



## **Start-Ups and Youth Entrepreneurship as a Strategy for Reducing Youth Unemployment in Africa; Evidence from Gulu and Oyam Districts, Northern Uganda**

Gilbert Uwonda<sup>1\*</sup>, Mary Ejang<sup>2</sup>, Justus Biromumeisho<sup>3</sup>, Clara Kansime<sup>4</sup>, Karlo Ojok<sup>2</sup>

1. Faculty Member, Department of Economics and Statistics, Gulu University, Uganda.
2. Faculty Member, Department of Development Studies, Gulu University, Uganda.
3. Faculty Member, Department of Public Administration and Management, Gulu University, Uganda.
4. Faculty Member, Department of Accounting and Finance, Gulu University, Uganda.

*This paper presents a trend in the challenges in the youth unemployment with particular emphasis on Uganda taking northern Uganda as a case. Youth unemployment remains a serious development challenge in most developing countries with sub-Saharan African countries being the most affected. Despite the positive economic growth rates experienced in Africa over the past decade this growth has not generated sufficient and decent employment opportunities for the youth (AfDB et al., 2012, UNECA, 2011). In Uganda 64 percent of the youth (18 -30 years) remained unemployed (UBoS 2014) yet three quarters of the population are below the age of 30 years. This implies that in the near future the proportion of the youth is bound to surpass the adults hence posing strain on the meager resources that is already eminent in the high unemployment rate. We used qualitative and quantitative methods in this study and sampled two districts (Gulu and Oyam). We assessed the effectiveness of the Youth Livelihood Programme (YLP) in addressing unemployment challenges and promoting job creation among the youth. The findings indicate that while the guidelines in the implementation of the programme were adhered to the budget for the start-up was largely inadequate and the delays in disbursement of the funds greatly affect the performance of the groups. Inadequate training before disbursement of the funds also affected the performance of the groups. Amidst the challenges noted, the paper concludes that to a greater extent the YLP is creating self-employment for youth and thus needs to be sustained.*

**Key words:** Start-up, Entrepreneurship, Youth, Unemployment, Northern Uganda

### **INTRODUCTION**

**Y**outh unemployment remains a serious development challenge in most developing countries with sub-Saharan African

countries being the most affected. Kararach, Kobena and Frannie (2011) argue that out of the 7.3 billion global populations, 1.5 billion people are within the age bracket of 12-24 and 87 percent of

\*Corresponding author: Gilbert Uwonda,  
Faculty Member, Department of Department of Economics and Statistics, Gulu University, Uganda.  
E-Mail: [g.uwonda@gu.ac.ug](mailto:g.uwonda@gu.ac.ug)

this young population lives in developing countries.

Despite the positive economic growth rates experienced in Africa over the past decade this growth has not generated sufficient and decent employment opportunities for the youth (AfDB et al., 2012, UNECA, 2011). Consequently, youth unemployment continues to be one of the major development challenges amidst the positive economic growth rates experienced over the past decades. Therefore, unemployment, working poverty, vulnerability and under-employment remain widespread amongst Africa's youth. Throughout sub-Saharan African countries, youth unemployment problem tend to be higher than that of adults (Mago 2014).

Insufficient employment opportunities amidst a rapidly growing young labor force can lead to social unrest and political instability (Ministry of Gender, Labour and Social Development (MGLSD), Uganda, 2011, Page 2012). The difficulties faced by young people in most developing countries in finding work are attributed to limited expansion of employment opportunities, skills mismatches and limited or no work experience (AfDB et al., 2012). As a result, most African youth engage in low quality informal sector jobs that accounts for about 90 percent of the jobs created in African continent (World Bank, 2009). Consequently, African countries have responded in varied ways to the youth unemployment problem in the continent. Schoof, (2006) in EPRC (2015) argue that entrepreneurship development funds in many African countries have been introduced as a key priority strategy in promoting youth livelihoods and employment.

In Uganda, by 2012, 64 percent of the youth remained unemployed (UBoS 2014) and yet the economy remains steadily growing at a rate of 6 percent per annum. About three quarters of the population are below the age of 30 years

Uganda National Development Plan (2010/2011 to 2014/2015) identified promotion of non-formal skills, start-ups and youth entrepreneurship as part of government strategies to address the challenges of labour and employment in the country (MGLSD, 2013). Consequently the Government of Uganda responded to the high youth unemployment problem by introducing the Youth Venture Capital

Fund (UYVCF) in 2010. Under the UYVCF, the Government engaged in partnership with three commercial banks to provide the youth with access to low interest credit (15 percent compared to the average market rate of about 23 percent); either as individuals or as organized entities (groups). The purpose was skills development and job creation among the unemployed youth as a strategy to reducing the high unemployment problems in Uganda. In 2013 however this fund was transformed into an interest free revolving fund called the Youth Livelihood Fund (YLF) aimed at accelerating empowerment of the youth in Uganda to harness their socio-economic potential and increase self-employment opportunities and income levels. Northern Uganda is recovering from the brutal conflict that spanned the region for over two decades (1986-2006) of the Lord's Resistance conflict and the Government of Uganda. The two decade conflict shattered livelihood assets, infrastructure, markets, and investment and altered the demographic structure of the region.

### **Purpose of the Study**

The survey aimed at assessing the effectiveness of YLP towards combating youth unemployment in Northern Uganda as a basis to inform policy decisions for sustainable government response to youth unemployment in Uganda.

### **SIGNIFICANT LITERATURE**

Youth unemployment is increasingly recognized as a driver of instability and violence in many countries globally. Sebahara and Ntasano (2014) argue that the youth unemployment crisis is a disaster that can undermine economic development, threaten the peace and destabilize institutions if it is not addressed.

A study conducted on the economic determinants on youth unemployment in Turkey by Esra Kabaklarli, Hazel and Abdülkadir Buluş (2011) indicates that youth unemployment has got the social, economic and political cost. Socially, unemployment leads to low self esteem among the youth, increased crime rate, poor social adaptation and increased domestic violence. Economically, youth unemployment leads to high dependency ratio, constrained government resources, low savings at household and national level as well as low investment. Youth unemployment is associated

with poor health conditions. Australian National Health Survey (1989-1990) revealed that unemployed young people had serious chronic health problems compared to those who were employed. Further studies in Norway, United Kingdom and Scotland (Morrell, Taylor and Kerr 1998) reveal a strong relationship between youth unemployment with smoking and drug abuse. Young people are potentially a tremendous force for change in conflict-affected countries, both positively and negatively. Studies indicate that large rates of youth unemployment make countries unstable in general and thus more prone to armed difficulties faced by young people in most developing countries in finding work are attributed to limited expansion of employment opportunities, skills mismatches and limited or no work experience (AfDB et al., 2012). As a result, most African youth engage in low quality informal sector jobs that accounts for about 90 percent of the jobs created in African continent (World Bank, 2009). Consequently, African countries have responded in varied ways to the youth unemployment problem in the continent. Schoof, (2006) in EPRC (2015) argue that conflict. In a 2013 study by the African Development Bank (AfDB) on the effects of youth unemployment on political instability, the authors find empirical evidence that youth unemployment is significantly associated with an increase of the risk of political instability, particularly in countries where youth unemployment, as well as social inequalities and corruption are high (Azeng and Yogo 2013).

Youth unemployment is an indication of failure on economic growth and poverty reduction among the youth particularly in industries and manufacturing through failure to expand and absorb the burgeoning unemployed youth population.

### **Strategies for Addressing Youth Unemployment**

The significant trends in the youth unemployment greatly affect their livelihoods. For this reason, African leaders converged at a summit in Nairobi in July 2014 to discuss the way forward for the youth in the continent. African states have made significant progress in recognizing the dire challenges and great opportunities that youth present in Africa. The Assembly of Heads of State and Government of the African Union (AU)

declared the period 2009 to 2018 as the “Decade on Youth Development in Africa” during the meeting held in January 2009, in Addis Ababa, Ethiopia. India, one of the developing countries is addressing the youth unemployment problem through skills development programme (Aya 2012, Ramadorai 2014). A similar strategy has been adopted in the Democratic Republic of Congo through youth entrepreneurship (Kikandi, Kamala, Mukenyi and Kabamba 2015). The programme was packaged in phases beginning with advocacy of skills development. Ideally this was to promote mass awareness among the youth before the funds could be disbursed. The second phase was increased access to information through digital market place and online information. This strategy seems more viable and a developing country like Uganda can leverage on it. Information dissemination was followed by training on entrepreneurship, financial and enterprise management before the funds could be released to beneficiaries.

### **Ugandan Unemployment Context**

Although Uganda has maintained positive economic growth rates during the past decade, the country's pace of economic advancement has not matched with a growth in new employment opportunities. Uganda's Gross Domestic Product (GDP) growth rate has averaged 6.7 percent per annum during the period 2003-2012 (Ministry of Finance Planning and Economic Development (MFPED; 2013). On the other hand, the pace of creating new employment opportunities has lagged behind labour force growth. According to the World Bank report (2007), the labour force in Uganda grows at an annual rate of 3.4 percent resulting in 390,000 new job seekers and yet only 8,120 jobs are being created each year (UBoS 2014).

Evidence indicates that the difficulties faced by young people in most developing countries in finding work are attributed to limited expansion of employment opportunities, skills mismatches and limited or no work experience (AfDB et al., 2012). The youth in northern Uganda thus face dual challenges of unemployment and low education levels due to the prolonged LRA conflict in the region. In the recent past, the Government of Uganda (GoU) has also initiated programmes to support youth entrepreneurship and self-employment to overcome the unemployment problem. Starting with the 2011/12 national budget, UGX 44.5 billion

(about US\$ 18 million) was allocated to youth entrepreneurship promotion programmes. An extra UGX 3.5 billion (US\$ 1.5 million) was earmarked in the 2012/13 budget (MFPED; 2012). More recently, in September 2013, government significantly boosted youth schemes by allocating UGX 265 billion (about US\$ 100 million) over a five-year period. The major pillars of these initiatives are: enterprise development, job creation and business skills training and development (MGLSD 2013). The youth schemes in Uganda are based on these premises with the overall Programme Development Objective (PDO) of empowering the target youth in Uganda to harness their socio-economic potential and increase self-employment opportunities and income levels. Against this background, this study investigates the effectiveness of the YLF that began implementing since 2013 towards addressing unemployment problems in post-conflict northern Uganda with particular implications on livelihood improvement, self-employment, skills development and improved income levels. The study addresses the following research questions: are the YIG in northern Uganda sticking to the guidelines and principles of the YLP? What are the characteristics of the youth groups in northern Uganda in line with the job creation? Are the monitoring and evaluation procedures for the YIG in northern Uganda keenly observed? Are budgets for the YIGs in northern Uganda adequate for the implementation of the planned activities? What challenges are being faced in the implementation of the YLP in northern Uganda and what lessons can we learn from this experience for the improvement of the programme?

## RESEARCH METHODS

We used mixed methods (qualitative and quantitative) in this survey in which both secondary and primary data were integrated. The secondary data were obtained from government policy documents designed to empower the youth through enterprise development. Particularly we analyzed the national budget, the youth livelihood programme, district annual budget and the releases of the youth funds, disbursement procedure, application criteria, and selection of beneficiaries and the amount disbursed.

We further investigated the type of enterprises that the youth invested the funds in order to assess the viability of the programme in

self-employment. Documentary analysis (Secondary data) is complemented with primary data that is obtained from the field through in-depth interviews, observations and discussions with the key informants (CDOs in-charge of YLP and sub-county Chiefs). We conducted face to face interviews with a total of 75 respondents (beneficiaries) selected from 22 groups in Gulu and Oyam districts. The groups were purposefully selected from the peri-urban and rural sub-counties in the two districts while the individual respondents were randomly selected. The face to face interviews were relevant in assessing the monitoring and evaluation procedures, the challenges faced by the beneficiaries and design appropriate strategies for the improvement of the program. Basically we used descriptive statistics to analyze the adherence to the guiding principles, nature of the youth enterprise, the monitoring and evaluation criteria but used the Paired Sample t-test for assessing the budget adequacy for the YLP in northern Uganda.

## LIMITATIONS TO THE STUDY

This study did compare the youth on the Livelihood programme and thus it was challenging to establish the effectiveness of the YLP among. Therefore, a comparative study can be done in future among the beneficiary youth groups and non-beneficiary groups so as to establish the asset base and the effectiveness of the livelihood programme towards unemployment reduction.

In the sampling procedure, we purposively sampled the sub-counties on the basis of rural and peri-urban. Another study can further be done on the urban youth groups.

It was not easy to locate some of the enterprises. Some group members could not be interviewed by choice though others were a result of failure by the team to recall the members and reschedule the interviews.

## FINDINGS AND DISCUSSION

The study covered two districts of Gulu and Oyam, we sampled two counties from each district and three sub-counties. A total of 22 sub projects benefiting from the YLF were covered in the two districts (Table 1). We observe that although the

YLP was introduced by the government of Uganda in 2013 targeting the youth groups as a strategy to address the high unemployment problem in the country some of the groups were formed as far back as 2004, a period when the population in northern lived in internally displaced people’s camps. This implies that prior to the YLP the community in northern Uganda had positive perception of group ventures.

We also observed that a number of groups were formed between 2008 and 2013. According to the field interviews these groups were originally the village savings group. At the time when the Livelihood programme was introduced in 2013, the youth groups were merely curved out of the original groupings considering the restrictions in the age brackets for the beneficiary groups. Nevertheless, the groups that were constituted from July 2013-2015 basically targeted the YLF

**TABLE 1 HERE**

A total of 22 projects were visited all of which were mainly livelihood enterprises as opposed to skills and institutional development. Out of the 22 projects studied only three focused on both livelihood and skills development. The type of skills developments were motorcycle repair, welding and metal fabrication and computer training.

From the research design, we were interested in interviewing all the project members. However, it emerged that there were variations in the number of respondents interviewed per group. The reasons for the variation are twofold: some members were not currently residing within the project area and so it was not possible to reach them out and some group members deliberately turned down to be interviewed a case in point is Kamdini Mobile Catering group in Oyam South.

**Demographic Characteristics**

We established the demographic characteristics of the respondents in terms of education level, gender, marital status and age group (Table 2). The findings indicate that majority of the youth benefiting from the YLP did not advance beyond ordinary level of education constituting 43 percent of the respondents followed by those who stopped at Primary seven level of education. The low education level in northern

Uganda can be attributed to the long period that the population spent in internally displaced people’s camp during which access to basic services including education was curtailed by the insurgence.

The low education level is further aggravated by the low skills development reflected in low percent of respondents holding certificates in vocational training (11 percent) and diploma (six percent). Nevertheless 11 percent of the youth who had attained post primary vocational training mainly in junior craft from technical institutes played significant roles in guiding the group members. The skills were ideal for the management of the enterprise that they engaged in. Citing a case of a piggery project in Lapeta and Loyoboo villages in Unyama sub-county, at least two of the group members had certificate training in Agriculture (Animal husbandry). These specific skills were fundamental in the maintenance of the sty hygiene and sustainability of the piggery project. Similarly Obwolomic PaLacwec Animal buying and selling that was the most organized group; their Chairperson had a Diploma in Business Management.

Low level of education and training implies low human resource capacity to steer significant development of the region. From another perspective, the low human resources could reflect the high school drop out in the region.

**TABLE 2 HERE**

In terms of gender responsiveness, we observed that across all groups, the number of male beneficiaries (76 percent) tripled the females (24 percent) and in isolated cases some groups (animal buying and selling and piggery basically had male members (field notes).

Socially, the majority of the group members were single accounting for 52 percent against 44 percent married members. Thus the beneficiaries seemed to be recent school leavers. We further established that the majority of the group members fall within the age group of 23-27 years (46 percent) followed by 28-30 years (26 percent).

**Adherence to the Guiding Principles of The Youth Livelihood Programme in Northern Uganda**

The purpose of the YLP is to empower the target youth in Uganda to harness their socio-economic potential and increase self-employment opportunities and income levels (MGLSD, 2013). The programme is premised on the principles of demand-driven; active youth participation and ownership; gender responsiveness and promotion of equity; equitable geographic distribution; public-private partnership; non-involvement of child labour; environmental integrity; provision for youth with special needs; cultural sensitivity; utilizing existing institutions; direct flow of funds to the individual youth group projects; community procurement; and revolving support.

In line with the guiding principles, we investigated a number of variables to assess adherence using multiple responses starting with the nature of the youth projects in line with the guiding principles. Tracing the period when the groups were formed and the reasons why they were formed, the findings reveal that some groups dated far back as 2004 before the YLP was introduced and the most recent were formed in 2015. We established that the groups were formed with varied expectations as summarized in Table 3.

**TABLE 3 HERE**

We established that the majority of the youth groups had similar interest (56 percent) that inspired them to form groups so as to achieve their common goals. However, 37 percent of the respondents revealed that the fundamental factor that drove them to form the youth group was the positive benefits associated with the YLF.

Nevertheless, the role of the local leaders in mobilization of the youth in the community should be underscored. Field notes indicate that the local council leaders used every local social gatherings and common mass media (local radio stations) to popularize the YLP programme. More significantly the respondents vividly revealed that the roles of the youth leaders at the sub-county levels and the sub-county Community Development Officers (CDOs) were fundamental in mobilizing the youth to generate interest on the livelihood fund.

We further investigated the circumstance under which the groups became beneficiaries of the livelihood fund as summarized in Table 4. We observed that the majority of the beneficiaries qualified as group members (67 percent) and

participated in the proposal writing (63 percent) by filling the application form. This reflects adherence to the guiding principles of the YP that supports the youth groups other than individual youth in the community. Group participation indicates that most of the groups were demand driven hence prospects for sustainability. The interviewees also reported participating in the planning process and implementation of the enterprise. Joint participation promotes team work, instills a sense of ownership for the project and promotes self-accountability that needs to be upheld.

Meanwhile 52 percent of the respondents stated that their groups were recommended by the Local leaders to benefit from the youth fund. This was a necessary condition to ensure approval of the beneficiary as true residents of the community. An average of 46 percent of the respondents revealed their physical participation in the planning of the group

**Characteristics of the Youth Groups in Northern Uganda**

We further established the nature of the enterprises that were selected for support in Gulu and Oyam and found out that the majority were projects in which the enterprise of interest was identified and application forms filled and forwarded to the sub-county officials for further action.

**TABLE 4 HERE**

Meanwhile 26 percent of the respondents benefitted from the YF through their friendship networks and familial relationships. Perhaps this could be the category of beneficiaries that were not well acquainted with the procedures of the YLP but simply had their names appended to the list of beneficiaries. Similarly, 19 percent of the respondents revealed that they became part of the beneficiaries upon being informed by the sub-county CDO. Although training is very fundamental in the sustainability of an enterprise, only six percent of the respondents indicated participation in the YLP training after which they benefitted from the fund.

92% of the fund supported the youth groups that engaged in Livelihood activities. Only 17 percent of the enterprises were involved in skills development activities which are believed to be

more sustainable and have a higher multiplier effect.

**TABLE 5 HERE**

The category of the livelihood projects supported included piggyery, animal buying and selling, produce buying and selling, fish farming, animal traction and catering and tent hire. Meanwhile, three categories of enterprises were observed under the skills development component. These included carpentry and joinery, welding and metal fabrication and motorcycle repair and spare parts sale. Most of the skills development projects were concentrated in the peri-urban areas while livelihood support were evenly distributed in both rural and peri-urban sub-counties. Regardless of the nature of the venture, we noted that all the groups that attracted funding were fully registered at the sub-county and respective districts.

**Loan Repayment**

The guiding principle of YLP indicates that the funds to the communities will be administered in form of revolving funds among the target Youth Interest Groups. Thus it is a requirement that the youth enterprises should have a reasonable maturity period that permits re-payment of the Interest-free Revolving Fund within a time period of one (1) year. 5 percent Service fee will be levied on the project grants whose re-payment goes beyond one year.

**TABLE 6 HERE**

However this principle is not being followed well. This is because the study established that the duration upon which the benefits of the projects could be reaped varied according to the nature of the venture. For instance, while the benefits of animal buying and selling and produce buying and selling were immediate, the piggyery project takes not less than 12 months for the profits to be realized. Similarly those engaged in aquaculture have to wait for 9 months for the fish to mature. On a similar note, the enterprises of animal traction and cultivation engaged in seasonal activities since agriculture in Uganda basically relies on natural climate.

**Composition of the Youth Interest Groups**

We established that across all groups, there were more male members than the females implying lack of gender parity. There were variations in the number of members per group with the smallest group having as low as 6 members and the largest group had 26 members and on average a group had 14 members. Looking at the extremes, most of the groups defied the principle of the least 15 members and the largest 30 members.

**TABLE 7 HERE**

We noted that at the onset, most groups attained the minimum requirement of registering 15 members. However, on realizing that the YLP was a revolving fund, most of the group members defected for fear of arrest after defaulting. The prior perception about YLP was that it is a grant. On minimum a group had 2 males and no female at all and on average of 9 males and 6 females as portrayed in Table 6. This implies that few females took up the risks in the project. Nevertheless, one of the groups was  
On a positive note, we observed that the entire beneficiary groups in the two districts (85 per cent) did not employ children in the running of the enterprise neither did the groups employ people other than the group members to whom wages should have been paid. However, 15 per cent of the respondents confessed engaging the children in the project though they emphasized the children would perform the task on weekends and not during school. This implies that the programme is living to its expectation of providing self-employment for the youth and young peoples.

**The Effect of YLP on Income Level and Skills Development among the Youth**

We further investigate whether or not the YF is impacting positively on the incomes of the group members and the fundamental question that we posed to the group members was: do you make profits out of the youth enterprise currently engaged in? Our question generated the responses presented in Table 8.

**TABLE 8 HERE**

As summarized in Table 8, 56 percent of the respondents reported that their enterprises are

making profits from the YF. However, 42 percent stated that they have not yet begun reaping from the project while two percent stated that instead, they made losses from the enterprise. Although the groups revealed making profits, 68 percent indicated that the profits has not positively impacted on their income as the group has to focus on the obligation of remitting the funds within the mandated grace period of one year. Hence many of them have not even fully invested the loan and are planning to use part of the loan to meet their repayment obligation. Contrary, 24 percent of the respondents observed significant improvement in the level of their incomes and four percent acknowledge improvement in the level of living arising from sharing the benefits realized.

We also established the impact of the youth support towards skills development and noted that a number of skills were learnt by the youth engaged in the different enterprises. Ostensibly, the youth were able to gain varied skills from the enterprises that they engage in. A significant skill gained is technical skills particularly in Agriculture accounting for 70 percent.

This involved crop cultivation, animal rearing and fish farming as per the enterprises visited. Business and Entrepreneurships was gained by 52 percent of the respondents. This was followed by skills in record keeping (32 percent) and networking skills that accounted for 30 percent

**TABLE 9 HERE**

**Monitoring and Evaluation Procedure of the YLF in Northern Uganda**

We measured the performance of the groups in terms of the commitments of the member, frequency of project visits by the local leaders and civil servants, frequency of receiving feedback and report writing by the groups as summarized the Table 10. All groups indicated commitments of the members to the assigned tasks. 83 percent received monitoring teams from the sub-counties and the districts. Most groups received the visiting teams on a monthly basis from the time they received the funding. As depicted in Table 10, 77 percent acknowledged an obligation of submitting written reports to the sub-county and 70 mentioned relieving feedbacks

from the sub-county CDO on a monthly basis though some respondents hinted that sometimes the feedbacks were instant depending on the progress of the enterprise.

**TABLE 10 HERE**

To guarantee full commitment of the members, every group indicated having a constitution and guidelines to streamlining the roles, obligations and rights of the members. 77 percent of the respondents were knowledgeable of the guidelines governing the group operations and 67 percent eluded to the fact that failure to adhere to the guideline, one would attract penalties and punishments. The common penalties that surfaced across board were fines levied for failing to attend regular group meetings. On average, missing a meeting without prior information and apologies attracted a fine of 5,000 Uganda Shillings.

In line with the above suggestion it would be advisable if responsible local government officials take it upon themselves to integrate the YLP in the routine projects being monitored.

**TABLE 11 HERE**

Besides imposing fines and punishments as disciplinary measures, most groups acknowledged holding regular meetings during which roll calls are conducted. This ensued team work among the member. Besides, roles and responsibilities were equally allotted to group members as it emerged from the discussions and interviews.

Another criterion that we applied for monitoring the performance of the groups was prompt remittance of the funds. Although the mandatory document of the YLP stipulate the grace period of one year from the day the funds are disbursed to the groups, most of the respondents we interviewed seemed ignorant about this period. Actually, a good number mistakenly perceived the remittance period as three years and yet defying the one year period attracts a five percent interest on the funds.



**Budget Adequacy for the YLG in Northern Uganda**

We investigated the budget adequacy of the fund disbursed to the youth groups and the manner in which the group members were able to cater for the discrepancies. We further analyzed the progress of the project amidst the shortfall as well as the activity in which the groups spend much of the funding.

**TABLE 12 HERE**

The Paired-Samples T Test procedure was used to compare the means of the amount requested (as per planned activities) and the amount disbursed to the groups. An average of 10.3m shillings is requested but only 7.4m is disbursed giving a budget variance of 2.8 million shillings (*See paired sample T test, in table 12*).

**TABLE 12 HERE**

The low significance value for the t test (0.000), which is less than 0.05, indicates that there is a significant difference between the total group budget and amount disbursed

Since the 95% confidence interval for the mean difference does not contain zero, this also indicates that the difference is significant. Based on the budget variation, we also established whether or not the amount disbursed was perceived sufficient for the implementation of the planned group activities.

**TABLE 13 HERE**

The youth groups decried inadequate funds for the projects. Out of the 22 groups we visited 60 percent of the members reported budget inadequacy. The irony is that the groups reported not getting any explanation from the district or sub-county officials on the budget differences. Amidst the budget inadequacy, the groups maneuvered through by making budget adjustments to ensure progress with the enterprise. They had to reduce on the budget activities in order to implement the project and look for resources from elsewhere to fill in the budget gaps. This constraints other livelihood activities that could have been earlier on planned.

**Challenges Faced by the Youth Groups in Northern Uganda**

1. High budget cuts were made on the groups requisitioned funds. This greatly affected the implementation of the activities. Indeed, some groups indicated diverting resources from other sources to fill in the gaps. A number of groups revealed introducing membership fees to bridge the budget gaps.
2. Most of the key informants (KIs) argued that in the financial year 2014/2015, there was insufficient budget allocation within the programme for monitoring.
3. Majority of the youth interest groups indicated delay in release of the funds by the district. This affected the implementation of the enterprises as the value is eroded by inflation. The most hit groups were those engaged in Ox cultivation. According to the interviewees the release of the fund was not timely for instance in November when dry season has already set in. Consequently, the group could not make any profits from cultivation at this time yet had to start remitting the funds in three months' time from the time of reception.
4. One of the major challenges in the programme that emerged saliently was politicization and personalization of the programme by the politicians. Our field findings revealed that the perception of the youth was that the YLP was a reward for the political support to current government and some political leaders during the elections. This perception resulted into poor attitudes towards the loan recovery. Unless stringent measures are taken the likelihood that the funds shall be fully recovered is minimal.
5. Lack of sufficient training for the enterprises being implemented affected the running of the enterprises. The one time training held at the district headquarters apparently seemed not to have been sufficient
6. Although the implementers of the programme emphasized having sensitized the youth about the revolving fund, it came out from group members that they had thought it was a grant. Therefore, on realizing that the YLF is a revolving loan fund, some of the youth withdrew their membership for fear of arrest after failing to remit the funds. This further affected the group performance and indeed undermined the culture of team spirit.

7. Whereas some groups reported delay of their enterprises' maturity, some groups revealed that mismanagement of the loan fund by their group leaders has affected performance of their enterprises and thus diminished their capacity and possibility to meet their repayment obligation.

## CONCLUSION AND RECOMMENDATIONS

We conclude that YLF is contributing providing self-employment and thus contributing to reduction of unemployment problem in Uganda. The youth in northern Uganda are engaged in diversified ventures as per our sample ranging from livelihood support to skills development. We further observed that gender sensitivity is not adequately addressed in the group composition to the disadvantage of the females hence creating a gap in gender responsiveness. The delayed and untimely release of the funds greatly affects the performance of the groups studied and above all communication gap exist in explanation of the budget variance. We thus deduce that close supervision should be made on the beneficiary groups since some members seem to relax in performance yet this is a revolving fund. Amidst the challenges the YLP is promising and can adequately contribute the unemployment challenges in northern Uganda.

### Lessons Learnt and Way Forward

1. Training of the youth groups should be handled on a case by case basis depending on the nature of the enterprises specialized in while considering the group dynamics. Besides, the medium of communication should be in a language understood by the majority given the low education levels of the majority beneficiary group members. Financial management and leadership skills should constitute content of the training before fund can be disbursed to the groups.
2. The monitoring mechanism should be embedded in the programme design from the onset. This can prevent some of the shortcomings and challenges that emanated from the gaps in monitoring. This can be in terms of adequate budget and clearly stipulated procedures, roles, responsibilities and penalties.
3. It came out vividly from the stakeholders that there was serious deficiency monitoring funds for the programme. There is urgent need for the MGLSD to increase the monitoring fund for the projects across board.
4. Needs assessment should be done by the central government before designing the programme. This can address unforeseen programme and thus the effective implementation.
5. One of the policy recommendations is that the design of the programme should take into consideration the social constraints that may hinder female participation in some of the enterprises. We therefore recommend that in addition to the 30 percent requirements, there should be provision for women to be allowed to form their groups.
6. Involvement of other stakeholders particularly government organ like the Inspectorate of Government (IGG) and development partners (civil society organization) in the monitoring can provide a check and balance for the operation of the programme.
7. There is need for massive sensitization to demystify the perception that the YLP is a government grant and a campaign tool. The youth should be sensitized to change their attitude, appreciate hard work and perceive the fund as a loan and not a grant. Transforming the fund into a grant can promote dependency and laziness among the youth.
8. Whenever, there is a deficiency in the proposed and approved budgets, clear explanations should be given to the group members as a means for promoting transparency and accountability.
9. There should be regular follow up by the relevant Offices to save the situation before it runs out of hand. Invest in building on the capacity of the CDOs on adherence to the YLP operational guidelines/checklist.
10. Although the repayment schedule forms the basis for monitoring the performance of the youth enterprise, it is advisable that the district take regular visits of the projects a means for effective monitoring. The regular visits can ensure that the group members keep together and besides assessment can be made whether or not the enterprises is on the right track.
11. The grace period for repayment should be handled on case by case basis according to the nature of the enterprises and the variation in the maturity period. A uniform grace period for all the youth enterprises constrain ability of some youth groups to fully invest the loans obtained as

they may wish to use part of the loans to meet their repayment obligations.

12. There is dire need for regular review of the activity plan. This would keep the groups on track so that they do not derail from the priority activities.
13. We further recommend that the group approach is the best way to improve the livelihoods of the youth. However, the groups need to be adequately prepared through training on group dynamics, business and financial management before they can receive the funds.
14. Amidst all the proposals, the youth should be trained to have a positive attitude towards the development programmes, lest no headway can be made. The youth should change their attitude to appreciate the programmes, take up skills development and love business/entrepreneurship. This explains why throughout the groups studied up the degree level were non beneficiaries.

## ACKNOWLEDGEMENTS

The authors greatly appreciate the support provided by Development Research and Training (DRT), and Gulu University which enabled the team successfully carry out this study

## REFERENCES

- ADB, OECD, UNDP, & UNECA. (2012). *Promoting Youth Employment* (Rep.). Tunis: ADB.
- Aya, O. (2012): Skills Development for Youth in India: Challenges and Opportunities. *Journal of International Cooperation in Education*, 15 (2):169-193.
- Azeng, T. & Yogo, T. (2013). *Youth Unemployment and Political Instability in selected African Countries* (Working Paper No. 171). African Development Bank, Tunis, Tunisia.
- Gemma, A. & Kasirye, I. (2015). *Creating Youth Employment Through Entrepreneurship Financing: The Uganda Youth Venture Capital Fund*. (Research Series No. 122). Economic Policy Research Center.
- Kararach, G., Kobena, H. & Frannie, L. (2011). *Regional Integration Policies to create jobs for Africa's burgeoning population*. (Working Paper No. 21). African Capacity Building Foundation (ACBF).
- Kiuma, A. K., Kaghoma, C. K., Kalala, J. M., & Kabamba, A. (2015). *Internal mobility and youth entrepreneurship in the Democratic Republic of the Congo* (Working paper No. 7). Partnership for Economic Policy.
- Mago, S., 2014. Urban Youth Unemployment in Africa: Whither Socio-Economic Problems. *Mediterranean Journal of Social Science*. MCSER Publishing, Rome-Italy, 5(9):33-40.
- Morrell, S, Taylor, R & Kerr, S. (1998). *Unemployment and Health Policy in Australia* (Rep.). Sydney: Australian Medical Students Association.
- Poverty Eradication Action Programmes – Social Protection Platform* (Publication). (2001). Retrieved from <http://www.social-protection.org/gimi/gess>
- Ramadorai, S, (2014). *Youth Empowerment through Skills Development Incremental Update: March 2014–October 2014* (Rep.). New Delhi: National Skills Development Corporation.
- Sebahara, P., & Cizero N., E. (2015, January). Youth unemployment in the Great Lakes Region: A challenge foe peace building and sustainable development. *GREAT insights Magazine*, 4(1)
- Uganda Bureau of Statistics, Statistics House. (2014). *National Population and Housing Census, November 2014, Revised Edition*. Kampala: Uganda Printing and Publishing Corporation
- World Development Report 2007: Development and the next generation*, (Rep), (2007). Washington D.C. The World Bank.

## APPENDIX

**Table 1: Distribution of the youth Projects**

Group	Year
Jing cwinyi Youth Group	2008
Obwolo mic pa lacwec group	2011
Bedo i camp tek Youth Group	2004
Bwotomege Piggery Project	2004
Awoo-nyim Wangkalo Ox Cultivation Youth Group	2013
Lapeta Vision Ahead Youth Group	2013
Wilobo Wire Youth Group	2015
Loyoboo A Utem Gum Youth Group	2013
Koro Progressive Youth Group	2014
Adit Carpentry Youth Project	2012
Akatakata Youth Group	2014
Apurubonyo Animal Tracking Youth Group	2012
Aber Youth Piggery Group	2009
Acandano Tents and Chairs Hiring Youth Group	2014
Lela olok Youth Project, Tree Nursery Bed	2013
Otara Piggery Youth Group	2013
Minakulu Welding and Metal Fabrication Youth Group	2014
Apala B Youth Produce Buying and Selling Group	2014
Anotocao Youth Simple Cassava Processing Group	2013
Alidi Youth Livelihood Welding and Metal Fabrication Group	2013
Amukungu Computer Centre Youth Group	2008
Kamdini United Youth Development Association	2010

**Table 2: Demographic Characteristics of respondents**

Characteristics	Categories	Frequency	Percent
Level of Education	Primary level	20	37.0
	Ordinary level	23	42.6
	Advanced level	1	1.9
	No formal education	1	1.9
	Junior/vocational	6	11.1
	Diploma	3	5.6
Gender	Male	41	75.9
	Female	13	24.1
Marital Status	Single	28	51.9
	Married	24	44.4
	Separated	1	1.9
	Widowed	1	1.9
Age groups	Below 18	1	1.9
	18-22 years	11	20.4
	23-27 years	25	46.3
	28- 30 years	14	25.9

Above 30 years	3	5.6
----------------	---	-----

**Table 3: Why the group was formed**

	Percentage	
	N0	Yes
Having similar interest	44.4	55.6
Inspired by Local Leaders	85.2	14.8
NGOs supporting groups	87.0	13.0
Inspired by other groups	90.7	9.3
Targeting the YLF	63.0	37.0
VSLA	92.6	7.4
Initiative of a member	88.9	11.1

**Table 4: Criteria upon which the groups became beneficiaries of the Youth Livelihood Fund**

Variables	Percentage	Response
	No	Yes
Wrote a proposal	37.0	63.0
Got a recommendation	48.1	51.9
Was in a youth group	33.3	66.7
Participated in planning	53.7	46.3
Was introduced by a friend	74.1	25.9
Filled interest form	88.9	11.1
Participated in training	94.4	5.6
Informed by Sub-county official	81.5	18.5
Recommended by NGO	98.1	1.9
Heard on radio	92.6	7.4

**Table 5: Type of Youth Enterprise**

	Percentage	Response
	No	Yes
Skills development	83.3	16.7
Livelihood support	7.4	92.6
Institutional development	94.4	5.6

**Table 6: When the groups can repay the funds**

	Frequency	Percent	Cumulative Percent
Within 1 year	10	45.4	45.4
Within 2 years	2	9.1	54.5

Within 3 years	2	9.1	63.6
Not sure	8	36.4	100.0
Total	22	100.0	

**Table 7: Descriptive Statistics, gender parity in group membership**

	N	Min	Max	Mean	Std. Deviation
Number of members	22	6	36	15.21	5.139
Number of males	22	2	21	9.11	2.994
Number of females	22	0	25	6.17	3.961
Number of persons with disability	22	0	2	.27	.502
Valid N (listwise)	22				

**Table 8: You make profits out of this enterprise**

	Frequency	Percent
No	1	1.9
Yes	30	55.6
Not ready for sale	23	42.5
Total	54	100.0

**Table 9: Skills gained from participating in the Youth Enterprise**

	Percentage	Response
	No	Yes
Networking skills	70.4	29.6
Leadership skills	79.6	20.4
Business & Entrepreneurships skills	48.1	51.9
Mobilisation skills	83.3	16.7
Technical skills	29.6	70.4
Record keeping	68.5	31.5
Procurement Skills	92.6	7.4

**Table 10: Adherence to Monitoring and Evaluation procedure of the YLF**

	Percentage	Response
	No	Yes
Group ensures commitment of the members in line with the group rules	0.0	100.0
You get regular field visits from the sub-county and district officials	17.0	83.0
You get regular feedback from the sub-county and the district officials	29.6	70.4
You are required to submit regular written reports to the sub-county	22.6	77.4

**Table 11: Strategies for Ensuring Group Commitment to assigned roles**

	Percentage	Response
	No	Yes
Offenders are disciplined and punished	33.3	66.7
Use guidelines	22.2	77.8
Review of commitment to activity plan	90.7	9.3
Enforce spirit of team work	92.6	7.4
Equal distribution of tasks	92.6	7.4
Roll call during meetings	90.7	9.3

**Table 12: Descriptive Statistics, Budget Adequacy of the YLF**

	N	Min	Max	Mean	Std. Dev.
Total budget asked for	54	6000000	15000000	10272889	2498918
How much was disbursed	54	4000000	10850000	7380107	1737489
Valid N (listwise)	54				

**TABLE 12: PAIRED SAMPLES TEST**

	Paired Differences			Sig. (2-tailed)
	Mean	95% Confidence Interval of the Difference		
		Upper	Lower	
Budget – Disbursed	2892781	2304452	3481111	.000

**Table 13: How adequate was the amount given**

	Frequency	Percent	Valid Percent	Cumulative Percent
Greatly inadequate	5	9.3	10.0	10.0
Inadequate	25	46.3	50.0	60.0
Fairly adequate	3	5.6	6.0	66.0
Adequate	14	25.9	28.0	94.0
Greatly adequate	3	5.6	6.0	100.0
Total	50	92.6	100.0	
No response	4	7.4		
Total	54	100.0		