



Konrad
Adenauer
Stiftung



CENTRE FOR
DEVELOPMENT
ALTERNATIVES

THE REALITY CHECK CONFERENCE

EMPLOYMENT, ENTREPRENEURSHIP & EDUCATION IN UGANDA

BUILDING CONFIDENCE IN THE FUTURE

Kampala, 09th – 12th May, 2017

1. SUMMARY

The conference on employment, entrepreneurship, and education will explore how **decent employment at scale** can be achieved in Uganda. Employment at scale is when an economy gets a significant number of its labour force into gainful employment. The discourse will examine the relationship between **education, entrepreneurship, and employment**. It will also address questions of **employment politics** particularly how **governance and accountability** impacts on decent employment in Uganda.

The **conference approach** will involve an iterative participant led process of identifying and analysing the binding constraints to and opportunities for employment expansion. Three factors proximate to employment—labour demand, labour supply, and functioning of the labour market—will provide an overarching framework for the conference analysis.

The conference has **three target groups**: (a) young leaders from politics, business, civil society, academia, and media; (b) policy makers from politics and state bureaucracy, and (c) subject area experts and development sector actors.

There will be three main **conference outputs**: (a) a **logical tree** generated by participants that maps constraints and opportunities for decent employment at scale, (b) an **action agenda** for addressing constraints to decent employment and leveraging opportunities, and (c) a **research agenda** for further diagnostics on decent employment in Uganda.

In terms of **policy and programme outcomes**, the conference kick-starts a **youth-led evidence based analysis** and advocacy around decent employment. The main post conference mission will be rallying diverse state and non-state actors around issues of decent employment expansion including labour demand growth, skills development, gainful work, physical and social safety, to mention a few. A set of interconnected post conference programming will: (a) strengthen ongoing youth lobby and advocacy activities, and (b) influence public policies and programming through careful dissemination of emerging ideas. The following post-conference activities will be key to achieving intended outcomes: (i) a conference follow-up and systematic meetings with the Ministry of Finance, Planning and Economic Development (MoFPED), the National Planning Authority (NPA), and the Ministry of Gender, Labour and Social Development (MoGLSD), (ii) Structured youth actor engagements under a prospective multiagency and multidisciplinary **Uganda Youth Employment Forum** to follow-up and audit progress on conference ideas specifically as well as broadly on decent employment.

The Centre for Development Alternatives (CDA) is an independent East African think-and-do-tank based in Kampala. CDA nurtures home-grown and locally contextualised ideas for transforming East Africa into a more prosperous, inclusive and sustainable region. Our evidence-based approach seeks to identify the binding constraints to long-term economic, political and social transformation. Based on empirical research, we apply systems thinking and a facilitative approach to influence change in the public and private sectors through the design of programmes, policies and business models, engagement with decision-makers and influencers, and implementation through partnership. On behalf of the Konrad-Adenauer-

Stiftung (KAS), CDA has conducted background research on education, entrepreneurship and employment, and will facilitate the conference.

2. CONTEXT AND RATIONALE

Unemployment and underemployment issues now sit comfortably at the top of the agenda of Uganda's political and economic discourse. Expanding **decent employment** in the immediate and long term will be an important factor in Uganda's ability to achieve the **Sustainable Development Goals (SDGs)**, particularly on decent work and economic growth. It also has implications for ending poverty, reducing inequality, and fostering peace.

Meeting Uganda's own development ambitions as outlined in **Vision 2040** and the **National Development Plans (NDPs)** will also be contingent on the possibility of a significant proportion of the population contributing to the growth process. The pursuit for decent jobs is the most outstanding aspirations outlined in Uganda's **youth manifesto**, it is also markedly one of the key **legislative agenda** items for the 10th Parliament. However, the success of decent employment measures will also demand a strong focus on the **politics of employment** in particular on issues of **governance and accountability**.

In recent years, the rhetoric around the causes of and solutions to Uganda's youth unemployment has revolved around **entrepreneurship** and **education**. However, entrepreneurship- and education-targeted measures have until now failed to ease the pervasive problem. Thus, further conversations that trace the problem to its **root causes** whilst exploring the politics surrounding policy and programmatic responses remain necessary.

Recent research¹ agrees that Uganda's primary employment problem is **limited labour demand growth** in face of **high labour supply growth**. Uganda's **population continues to grow rapidly** at an annual rate of 3 per cent. Improving health conditions have reduced mortality rates but the recent population census shows fertility rates remain high at 5.8 children per woman. This has led to an explosion of the young population, resulting in around **seven million youth** currently. The Ministry of Finance, Planning and Economic Development (MoFPED) recognised in 2014 that the labour force registers some **700,000 new entrants** each year.² Contrariwise, available figures show that only around 12,000 modern wage jobs are advertised annually.³

The increasing job shortage presents more than a serious economic challenge. Experiences from the Arab Spring confirm that without meaningful work opportunities, a growing youth population can be a recipe for **social and political instability**. Similarly, recent research⁴ points to unemployment and underemployment as the primary **factors constraining constructive youth participation in Uganda's democratic processes**.

The **purpose of the 3Es conference** is to provide deeper and nuanced analysis that identifies the **root causes of Uganda's employment challenge** as well as **the opportunities** for addressing the challenge. The conference will take participants through an **iterative participant-led**

¹ Ministry of Finance and Economic Planning, 2014

² MFPED (2014).

³ UBOS (2012).

⁴ E.g. Mugisha et al., 2015

process of identifying and analysing the binding constraints to and opportunities for decent employment expansion. Three factors proximate to employment—labour demand, labour supply, and functioning of the labour market—will provide an overarching framework for the analysis. A **logical tree** that maps constraints and opportunities to decent employment expansion, an **action agenda** for addressing constraints and leveraging opportunities for decent employment, and a **research agenda** for further diagnostics on decent employment will be the main conference outcomes.

The above conference outputs will provide a basis for moving towards policy and programming outcomes. Following the conference, CDA will spearhead structured meetings with line government departments particularly MoFPED, NPA, and MoGLSD, to seek opportunities for influencing public policies in view of ideas emerging from the conference. More specifically, CDA will work towards the establishment of a multiagency and multidisciplinary Youth Employment Forum (YEP). Moderated by CDA, **YEP** will be a forum for diverse state and non-state actors working to promote decent employment for youth in Uganda. It will be the space where emerging ideas are continuously interrogated, prior commitments followed up, and Uganda's progress on decent employment expansion audited. Among others YEP will facilitate exchange of ideas on what works and what does not and leveraging the pockets of efficiency in decent employment expansion. The forum will work towards fostering good governance and accountability in the drive towards decent employment.

3. UGANDA'S EMPLOYMENT SITUATION AT A GLANCE

According to the latest national labour statistics from the 2012/13 Uganda National Household Survey (UNHS)⁵, while unemployment presents a significant and growing challenge, **underemployment** and **labour market exclusion** are more far-reaching problems in Uganda. Besides 1.8 million working-age citizens being non-participants in the labour market, 6 million are exclusively in subsistence agriculture and are thus excluded from the labour market.

Underemployment manifests itself through people being unable to find enough gainful work to be employed full-time or to put their skills to full productive use. One million people have jobs but are earning less than two-thirds of the median full-time wage and are thus considered working poor. Further, according to the latest statistics available⁶, over 90 per cent of those employed in non-agricultural activities are in informal employment. In short, there is a serious shortage in the quantity as well as quality of available employment.

While available evidence suggests that Uganda's unemployment and underemployment stem from **limited jobs in the economy**, the discourse has mostly treated the problem as primarily a **labour supply issue**. The focus on skills mismatch presupposes that jobs exist in the economy and the workforce simply lacks the skills to take up existing positions. This has, unfortunately, given primacy to skills-building, including entrepreneurship training, as the silver bullet for

⁵ UBOS (2013). Uganda National Household Survey 2012/13.

⁶ UBOS (2013). National Labour Force Survey Report 2011/12.

addressing youth unemployment and underemployment albeit with limited success, more so as the employment challenge is mainly **a question of low labour demand**.

Recent **government led labour market interventions** including agricultural targeted financing programmes (e.g. National Agricultural Advisory Services/NAADS, Operation Wealth Creation) and capital ventures like the Youth Livelihoods Programme (YLP), to mention a few, have severally been **spotlighted over questions of governance and accountability**. Thus, the politics of employment and labour market interventions present a key crosscutting issue that affects the possibility to expand decent employment in Uganda.

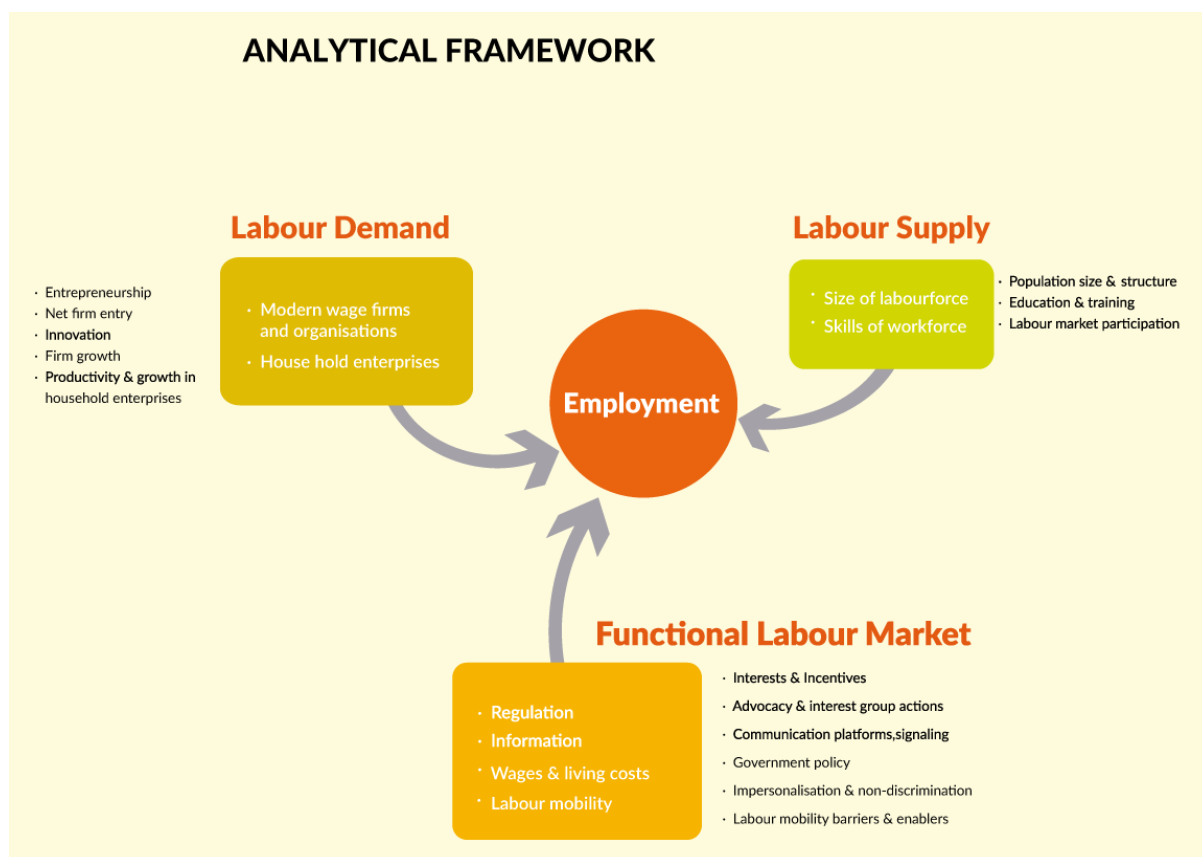
4. APPROACH TO THE CONFERENCE

4.1 Reframing the Debate

The Konrad-Adenauer-Stiftung (KAS) has supported background research which has attempted to **reframe the debate on youth unemployment** in Uganda and placed entrepreneurship and education in that debate. The research takes stock of existing empirical and theoretical literature and data. From highlighting underemployment as the main challenge, to articulating how the interaction between labour demand and supply explains present employment circumstances, the research report presents a starting point for shifting towards **evidence-based analysis and action**. The main research findings and conclusions will be presented as a background framework for the conference.

As part of the above mentioned research, the Centre for Development Alternatives (CDA) has developed an **analytical framework** to guide the discussions. The framework uses a concept of neo-classical economics where **employment is seen as a function of labour demand, labour supply and the interaction between the two (i.e. the labour market)**. CDA's framework also acknowledges the limits to a market-focused analysis of employment in the Ugandan economy where there is a high concentration of economic activity in both on-farm and off-farm household enterprises and where **most work opportunities are informal and based outside the frame of modern wage employment**. Thus, while labour demand is centralised as a key factor, the framework's consideration goes beyond jobs in modern wage firms to consider work opportunities in household enterprises.

A diagrammatic expression of CDA’s analytical framework of employment is provided below:



Using the above framework will be useful towards:

- Clarifying the causal logic behind employment creation in Uganda
- Articulating the relationship between labour demand, labour supply, and labour market
- Defining the interrelations between education, entrepreneurship and employment
- Identifying underlying interests and incentives that shape employment policy
- Prioritising action by analysing binding constraints and opportunities to job expansion

4.2 Bringing in politics

The conference is designed with recognition that the challenges of unemployment and underemployment ultimately require **policy response**. Policymaking is, however, inherently a **political process** which is underpinned by **competing interests and incentives** that shape the choices made by decision-makers in different organisations and structures of **the state, private sector, civil society, and development partners**. With this consciousness in mind the conference will apply a political economy approach to interpret underlying interests and incentives and the implications these have on employment policies. This will ensure that action plans from the conference are more than a wish-list of what needs to be done but will be **feasible proposals** with a high potential to enlist **buy-in of decision-makers and power holders** shaping Uganda’s policy environment.

In particular, the conference will target the National Planning Authority (NPA), the Ministry of

Finance Planning and Economic Development, and the Ministry of Gender, Labour and Social Development and the key government demands driving employment policy.

4.3 Integrating diverse perspectives: rights holders meet duty bearers

Part of the conference strategy is to bring together 3 categories of crucially important stakeholders as listed below. This will not only allow for accommodation of diverse viewpoints, most importantly it will support rigorous analysis and the generation of ideas that are acceptable to and will inform future actions for a range of **decision-makers, right holders, and jobs campaigners**. Thus, the three categories of participants targeted for this conference include:

a) Young leaders

Considering that a large percentage of Uganda's labour force consists of young people, **youth have the lived experience in facing the constraints to finding and retaining decent employment**. Their perspectives furthermore present a good starting point for identifying perceived opportunities. On this premise, the conference will avail technical/expert support to participating young leaders to take them through an iterative process of identifying the binding constraints to and opportunities for decent employment expansion. Young leaders participating in the conference will have the opportunity to test their longheld ideas and perceptions on employment against available evidence as they contribute towards building a logical path that identifies the root causes of the problem.

The **selection criteria** for this category of participants will be twofold: The **first criteria** will identify young people based on leadership roles in politics, business, civil society, media and academia. Young people placed in positions that offer them a vantage point in shaping employment policy (e.g. youth MPs, leaders of the National Youth Council, civil society leaders, young journalists and scholars) will be targeted. The **second criteria** will be the competitive selection. The conference will be announced online so that young people with ideas on employment will apply for selection through a **competitive process**.

b) Experts in relevant fields

This group is targeted to provide evidence and support analytical rigour in the conference. They will come in mostly as facilitators to offer technical support and/or moderate conversations. This category will comprise the faculty at CDA alongside scholars and experts from organisations such as the International Labour Organisation (ILO), UNFPA, the World Bank, DFID, GIZ, Plan International, World Vision, ActionAid, Oxfam, and others. CDA will initiate contacts with pre-identified organisations to confirm those with an interest to participate in the conference. Later, the topics where specific skills can be rendered will be agreed upon and the programme customised accordingly.

c) Decision makers from political and technical sectors

This category includes political and technocratic decision-makers from structures of the state such the line government departments specifically MoFPED, MoGLSD, and NPA. The conference will also target representatives of selected political parties especially those represented in parliament with the view to influence their programmes on employment and

economic growth.

4.4 An iterative, participant-led approach

The 3Es conference will focus on method as well as content. Participants will be introduced to the diagnostic approach applied in the 3Es Reality Check report, and will apply this highly iterative approach themselves in a day of semi-structured breakout sessions.

Day 1 will set the scene and present the employment challenge, diverse views on this challenge, and the diagnostic approach to analysing it.

Day 2 will take participants through the journey of an iterative constraints and opportunities diagnosis of the employment challenge.

The first session will be a plenary session tackling the one big question: What is the proximate binding constraint to decent employment at scale in Uganda: labour supply, labour market functioning, or labour demand? This session will be introduced by a background research presentation. Subsequently, participants will take forward the analysis through semi-structured breakout sessions whose questions are derived from the previous session's conclusions. Inspired by the '5 Whys' approach⁷, this exercise is repeated several times, based on the findings of the preceding discussions. In short, the iterative diagnostic approach proceeds as follows:

1. identify the binding constraint(s) to decent employment at scale (labour supply, labour demand, or functioning of the labour market)
2. identify the biggest opportunities for lifting the chosen binding constraint(s)
3. identify the binding constraint(s) preventing those opportunities from being realised
4. repeat (2)
5. repeat (3), and so on...

After session one, participants' will be tasked to decide individually which binding constraint they found most convincing, and then to join a group that interrogates the next level of constraints/opportunities accordingly. I.e. participants who think that labour supply is the binding constraint will form a group whose task is to identify the opportunities for lifting the labour supply constraint, and then the constraints on those opportunities. For example if there would be two constraints on labour supply that participants are convinced of (say practical skills, and overpopulation), the labour supply group then splits up again, one tackling opportunities/constraints on practical skills, and the other on overpopulation.

The sessions will not necessarily have to move at the same pace. The labour supply group might be able to descend more quickly through the layers of opportunities and constraints than the labour demand group, for instance. The first two - three layers of analysis will be facilitated by CDA, KAS and other pre-trained facilitators. After that, CDA and KAS will continue to facilitate

⁷ https://en.wikipedia.org/wiki/5_Whys

but some subgroups will have to be self-facilitated as there will be more and more subgroups as time goes on.

The young leaders going through this exercise will have at their disposal a group of technical experts and specific stakeholders to provide evidence.

This exercise will show participants and partners how CDA proposes the employment issue should be framed and tackled, and to get participants intimately familiar with this approach through the lived experience of actually carrying out the analysis themselves and arriving at perhaps unexpected conclusions as well as uncovering research questions and action points.

4.5 Exploring crosscutting themes

Day 3 will explore three crosscutting themes to the employment challenge:

1. Employment & Entrepreneurship: How is the state of education and entrepreneurship constraining or contributing towards decent employment at scale?
2. Politics: What are the underlying interests and incentives shaping employment policies in Uganda and how is the state of governance and accountability constraining decent employment at scale?
3. Population: Is Uganda's employment challenge a question of labour oversupply?

4.6 Deep Dives

Two 'deep dive' sessions will focus on specific labour market interventions and sectors of the economy that profoundly affect employment outcomes or opportunities.

In the first session, leading practitioners will run parallel workshops focusing on specific labour market interventions such as the Youth Livelihoods Programme, Skilling Uganda, and Operation Wealth Creation, to mention a few. Organisations such as ActionAid, Plan International, GIZ, ILO, Oxfam etc. will be invited to run the workshops. The case study workshops will give an opportunity for participants to learn from empirical evidence of how different ideas turn out in responding to the decent employment expansion agenda.

In the second sessions, leading experts will run parallel sessions focusing on the agriculture sector and the services sector, sharing real life experience and empirical evidence of the biggest opportunities for, and constraints on, growth in these sectors. The sector deep dives will give participants a chance to interact directly with sector experts and explore a much more granular level of detail on the constraints and opportunities faced by key stakeholders in agriculture and the services. The discussion will focus on current and future employment outcomes in these sectors.

4.7 Crowd-sourced, pluralistic conference outputs

The 3Es conference will bring to life the idea that democratic governance and accountability thrives off intellectual pluralism tempered by participative, evidence-based debate. Further,

development does not follow a one-size-fits-all approach; rather, there are many alternative paths to prosperity, each with its merits and demerits, and each answering to the interests and incentives of specific stakeholders. The conference outputs will embody this approach. The conference will produce three key outputs: a **logical tree analysis**, an **action agenda**, and a **research agenda**, which will be presented to the plenary on day 4. To embody **pluralism and participation**, both outputs will be crowd-sourced from conference participants. To embody **evidence-based debate**, the second output will include a research agenda to fill evidence gaps that hinder constructive debate.

The logical tree will be a mind map connecting the goal ‘Decent Employment at Scale’ to its proximate and more distant constraints and opportunities’. The logical tree will be digitally updated in real time and projected as it evolves on large wall in the conference venue available for all participants to see. During the breakout sessions, each group will add their ‘branches’ (constraints and opportunities identified) to the logical tree through the rapporteur.

The action agenda and research agenda will be databases of action points and research questions crowd-sourced from participants throughout the duration of the conference. Breakout groups and individual participants will be explicitly tasked with noting down and electronically submitting (1) research questions that arise as the groups encounter areas of insufficient evidence along the way, as well as (2) propose action points (specifying which stakeholders) should take action) aimed at lifting an identified constraints or leveraging an identified opportunity. These submissions will be collected by the rapporteur and presented creatively on day 4. If feasible, the databases will also be displayed on a projector continuously throughout the conference as they grow.

For this reason, this conference is designed to carefully steer away from the conventional pressures of having to reach a consensus output. Rather, the conference will generate a set of alternative ideas (actions) regarding how the constraints to decent employment expansion can be lifted and the opportunities leveraged. The conference approach will deliver three outputs: (a) a **logical tree** generated by participants that maps constraints and opportunities for decent employment at scale in Uganda, (b) an **action agenda** for addressing constraints to decent employment and leveraging opportunities, and (c) a **research agenda** for further diagnostics on decent employment expansion in Uganda.

The action agenda will be communicated to and carefully followed up with stakeholders in key departments of government (particularly MoFPED, MoGLSD, and NPA) and development partners. CDA will particularly follow up with NPA to lobby for the next National Policy Development Forum to focus on the topic of decent employment.

The research agenda will be immediately integrated into CDA’s research agenda. CDA will share emerging research questions with students and academics in Uganda and internationally to draw more interest that will generate more analysis on the subject of decent employment in Uganda.

The logical tree will serve to frame discussions with all key stakeholders going forward, and to provide change makers with a big picture overview of the issues affecting employment outcomes.

4.8 A forward looking strategy for sustainable outcomes

The chief post-conference mission will be rallying diverse state and non-state actors (including development partners) towards decent employment expansion measures. The considered emphasis will focus on ideas to bolster labour demand growth, increase the quantity of gainful work opportunities and productivity in household enterprises, foster employee security and social safety, and realising an enabling policy regime, among others.

In this regard, CDA and KAS will have decent employment promotion as part of their programme priorities in the coming years. In this regard, the 3Es conference kick-starts a youth-led evidence based analysis and advocacy around decent employment.

More specifically, concerted post-conference interventions will be pursued with the aims of (a) strengthening ongoing youth lobby and advocacy activities by providing coordination and evidence based ideas, and (b) influencing public policies and programming through careful dissemination of emerging ideas. To achieve these ends, two strategies will be pursued:

- Systematic follow-up meetings with the Ministry of Finance, Planning and Economic Development (MoFPED), the National Planning Authority (NPA), and the Ministry of Gender, Labour and Social Development (MoGLSD). CDA will particularly engage NPA to explore the possibility of having a future National Policy Development Forum on the topic of decent employment.
- Structured youth actor engagements under a prospective multiagency and multidisciplinary **Uganda Youth Employment Forum** to follow-up and audit progress on conference ideas specifically as well as broadly on decent employment. As described above YEP will provide a structured youth-led platform for coordinated engagement on decent employment expansion.

5. About the Conference Conveners

The Centre for Development Alternatives (CDA) is an independent East African think-and-do-tank based in Kampala. CDA nurtures home-grown and locally contextualised ideas for transforming East Africa into a more prosperous, inclusive and sustainable region. Our evidence-based approach seeks to identify the binding constraints to long-term economic, political and social transformation.

Based on empirical research, we apply systems thinking and a facilitative approach to influence change in the public and private sectors through the design of programmes, policies and business models, engagement with decision-makers and influencers, and implementation through partnership. On behalf of the Konrad-Adenauer-Stiftung (KAS), CDA has conducted background research on education, entrepreneurship and employment, and will facilitate the conference.

The Konrad-Adenauer-Stiftung

The Konrad-Adenauer-Stiftung (KAS) is a German political foundation working to promote democracy, human rights, the rule of law, and solidarity around the world. With over 200 projects in more than 120 countries the foundation employs civic education, dialogue, and analysis as tools for deepening democracy, improving economic policies, and facilitating social justice. KAS' more than 40 years in Uganda have involved partnerships with civil society and state actors in working to strengthen the knowledge base, build skills, and promote values for leadership, democracy, and economic regulation.

Since 2016 the foundation is increasing its focus on young people in view of a growing youth population which is faced with numerous challenges, among them, the difficulty to find decent employment. KAS is thus engaging with local and international partners (among them CDA) to support analysis that identifies the challenges to and opportunities for expanding employment and later on a campaign/action around evidence based ideas for improving decent employment.