THE CONTRIBUTION OF INFORMAL VOCATIONAL SKILLS TRAINING TO URBAN JOB CREATION; THE CASE OF THE YOUTH OPPORTUNITIES PROGRAMME [YOP] -UGANDA

PRODUCTIVE INCLUSION: CONNECTING SAFETY NETS TO URBAN JOB OPPORTUNITIES

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RATIONALE & CONTEXT

- Uganda covers an area of 241,038 Sq. Km (1/3 comprised of fresh water bodies and wetlands).
- Population: approx. 34.5 million people \((UBOS\ 2014)\).
- Approx 78% of the population is below 30 years.
- Annual population growth rate of 3.2%.
- Ranked 161 out of 187 in the Human Development Index, with a total score of 0.456.
RATIONALE & CONTEXT Ct’d….

- Absolute poverty reduced from 56% in 1992/3 to 19.7% in 2012/13.

- There is rising inequality among the different segments of the population and regions of the country (Gini Coefficient 0.356).

- Poverty level in the Northern Region is 44% compared to 4% in the Central Region.

- Northern Region suffered economic stagnation as a result of civil strife and cattle rustling lasting over 2 decades from the 1980s. Human lives and property were lost, people were displaced, social service systems had a total break-down.

- The Government of Uganda designed the Northern Uganda Social Action Fund (NUSAF) financed by the World Bank, as one of the first interventions in response to the socio-economic situation in Northern Uganda.

- The Youth Opportunities Programme (YOP) was introduced in the year 2006 as one of the components of NUSAF.
DESIGN & IMPLEMENTATION

YOUTH OPPORTUNITIES PROGRAMME-PROGRAMME SUMMARY

- **Objective:** To increase employment opportunities and incomes among the youth, improve community reconciliation, and reduce conflict.
- **Target Population:** unemployed/underemployed youth (Internally displaced youth, former abductees, ex-combatants, school drop-outs, disarmed warriors, youth living in high risk areas e.g. slums etc...)
- **Nature of intervention:** Cash transfers (grants) to support vocational skills training (informal).
- **Duration of training:** 2-9 months depending on the trade.
- **Support Package:** Training fees, training materials & start-up tools
- **Delivery mechanism:** Through groups of 15-30 persons (at least 30% female)
- **Coverage:** Northern Uganda; 18 Districts (Later subdivided to 55 Districts – about 1/2 of the country)
- **Period:** 2006-2009
DESIGN & IMPLEMENTATION Ct’d….

- Implemented through Government structures at the national and sub-national levels (District/Municipality and Sub-county Local Governments)
- Based on a CDD Model
- Beneficiary selection is done through community participatory mechanisms. The beneficiaries selected their own priority areas of training
- Sub-national Governments are responsible for beneficiary mobilisation & selection, facilitating projects preparation, appraisal, approval, monitoring and evaluation.
- Community Facilitators (part-time workers) facilitate Participatory Rural Appraisal (PRA) and provide day-to-day support to groups including record keeping, reporting and accountability for project resources
- Funds are disbursed directly from the National Project Management Unit to the individual group bank accounts
- Beneficiary groups are responsible for the implementation of their projects including selection of the trainers, and procurement of start-up tools, with support supervision from the District/Municipality Technical Staff.
PERFORMANCE

- Financed 464 youth groups.
- Disbursed approx. USD 3.5 million.
- Direct beneficiaries: 6,678 youth.
- Average transfer: USD. 7,543 per group or USD. 382 per member

- 72% of the beneficiaries of YOP were from the urban, peri-urban and rural growth centers.
- The beneficiaries of YOP Component participated immensely in the implementation of other NUSAF Components especially the Community Development Initiative (CDI) component which involved the infrastructure projects in schools, health and other community facilities.
PERFORMANCE

Note:

The youth trained
Impact evaluation based on experimental design (undertaken by Christopher Blattman, Nathan Fiala & Sebastian Martinez). The general findings (not disaggregated between Urban/Rural) were as follows:

- The real earnings of the beneficiaries (treatment group) was 49% and 41% greater than the control (comparison) group after 2 and 4 yrs respectively.

- The impact was greater on treated females than on males. Treated female incomes were 84% greater than female controls, while the treated males had a 31% relative gain over the male controls.

- Increase in business assets of the treatment group over the comparison group of 157% after 2 years and 51% after 4 years.

- Hours of employment in market and subsistence activities increased by 21 hours per month after 2 years and 25 years after 4 years (17% increase over the comparison group in both cases).

- A 1% increase in grant size is associated with an increase of 21% in capital stocks, 17% in earnings, 5% in short-term expenditure, and 37% in savings.

- Modest impact in social cohesion and participation.
REAL INCOME TRENDS

- Mean Monthly Earnings (000s of UGX)

- Baseline vs. 2Y Endline vs. 4Y Endline
- Male Control vs. Male Treatment vs. Female Control vs. Female Treatment
KEY CHALLENGES IN THE URBAN

- **Heavy Focus on Infrastructure & Sanitation:** Most Urban Governments put priority in infrastructure development and sanitation with little attention paid to providing direct support to vulnerable and poor individuals/households.

- **High mobility of the youth:** Most of the urban youth have no permanent places of aboard. This causes instability in groups and generally programme implementation.

- **Time pressure arising from competing demands on the youth:** Family support systems in the urban areas are generally weak. The burden of fending for a living falls on the individual youth, and this limits their day-to-day participation in Programme activities (Mutual agreement on the in scheduling the trainings is desirable).

- **High cost of doing business:** Most projects initiated by the youth require space/land, which is quite expensive in the urban setting. This coupled with other mandatory levies like operating licence, increase the cost of doing business in the urban areas.

- **Limited Investment Options:** Owing to the challenge of acquiring space to operate, the youth are forced to keep their investment choices within those that require limited space.
OPPORTUNITIES URBAN AREAS

- High concentration of Vocational Training Institutions and Local Artisans
- High concentration of Financial Institutions
- Wider market for the products/services (high population)
- Better socio-economic infrastructure: e.g. roads, electricity, etc.

- Improved ICT Infrastructure:
  - The ICT industry has broadened the investment options to more non-traditional trades/enterprises.
  - Business Processes Outsourcing (BPO) Centers: linking service providers with users/consumers

- The emergence of Business Incubation Centers (Supporting the development of business ideas into viable investments)
LESSONS & CONCLUSION

- Vocational skills training, accompanied by provision of basic start-up tools is an effective way of creating opportunities for self-employment among vulnerable young people (Promotion of inclusive growth).

- For the benefits of vocational skills training to be sustainable, other skills including entrepreneurship, business development, life skills should be inbuilt in the curriculum/training modules.

- Many youth resort to unlawful behaviour/practice because of lack of alternatives that create hope.

- It is cheaper to invest in a vulnerable person than to rehabilitate a person who has lost his mental capacities and hope for life as a result of social and economic injustice.

- Continuous mentorship and follow up is required for the graduates of the informal vocational training for a period of approximately 1 year for them to gain stability in the market.

- Informal vocational training with a component of start-up tools is more attractive to the young people than the formal certificate providing vocational trainings.

- Completion of training should be a pre-condition for access of start-up tools for meaningful results to realized.
WHAT’S YOUR VIEW?

THANK YOU!