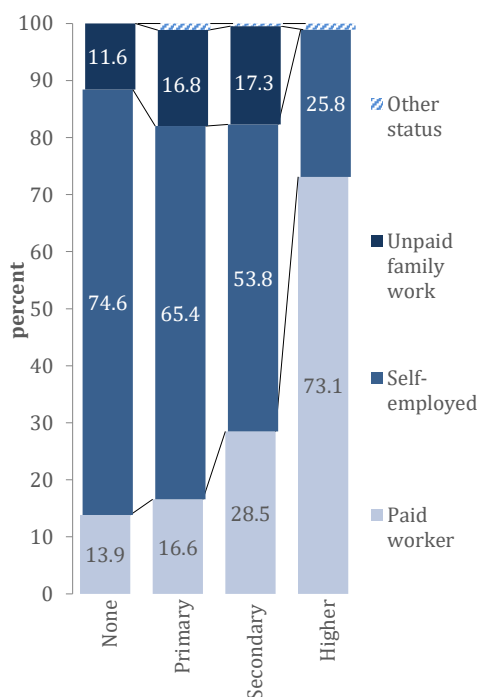
18. The negative impact of low educational attainment is much more apparent when looking at the *nature* of the jobs secured by youth. Figure 9 reports the

composition of youth employment by level of education. Figure 9a shows that the likelihood of (generally preferable) paid work rises consistently with more education, while the opposite pattern prevails for (generally less preferable) unpaid self-employment. Even limited amounts of education appear important in this context. Chances of paid work, for example, rises by three percentage points moving from no education to primary education, and by 12 percentage points moving from primary to secondary education. The share in paid work, however, rises the most moving from secondary to higher education (from 29% to 73%).

19. There is also a strong correlation between educational attainment and sector of employment, as reported in Figure 9b. More education reduces chances of working in the agriculture sector, where prospects for upward mobility and escaping from poverty are generally limited, and increases chances of work in the services sector, where prospects are generally better. It is interesting to note that this pattern also holds even when limiting the frame or reference to rural youth. Education, in other words, increases prospects of non-farm employment in rural areas. As reported in Annex Figure A2, the share of rural youth in non-farm employment rises from 14% among youth with no education to 40% among youth with secondary education and to 74% among youth with higher education. A wide body of evidence indicates, in turn, that average wages and working conditions are generally better in non-farm enterprises.

**Figure 9. More education is associated with greater involvement in paid work in the tertiary sector**

(a) Percentage distribution of employed youth not currently in education by education level and status in employment



(b) Percentage distribution of employed youth not currently in education by education level and sector of employment<sup>(a)</sup>

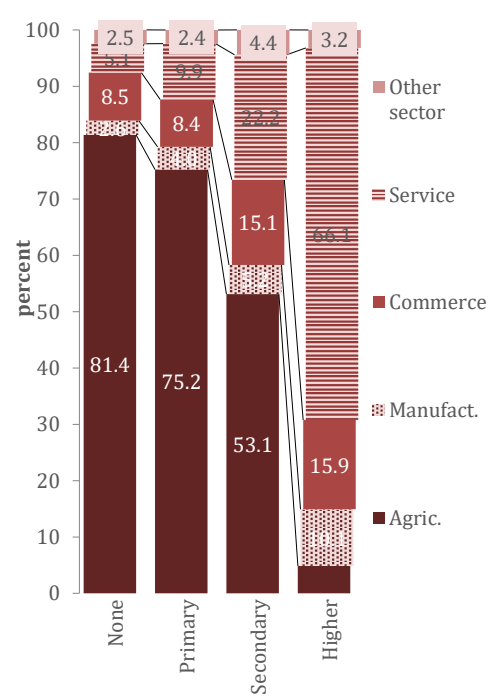
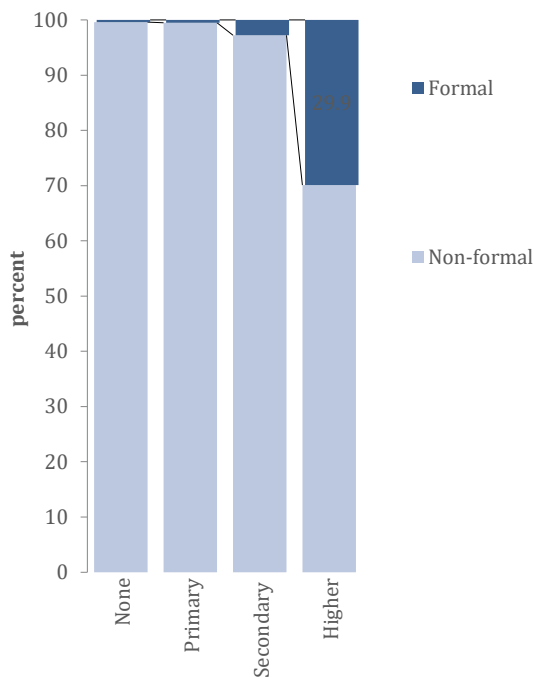




Figure 9. Cont'd

(c) Percentage distribution of employed youth not currently in education by education level and formality of employment<sup>(b)</sup>



Notes: (a) The category "Other" includes construction, mining and quarrying, electricity, gas and water supply and extraterritorial organizations and bodies; (b) Informality is defined as including the following: unpaid family workers, employees with no social security, paid leave or paid sick leave in case of illness or injury and self-employed whose business is not registered for income tax and is not organized in the form of an incorporated enterprise..  
 Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012.

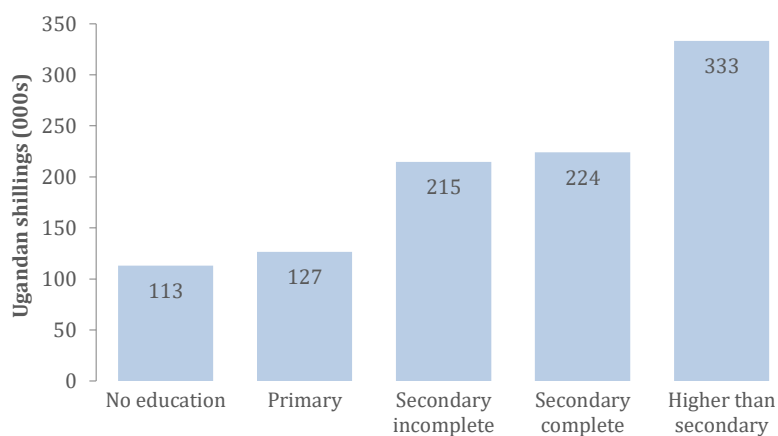
20. Chances of securing jobs in the formal economy are very low for young persons of all levels of education. Indeed, almost all jobs held by youth with education attainment up to and including secondary are in the informal economy, where informality is defined as including unpaid family workers, employees with no social security, paid leave or paid sick leave in case of illness or injury, and self employed whose business is not registered for income tax and is not organized in the form of an incorporated enterprise. Jobs in the formal economy accrue almost entirely to youth with education beyond secondary, but even among this group most (70%) settle for jobs in the informal economy. The high rate of informality highlights the need for broader reforms in the Ugandan economy aimed at facilitating the transition to formalization, of which improving education and training is but one (albeit important) component.

21. Higher education is associated with a very large earnings premium. Figure 10, which reports average labour income of young employees by education level, shows that successive levels of educational attainment are associated with higher earnings. The move from primary to secondary and from completed secondary to tertiary education are associated with especially large jumps in

earnings. Econometric evidence confirms the importance of higher education as a determinant of earnings.<sup>6</sup> Estimation results, reported in Annex Table A1, indicate that the earnings premium associated with primary education is positive and that the premium associated with secondary or higher education is even greater. Specifically, youth with primary can expect earnings that are 23% higher than their peers with no education while youth with secondary or higher education can expect 84% higher earnings compared to their uneducated peers.<sup>7</sup>

**Figure 10. More education is associated with higher levels of earnings**

Average monthly labour income<sup>(1)</sup> (in Ugandan Shillings-UGX)(000s))non-student employees aged 18-30 years, by education level



Notes: (1) Average labour income is calculated for all young employees with non-zero labour income.  
Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

22. The poor employment outcomes of youth with the least education points to the need to reach these youth with second chance training opportunities. Simple comparisons of youth with and without training suggest that this training holds important potential in terms of improving job prospects, particularly among those with the least formal education to begin with. As reported in Figure 11, youth with no formal education but who have benefited from subsequent training opportunities have much better chances of securing work outside the agriculture sector and outside the family. For youth with only primary education, second chance training permits a similar shift out of agriculture and unpaid family work, and at the same time increases chances of

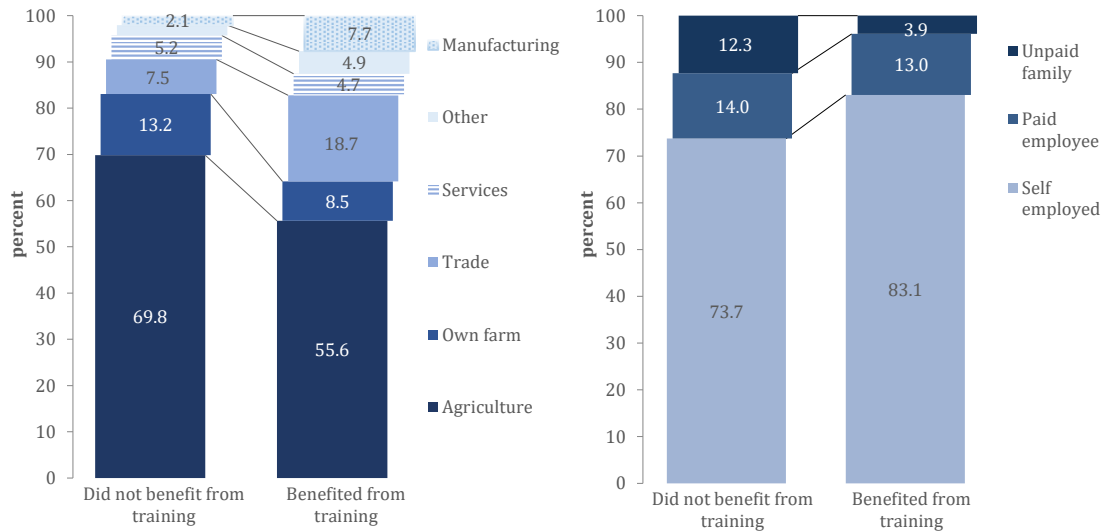
<sup>6</sup> A wage equation was estimated in order to assess the importance of education and other individual and household characteristics on earnings of employees. The Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012 does not provide information on earnings for other categories of status in employment.

<sup>7</sup> Annex Table A1 also reports other determinants of earnings. Earnings rise with age; married youth also enjoy higher earnings. The gender disparities in earnings are very large, even controlling for education levels and other factors - male youth can expect 26 percent higher earnings than female youths. Relative earnings levels also depend on the household size - youths belonging to large households appear to earn less. Youth in households where electricity is available are likely to be earning more than those in households not benefiting from electricity. Finally, earnings depend on the area of residence; employment in urban areas is associated with significantly higher earnings relative to earnings in rural areas.

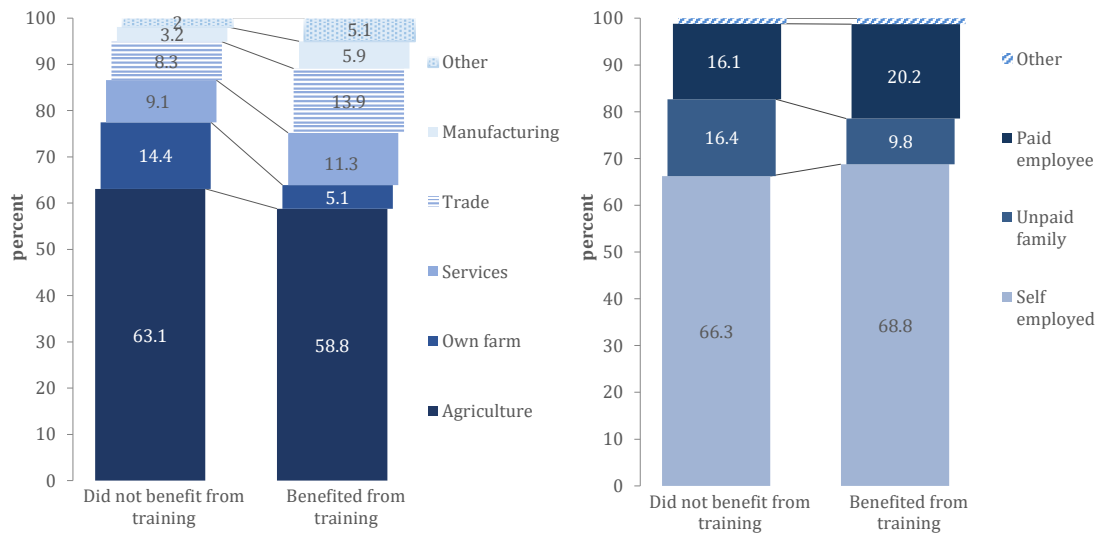
securing paid work, although the magnitude of these effects is smaller. This pattern also holds for youth with secondary education (Annex Table A3).

**Figure 11. Second chance training opportunities appear to improve the job prospects of youth with the least formal education**

(a) Composition of youth employment (% distribution) by whether or not benefited from training, youth with no formal education



(b) Composition of youth employment (% distribution) by whether or not benefited from training, youth with primary education



Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

## **5. SECOND-CHANCE LEARNING OPPORTUNITIES FOR VULNERABLE YOUTH: THE NATIONAL RESPONSE**

23. The preceding sections of this Report have highlighted the generally low levels of human capital among Ugandan young persons and their relatively limited access to compensatory “second chance” training opportunities. They have also underscored the important correlation between educational attainment, on one hand, and job access and quality, on the other. This section reviews national responses to this evidence – i.e., national policies and plans to promote improved youth employment outcomes through the provision of vocational educational and training opportunities for vulnerable youth. The review makes clear that much of the necessary policy apparatus for addressing the training requirements of vulnerable youth is already in place, but that effectively implementing the policies and plans on the scale required remains an important challenge in light of capacity and resource constraints.

24. The government of Uganda recognizes the need to address the large unemployed and underemployed youth population, and the central importance of expanded training to achieving this. The National Employment Policy (2011) and the draft National Action Plan (NAP) for Youth Employment, both feature improved training for youth as a principal tenet. The latter calls in particular for strengthening existing regional youth skills centres through retooling, staffing and capitalization. The Uganda Decent Work Country Programme (2013-2016) also identifies youth training as a central priority, calling in particular for increasing youth employability through training youth in vocational and business skills and through developing a labour information and analysis system.

25. “Skilling Uganda”, the country’s business, technical, vocational education and training (BTVET) strategic plan for the period 2011-2020, is the overall framework for national efforts relating to training generally and to youth training in particular. The strategic plan has five overall objectives:

- a) making BTVET relevant to productivity development and economic growth;
- b) increasing the quality of skills provision;
- c) increasing equitable access to skills development;
- d) improving the effectiveness in BTVET management and organization; and
- e) increasing efficiency and resources available to BTVET.

26. The BTVET Plan is aimed at addressing some of the key systemic challenges facing training efforts in the country, including too little influence and engagement of employers in the BTVET system, a rigid supply structure in the formal BTVET provider system and the lack of a systematic labour market information system. These challenges have resulted in an overemphasis on low-

cost skills training mismatched to current and emerging labour market needs.<sup>8</sup> A Government study in 2011, for instance, found that less than 40% of large and medium firms regard courses offered by BTVET institutions as relevant.<sup>9</sup> The Plan also addresses the limited institutional capacities for BTVET provision, inadequate deployment of instructors/tutors and managers, qualifications and recruitment practices, and the lack of quality assurance systems for public and private BTVET providers.

27. Of particular relevance for the current Report, the Plan extends beyond the traditional target group of school-leavers to include less-educated out-of-school youth with or without primary education – precisely the group for which second-chance training needs are greatest. The Plan also aims at addressing another related gap in prior training efforts – the agricultural sector – where most of poorly-educated vulnerable youth are concentrated. The Plan further aims at enhancing access of other disadvantaged groups, including persons with disabilities. Statistics cited in the Plan itself underscores the importance of these groups hitherto unreached by training – young persons with less than primary education constitute half of all youth; agricultural employment accounts for some 70% of the Ugandan workforce; and persons with disabilities account for 16% of the population.<sup>10</sup>

28. A number of specific strategies and activities are outlined in the Plan for reaching disadvantaged youth with non-formal training. It envisages investments in institutional and human capacity building of non-formal training providers, and plans to establish regional support centres to facilitate decentralised communication, coordination and support networks tailored to the needs of local markets. An Innovation Challenge Fund is foreseen to stimulate new training approaches, and programmes supported to expand and improve traditional apprenticeship training. The Plan also calls for considerable investment in the expansion of the agricultural BTVET supply, rehabilitation and revitalization of training facilities, new and improved curricula and human resource development for instruction and management of training. The current farm schools will be transformed into Agricultural Skills Development Centres (ASDC) with the mandate to train school leavers as well as farmers on the basis of needs.<sup>11</sup> A new system of bursaries is envisaged to encourage the participation of disabled persons and other disadvantaged persons in training opportunities.

29. In broader terms, the Plan envisages the permanent integration of non-formal BTVET into the public BTVET portfolio, and the Plan budget foresees an increase of publicly-sponsored non-formal training enrolment to 40,000

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<sup>8</sup> International Youth Foundation (2011). *Navigating Challenges. Charting Hope. A Cross-Sector Situational Analysis on Youth in Uganda.*

<sup>9</sup> MoES 2011.

<sup>10</sup> *Skilling Uganda, BTVET Strategic Plan 2011-2020.* Ministry of Education and Sports, Final Draft – July 2011, p. 6.

<sup>11</sup> *Skilling Uganda, BTVET Strategic Plan 2011-2020.* Ministry of Education and Sports, Final Draft – July 2011, pp. 11-12.

annually in 2015 and to 60,000 by 2016. These targets compare to a coverage of 20,000 in 2010/11, but, even if achieved, will still far well short of total need. The funding gap for the Plan in relation to projected public expenditure at the time of publication was substantial - for the first four years of the Plan period, the total funding gap was estimated at 60% of the total estimated budget, suggesting the achieving even the modest coverage targets in the Plan will be a major challenge.

30. There are a wide range of on-going non-formal training or training-related efforts targeting vulnerable youth undertaken by the Government and a variety of social partners. Of particular relevance in this context is the **Non-Formal Training Programme (NFTP)** of the Ministry of Education and Sports. The programme, launched in 2010 and involving three-month intensive non-formal vocational training for primary school drop-outs in partnership with groups such as the Uganda Association of Private Vocational Institutions (UGAPRIVI), has led to a sharp increase in vocational training intake among vulnerable youth. The Government's **Youth Venture Capital Fund** also includes youth training as part of a broader programme to support the growth of viable and sustainable small and medium Enterprises by the youth in the private sector.

31. The second **Northern Uganda Social Action Fund Project (NUSAF II)**, funded by the World Bank, includes a Youth Opportunities Programme (YOP) designed in part to provide youth with specific vocational skills and tool kits to enable them earn incomes and improve their livelihoods. The **Youth Entrepreneurship Facility (YEF)**, an initiative undertaken with the support of the Africa Commission and the Youth Employment Network (YEN)<sup>12</sup> supporting small-scale youth entrepreneurship development projects implemented by youth-led organizations, also includes a significant training component that benefits vulnerable youth. The **UN Joint Population Programme for the Youth** a partnership involving the Government, 10 UN agencies, civil society and development partners implemented in 15 districts, is another important youth employment promotion programme including training.<sup>13</sup> **Swisscontact Uganda**, a Swiss foundation for technical cooperation, supports non-formal skills training for youth based on the Learning Group model<sup>14</sup> as well as the establishment of a national certification system for non-formal skills training ('Workers PAS').

32. The **Uganda Small Scale Industries Association (USSIA)**, an umbrella body aimed at supporting and enhancing growth and competitiveness of micro and small scale industries/enterprises in Uganda, promotes youth employment by providing business training, the development of artisanal skills and creating expertise in different cottage industries. Finally, the **Uganda Association of**

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<sup>12</sup>Youth Employment Network (YEN) is a partnership of United Nations, International Labour Organization, and World Bank.

<sup>13</sup> Participating districts include Abim, Nakapiripirit, Amudat, Bundibugyo, Arua, Kitgum, Gulu, Yumbe, Oyam, Kanungu, Mubende, Kaabong, Kotido, Moroto and Katakwi.

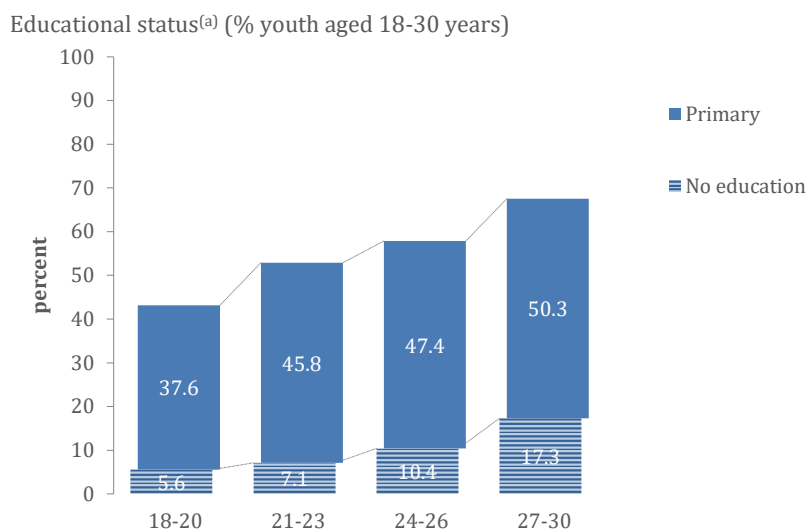
<sup>14</sup>A Learning Group is a homogenous group of 8 to 15 youth that are taken through an 8 month cycle of training through different components such as vocational skills, life skills, entrepreneurship skills and financial literacy skills.

**Public and Private Vocational Institutions (UGAPRIVI)**, a 5,000 member association of vocational institutions operating in all the regions in Uganda, contributes to youth employment by coordinating quality of training delivery among all member institutions to ensure consistency and compliance to the approved profiles, providing market information on what occupational profiles are most desired and marketable in particular market segments, generating information on the local capacities within vocational institutions for delivery of skills trainings, and evaluating relevance of the trainings provided in order to re-design, review and adopt new occupational profiles.

33. While most of these efforts fit within the broad framework and goals regarding non-formal training contained in the BVET Strategic Plan, improving coordination, strengthening institutional capacity, and, above all, scaling efforts up to meet total need, remain important challenges. Many of the current efforts relating to non-formal training are also project-based and donor-dependent, raising concerns about sustainability and the likelihood of full implementation. The lack of robust evidence on the impact of current non-formal training efforts also limits the usefulness of current efforts in terms of offering policy guidance moving forward. More information is needed on what non-formal training approaches work, and why, in order to identify the most effective training models for meeting the goals of the BVET Strategic Plan.

## ANNEX. ADDITIONAL EMPIRICAL RESULTS

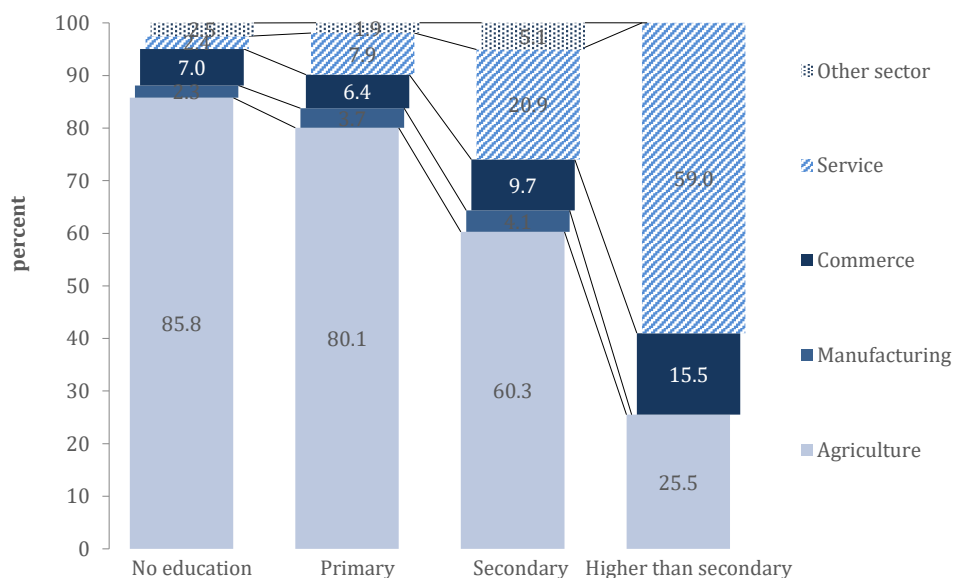
Figure A1. Youth educational attainment appears to be improving over time



Notes: (a) "Primary education" refers to youth no longer in education with at least some primary education  
Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

Figure A2. More education is associated with greater chances of non-farm enterprise employment for rural youth

Percentage distribution of employed rural youth not currently in education by education level and sector of employment<sup>(a)</sup>



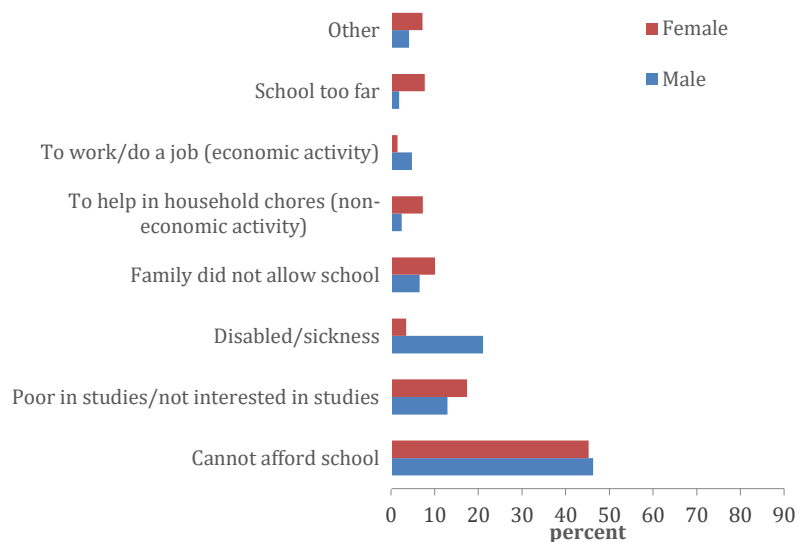
Notes: (a) The category "Other" includes construction, mining and quarrying, electricity, gas and water supply and extraterritorial organizations and bodies.

Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

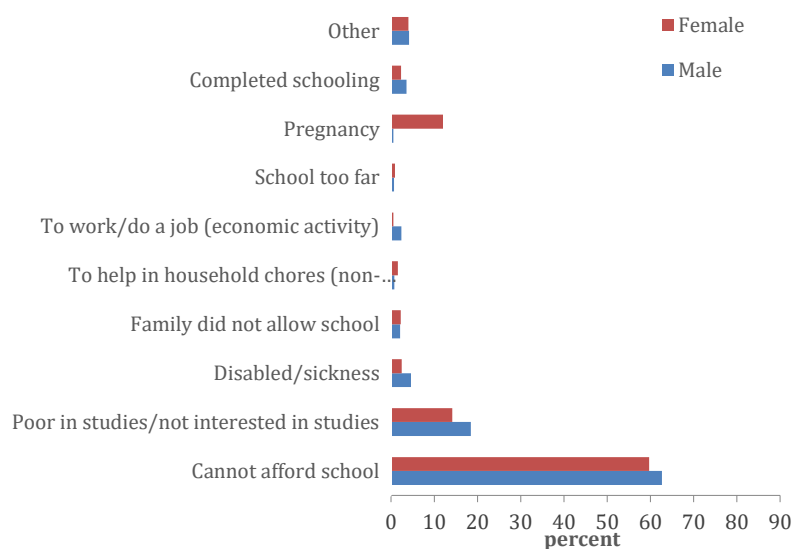


**Figure A3. Demand- and supply-side factors are both important in explaining school non-entrance and drop-out**

(a) Main reason for never entering education, 18-24 years age group, by sex



(b) Main reason for leaving education, 18-24 years age group, by residence



Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

**Table A1. Determinants of earnings,<sup>(a)</sup> results of OLS estimation with robust standard errors, working pop. aged 15-60 years**

Variables		Logarithm of earnings <sup>(b)</sup>	Standard errors
Age, gender, migration status and marital status	Age	0.0696***	(0.0166)
	Age squared	-0.0008***	(0.0002)
	Male	0.2681***	(0.0591)
	Migrated	0.0110	(0.0609)
	Married	0.1784***	(0.0678)
Household characteristics	Head of the household male	0.1426*	(0.0752)
	Household size	-0.0238**	(0.0095)
	Tap water	0.0315	(0.0669)
	Electricity	0.2949***	(0.0698)
	Own livestock	0.0419	(0.0587)
Level of education attained <sup>(c)</sup> and vocational	Primary	0.2318**	(0.0963)
	Secondary or higher	0.8397***	(0.1030)
	Vocational	-0.0154	(0.0622)
Sector of employment <sup>(d)</sup> and working hours	Weekly working hours	0.0024*	(0.0012)
	Manufacturing	0.0107	(0.1118)
	Services	0.1320	(0.0899)
	Other	0.3791***	(0.0975)
Residence	Urban	0.1647**	(0.0742)
Region <sup>(e)</sup>	Central	0.0389	(0.0662)
	Eastern	-0.0140	(0.0960)
	Northern	0.1573	(0.1056)
	Western	0.1203	(0.0839)
Constant		9.2654	(0.2991)

Notes: (a) Dependent variable is logarithm of earnings (b) significance level \*\*\* p<0.01, \*\* p<0.05, \* p<0.1; (c) Reference category: No schooling; (d) Reference category: Agriculture; and (e) Reference category: Kampala.

Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

**Table A2. Determinants of youth employment, marginal effects after probit estimation with robust standard errors, 18-30 year-olds not in education<sup>(a)</sup>**

<i>Explanatory variables</i>		<i>dy/dx</i>	<i>z</i>
Sex, migration status and marital status <sup>(b)</sup>	Female	<b>-0.0427</b>	<b>-2.8</b>
	Migrated	-0.0047	-0.4
	Married/Live together	<b>0.0791</b>	<b>3.5</b>
	Female* Married/Live together	<b>-0.1524</b>	<b>-5.9</b>
Youth educational level <sup>(d)</sup> and vocational training	Primary	<b>0.0361</b>	<b>2.4</b>
	Secondary not completed	0.0093	0.6
	Higher than secondary	0.0079	0.4
	Vocational <sup>(c)</sup>	<b>0.0289</b>	<b>2.7</b>
Household wealth <sup>(e)(h)</sup>	Household wealth.: quintile 2	0.0249	1.9
	Household wealth.: quintile 3	0.0052	0.3
	Household wealth.: quintile 4	0.0288	1.8
	Household wealth.: quintile 5	0.0225	1.5
Household characteristics	Household size	<b>-0.0177</b>	<b>-5.6</b>
	Number of children aged 0-5	0.0115	1.9
	Number of children aged 6-13	<b>0.0229</b>	<b>3.7</b>
Residence and local labour market indicators	Urban	<b>-0.0820</b>	<b>-3.7</b>
	Labour demand <sup>(f)</sup>	<b>0.8648</b>	<b>2.5</b>
	Labour supply <sup>(g)</sup>	-0.0076	-0.1

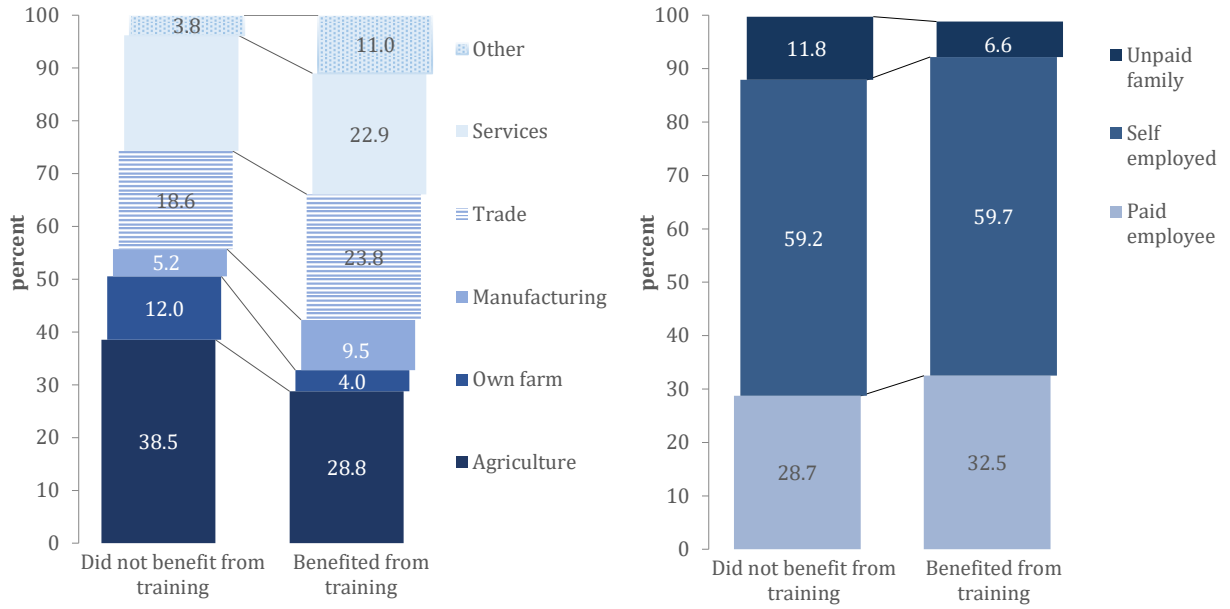
Notes: (a) Results that are significant at least five percent level of significance are denoted in bold; (b) Age controls are also included but not shown here; (c) Trade or technical skill acquired at vocational school/course, or learned from a friend or family member or from an NGO or community organization.; (d) Reference category is: Primary; (e) Reference category is: Household wealth quintile 1; (f) Labour demand is proxied by the adult (31-55 years) employment ratio; (g) Labour supply is proxied by the youth (18-30 years) to adult (31-55 years) population ratio; and (h) The Uganda Labour Force and Child Activities (NLF&CAS) 2011/2012 does not collect information on household expenditure or household income to be used as a measure of welfare. In the cases of other surveys, such as the Demographic and Health Surveys, which also lack direct welfare information, a common solution has been to generate a wealth index using a principal components approach, following Filmer and Pritchett (2001). The approach involves constructing an index based as the first principal component of a vector of assets, including durables goods, housing characteristics, and access to utilities. The principal components approach involves defining the wealth index in terms of the first principal component of the variables used.

The Wealth Index was constructed taking into consideration two sets of possible variables; housing characteristics, and service infrastructure..

Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012

**Table A3. Second chance training opportunities appear to improve job prospects**

Composition of youth employment (% distribution) by whether or not benefited from training, youth with secondary education



Source: UCW calculations based on Uganda Labour Force and Child Activities Survey (NLF&CAS) 2011/2012