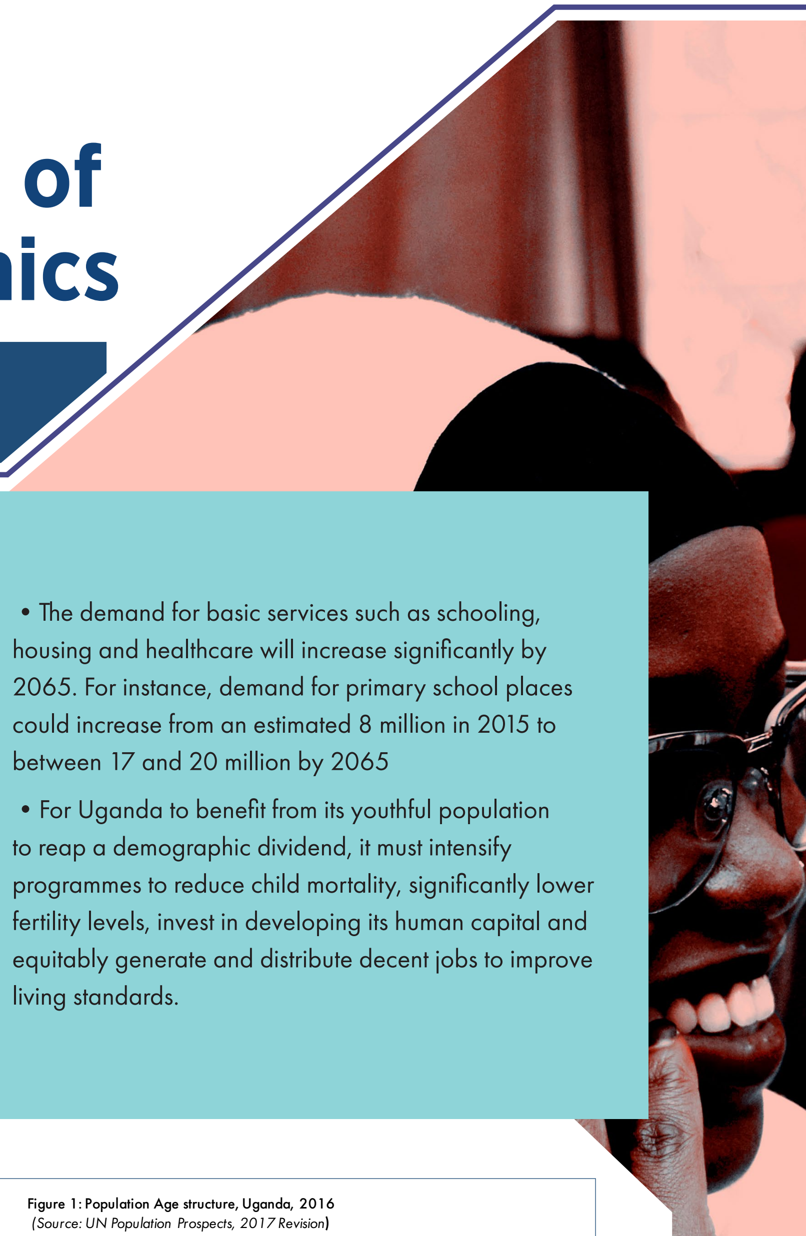
Regional Analysis of Youth Demographics

UGANDA



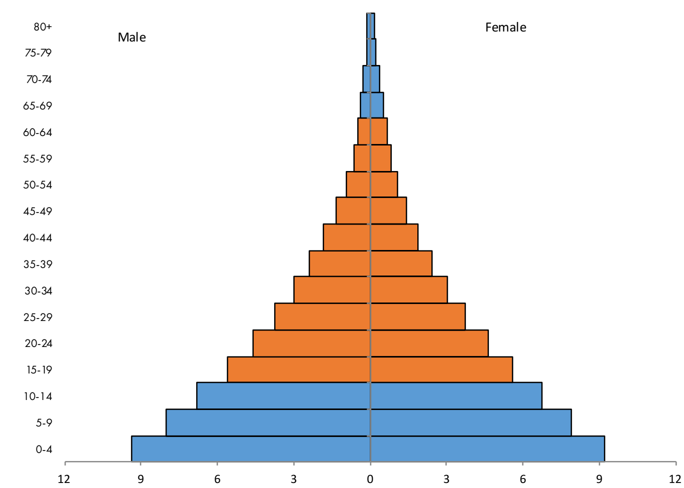
Key messages[1]

- Uganda's population is projected to grow exponentially, from 40 million in 2015 to 141.2 million by 2065 driven by the high fertility rate. Youth in the age group 15-34 years will increase from 22.7 million in 2015 to 48 million by 2065.
- Uganda is one of 10 countries projected to collectively account for more than half the world's projected population increase over the period 2017-2050.
- Decades of high fertility have created a high dependency ratio of about 103 young and old-age dependents (0-14 years and 65+ years) for every 100 people of working age (15-64 years) thus putting pressure on state and household resources.
- The demand for basic services such as schooling, housing and healthcare will increase significantly by 2065. For instance, demand for primary school places could increase from an estimated 8 million in 2015 to between 17 and 20 million by 2065
- For Uganda to benefit from its youthful population to reap a demographic dividend, it must intensify programmes to reduce child mortality, significantly lower fertility levels, invest in developing its human capital and equitably generate and distribute decent jobs to improve living standards.

Context

Uganda's development blueprint, Vision 2040, aims to achieve socio-economic transformation from the current predominantly peasant economy to a competitive science and technology-driven economy, and to graduate the country to upper middle-income status by 2040, with a GDP per capita of US$ 9,500.[2] Harnessing the ***demographic dividend*** is identified in Vision 2040 as one of the development strategies to achieve this goal. The demographic dividend is ta temporary economic benefit created by a significant increase in the ratio of working-age adults relative to young dependents.[3] Vision 2040 however notes that Uganda's youthful population presents a huge challenge to achieving its goal due to the high dependency burden (103 people in the ages 0-14 years and 65+ years for every 100 aged 15-64 years in 2014). According to the 2014 Uganda Population and Housing Census and United Nations projections, about 50% of the population is below 15 years, and youth make up 22.5% of the population.[4] As a result, the population age-sex structure has a large base (Figure 1).

Figure 1: Population Age structure, Uganda, 2016
(Source: UN Population Prospects, 2017 Revision)



Uganda's population growth rate is among the highest in the world.[5] The United Nations estimates that Uganda is one of 10 countries projected to collectively account for more than half the world's projected population increase over the period 2017-2050. Uganda's National Youth Policy defines youth as those aged between 18 and 30.[6] In contrast, the East African Community (EAC) defines youth as those between 15 and 35 years while the United Nation's definition is 15-24 years.

Uganda's youthful population stems from decades of persistently high fertility which, over a 30-year period, has reduced by only two children per woman to 5.4 in 2016.[7] During the same period, under-five mortality

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[2] Republic of Uganda, 2014. Uganda Vision 2040. Kampala, Uganda
[3] Bloom, D., David Canning, & Sevilla, J. (2003). The Demographic Dividend: A New Perspective on the Economic Consequences of Population Change, by, RAND MR-1274-WFHF/DLPF/RF, 2002, 100 pp., ISBN: 0-8330-2926-6. Santa Monica, CA, USA
[4] Uganda Bureau of Statistics. (2016). The National Population and Housing Census 2014 – Main Report, Kampala, Uganda
[5] United Nations, Department of Economic and Social Affairs, Population Division. (2017). World Population Prospects: The 2017 Revision, custom data acquired via website
[6] Ministry of Gender, Labour and Social Development. (2016). Uganda National Youth Policy, Kampala, Uganda.Demographic and Health Survey 2014.

declined by 64% to 64 deaths per 1,000 live births. The high fertility rate is attributed to early onset of childbearing and marriage, low status of women, low levels of female education, poor access to contraception, especially among rural women and youth, and cultural norms that favour high fertility.[8] Falling fertility and mortality rates have resulted in significant increase in total population; from 9.5 million in 1969 to 40 million in 2015.[5]

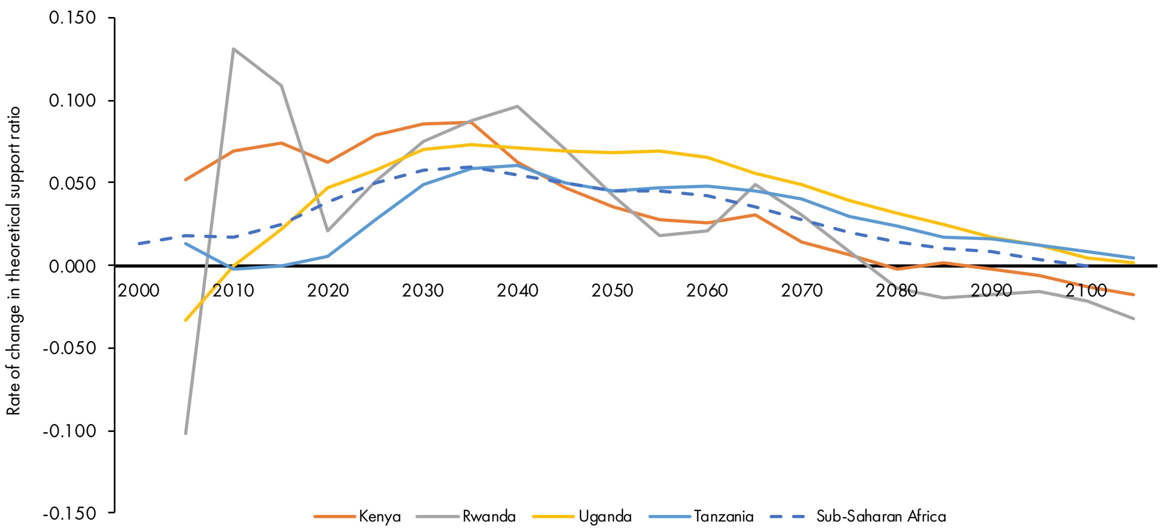
This briefing note summarises a review of literature and policies on youth demographics and implications from our scenario modelling of the short-term and medium-term projections of the youth population in Uganda. Specifically, the briefing note highlights the demand for basic services against population projections. From the literature review and participatory workshops in the EAC, we identified four major domains for youth development: health, including access to sexual and reproductive health services; education and skills development, including information technology and communication; employment; and migration and urbanisation. This briefing note focuses on these domains, while acknowledging that there are other important domains for youth development that should be addressed. The briefing note also draws from the country's demographic dividend report (2014) for which the African Institute for Development Policy (AFIDEP) provided technical leadership.[8]

Uganda's Youth Demographics and Prospects for a Demographic Dividend

Eminent scholars have defined the "youth bulge" as a temporary demographic phenomenon which occurs when child mortality declines and fertility falls rapidly so that the previous cohort of births is larger than subsequent cohorts.[9] As the large cohorts of births move into the working ages (usually defined as 15-64 years or 20-64 years), we get a bulge in the population pyramid and an increase in the ratio of working age population relative to young dependents. Another benefit can arise because fewer dependents implies that resources that would have paid for education, health, and basic services for large numbers of children can be re-invested for longer-term economic growth and capital development. Examples of this temporary "youth bulge" were seen in countries such as South Korea, Taiwan and Malaysia in the 1980s and it is thought that this phenomenon contributed to their economic growth by between 25-33%.[10, 11] Many African countries currently have a youthful population as portrayed in Figure 1. Such an age-structure, not to be confused with a youth bulge, has an unfavourable ratio of working-age population to dependents and countries are unlikely to benefit economically unless there are significant investments in programmes to reduce fertility. Uganda has a youthful population, not a youth bulge, and is unlikely to have one in the near future, since fertility projections show a slow decline rather than a fast one. The country will only attain the replacement fertility of 2.1 by 2100.[5]

Demographers use the inverse of the dependency ratio as a proxy for the support ratio (ratio of effective producers to consumers), in effect assuming that everyone between 15-64 years (or 20-64 years) is contributing to household income and the rest are consumers rather than producers. The rate of change of the support ratio has been used to show the timing when the window of opportunity for harnessing the demographic dividend opens and closes. While the rate of change of the theoretical support ratio is positive, the window of opportunity to reap the demographic dividend is open. However, once the rate of change of the support turns negative, the dividend becomes negative, implying that the demographic change acts as a brake on economic growth rather than an impetus for economic growth.[12] Figure 2 shows that the window of opportunity for Uganda and other countries in the EAC and sub-Saharan Africa is is open from now until 2100, when the ratio of effective producers relative to consumers will become unfavourable. It should be emphasised that this window of opportunity can close without a country reaping

Figure 2: Demographic Dividend Windows of Opportunity: Rate of change in the support ratio for four East African countries and Sub-Saharan Africa



[7] Uganda Bureau of Statistics (UBOS) and ICF. (2017). Uganda Demographic and Health Survey 2016: Key Indicators Report. Kampala, Uganda: UBOS, and Rockville, Maryland, USA: UBOS and ICF

[8] National Planning Authority (NPA), AFIDEP (2014): Harnessing the Demographic Dividend, accelerating socioeconomic transformation in Uganda, July 2014

[9] Justin Yifu Lin. (2012). Youth Bulge: A Demographic Dividend or a Demographic Bomb in Developing Countries? http://blogs.worldbank.org/developmenttalk/youth-bulge-a-demographic-dividend-or-a-demographic-bomb-in-developing-countries

[10] Lee R., and A. Mason, principal authors and editors. 2011. Population Aging and the Generational Economy: A Global Perspective. Cheltenham, U.K.: Edward Elgar Publishing

[11] Bloom, D. E., & Williamson, J. G. (1998). Demographic transitions and economic miracles in emerging Asia. The World Bank Economic Review, 12(3), 419-455.

[12] Oosthuizen MJ. Bonus or mirage? South Africa's demographic dividend. The Journal of the Economics of Ageing. 2015/04/01/ 2015; 5(Supplement C):14-22.

a sizeable demographic dividend if the youth do not have the skills for the labour market or the country is unable to create enough jobs for the population of workers.

In response to the growing population of youth, the country has developed the National Youth Policy to address current and anticipated development challenges faced by the youth as well as harnessing their potential to contribute to national development. According to the policy, the major challenges faced by the young people include poverty, inadequate education and skills, inadequate work/employment opportunities, exploitation, diseases, civil unrest and gender discrimination.[6] Vision 2040 and the 2nd National Development Plan (2015-2019) highlight all these challenges, and have proposed strategic interventions that if implemented, could change the socio-economic trajectory of the country, placing it on the path towards harnessing a sizeable demographic dividend. Both documents, as well as the 2008 National Population Policy, stress the need for accelerating the demographic transition, in order to open the window of opportunity to harness the demographic dividend.

Health status and access to sexual and reproductive health services

Although life expectancy increased from 45 years in 2002 to 63 years in 2014, many people in Uganda experience poor health outcomes. Diseases such as malaria, HIVAIDS, tuberculosis and the non-communicable diseases have seriously undermined the country's economic potential. Evidence shows that for each 10% rise in NCDs, there is a 0.5% loss in annual economic growth.[13] Similarly, the negative impact of HIV/AIDS on annual GDP growth rates has been shown to be as much as 2- 4 percentage points.[14] According to Institute of Health Metrics and Evaluation (IHME), HIV is the leading cause of death in Uganda, closely followed by TB and Malaria. HIV/AIDS is also the leading cause of death among youth, with prevalence rates among 15 to 24 years between 4.1% to 5.7% among females and 1.5% to 2.7% among males.[15] Access to sexual and reproductive health (SRH) information and services remains poor. Only 20.7% of married girls (15-19 years) use contraceptives, and almost one third (30.4%) have unmet need for family planning (women with unmet need are those who are want to stop or delay childbearing but are not using any method of contraception). As a result, childbearing among adolescents and youth is high – 54% among teenage girls had given birth or were pregnant by age 19 in 2016.[7] In part, such high levels of teenage childbearing can be attributed to high rates of child marriage: more than one third (34%) of girls 20-24 years were married before age 18, and there has been little or no change in median age at first marriage averaging at 17.9 years for nearly three decades. These challenges undermine girls' human capital development which lead to lower labour force and political participation rates. As such, girls are left out of the formal labour market and economic productivity, which impacts negatively on the economic growth of the country. The country's policies on youth, population and the National Adolescent Health Policy acknowledge the need to provide quality youth-friendly SRH services to ensure that young people are able to make informed decisions about their sexual and reproductive health. The policies also support the need to lobby for integration of youth concerns into budgetary provisions and implementation of sustainable family planning funding mechanisms. To the extent that young people still face these challenges is a clear indication that the government policies have not been effectively implemented.

Education and skills development

The 2nd National Development Plan (NDP II) flags the inadequate quantity and quality of the human resources as one of the seven major constraints to national development. Although still low, the Net Enrolment Rate (NER) at pre-primary increased from 1.5% in 2004 to 15.6% in 2016. Over the same period, NER in primary school improved from 90% to 97% in 2014 before dropping to 92%, while NER improved from 15% to 24% in secondary school.[16] The much lower enrolment in secondary schools indicates that many Ugandans drop out of school before completing secondary education. Enrolment in tertiary institutions, while expanding, is worryingly low for a country that aspires to become a middle-income nation (5.4% in 2010).[17] Skill development is also very limited, with only about 3 million of the 11 million working persons having an essential trade or skill that is required in the labour market.[17] Developing high quality education and training, particularly at secondary and higher levels, in addition to building skills in technical and vocational institutions are a priority for developing globally competitive human capital and thus attracting foreign direct investments that contribute to job creation for the youth. The country has various policy responses, including making skills training and entrepreneurship development as one of the priority areas in the National Youth Policy. The National Strategy for Girls' Education (2014) supports measures of affirmative action in order to increase women's access to tertiary education. Uganda's 2003 Information and Communications Technology (ICT) Policy supports the integration of ICT subjects in the curriculum at all levels of education. The ICT policy, however, does not accurately capture the current ICT situation in the country, and does not mention youth. In addition, the quality of education at all levels is low, and there is a mismatch between skills acquired and the needs of the labour market.[18] This exacerbates the unemployability of young people, especially young women.

Employment and job creation

Economic growth in Uganda decelerated recently, growing at 4.5-5.0% in 2015/16 compared to an average 7% in early 2000s.[19] This slowdown is associated with a decline in private investments by 3%. GDP per capita was estimated at USD 615 in 2016, down from USD 735 in 2013.[20] Although only 19.7% of the population live in poverty, this represents about 6.7 million people in absolute numbers. Uganda's big challenge remains labour underutilisation with more than one quarter of the working population (27%) underutilised[21] in relation to time, inappropriate skills and low pay.[22] The challenge impacts more on the youth, as shown by high youth unemployment rate of 16.5% (20.6% among young women and 10.8% among young men aged 18-30 years).[23] Inequality and discrimination on the basis of age and gender also contribute to the observed unemployment rates. The 2015 School-to Work Transition Survey (STWTS) showed that more than half (57.2%) of employed youth are engaged in the agriculture sector which constitutes most of the informal jobs that often have low wages.[22] Not surprisingly, almost all young workers (92%) were involved in informal employment. In addition, more than two-thirds (71%) of young workers were classified as "vulnerable", characterised by inadequate earnings, unpaid work in family businesses, low productivity and difficult conditions of work that undermine workers' fundamental rights.[22] To improve access to jobs among

[13] WHO. (2014). Global status report on non-communicable diseases 2014.
[14] Dixon, S., McDonald, S., & Roberts, J. (2002). The impact of HIV and AIDS on Africa's economic development. BMJ : British Medical Journal, 324(7331), 232–234
[15] Ministry of Health, 2012. Uganda AIDS Indicator AIDS Indicator Survey (AIS)
[16] Ministry of Education, 2016. Education and Sports Sector Fact Sheet 2002 – 2016
[17] Uganda Bureau of Statistics (UBOS). (2014). Uganda National Household Survey 2012/2013. Kampala Uganda; UBOS
[18] Tsimpo Nkengne, Clarence; Etang Ndip, Alvin; Wodon, Quentin T. 2017. Education and health services in Uganda: quality of inputs, user satisfaction, and community welfare levels. Policy Research working paper; no. WPS 8116. Washington, D.C. : World Bank Group
[19] Sebudde, Rachel K.; Goffe, Valeriya; Daka, Dorothy; Safavian, Mehnaz S. (2017). Step by step: let's solve the finance puzzle to accelerate growth and shared prosperity. Uganda economic update; no. 8. Washington, D.C.: World Bank Group
[20] World Bank. (2017). World Development Indicators. Washington: the World Bank. https://data.worldbank.org/indicator/NY.GDP.PCAP.CD
[21] Labour underemployment refers to working part-time when people are available to work full-time, implying that people are not earning sufficient wages and are thus likely to be among the working poor.
[22] UBOS. (2016). Labour market transition of young people in Uganda
[23] UBOS, (2016). 2016 Statistical Abstract

young people, the Youth Policy advocates for the provision of market information and agricultural extension services to youth who are farmers, and the establishment of youth friendly credit facilities and services that are flexible on collateral to support young entrepreneurs. However, data from the World Bank on financial inclusion show low rates of bank account ownership (31% among males 15 years or older and 23% among females) and only 2.4% of people borrow money from commercial banks.[19] The Youth Policy also adds that support will be provided to private sector entrepreneurs and other potential job creators particularly the SMEs through enhanced access to financial, technical expertise and other business development services needed for investments. The country also has plans to create a youth trust bank and a loan scheme for young students in tertiary institutions to promote a savings culture and enable young people to obtain capital for start-up businesses.[6] There is however no documentation of credit sources that have affordable conditions favourable for youth in need of finances, or the extent of implementation of the strategies to cut down youth unemployment.

Migration and Urbanisation

The rapid increase in Africa's urban population has largely been driven by natural increase (i.e. the difference between births and deaths) within urban populations, which accounts for about 75% of the urban growth in Africa, compared to about 50% in Asia.[24] Although the contribution of migration to urban growth is lower in Africa compared to other developing regions, circular rural–urban migration in the continent[25] characterised by significantback-and-forth mobility of young adults who navigate the perceived worsening rural economic conditions and join the unpredictable labour market in urban settings in search of better livelihood opportunities. In 2014, about 18% of the Ugandan population lived in urban areas, and the country recorded a rapid urbanisation rate of 5.2%.[4] The urban population is projected to increase to 32% by 2050. Potentially, urbanisation offers important opportunities for economic and social development, acting as an engine of economic growth. However, in Uganda, cities and other urban centres are struggling to provide an enabling environment for innovation, rapid economic growth and job creation. As such, the majority of urban residents live in abject poverty, do not have access to basic social services, lack stable livelihoods and have high unemployment rates. UN-Habitat estimates that about 53.6% of the urban population in Uganda live in slum settlements, down from 60% in 2010.[26]

Uganda's Housing Policy (2016) highlights rapid urbanisation as one of the key challenges hence management of urban development is a national priority.[27] Migration of young people to urban areas is highlighted as the main driver of urbanisation. The Land Use policy encourages participation of youth in land use decision making, facilitation to access housing loans and inclusion in urban planning and development.[28] The country however does not have an urbanisation policy despite the rapid urbanisation rate, and there is no data on the number of young people who have housing needs.

There is insufficient data on international migration among youth in Uganda. Aggregate data (all ages) showed that in 2012, there were nearly 1.5 million Ugandans who emigrated (21% were women). The most popular destinations were countries in the East African region, with only 3% migrating both to the UK and the USA.[29] Studies on the intention to migrate in Africa show very high percentages of young people who intend to migrate. A study among nursing students in Kampala in 2007, found that 70% had intentions to migrate within five years, with the USA and the UK being the most popular destinations.[30] A similar study among health workers in Uganda found that 85% intended to migrate abroad for postgraduate studies. A report by the International Organisation for Migration (IOM) highlights factors such as unemployment or unattractive employment options, lack of land, and natural disasters as some of the reasons why Ugandan youth migrate.[29]

Future Implications of Youth Demographics in Uganda

Fertility is the most influential determinant of population change in Uganda. Policies and programmes to reduce the high fertility will have implications for future youth demographics for

Figure 3: Projected Uganda youth population 15-34 years, UN Medium Variant Scenario (in thousands)

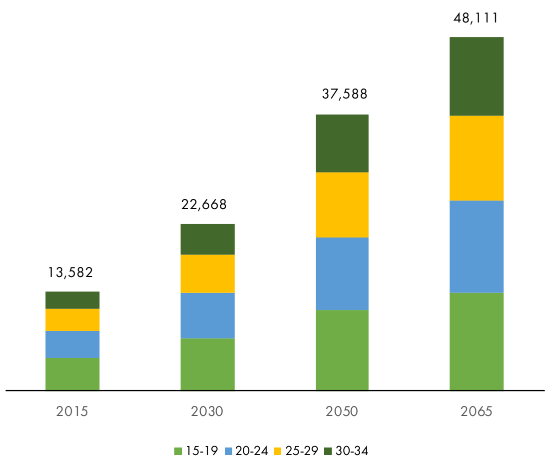
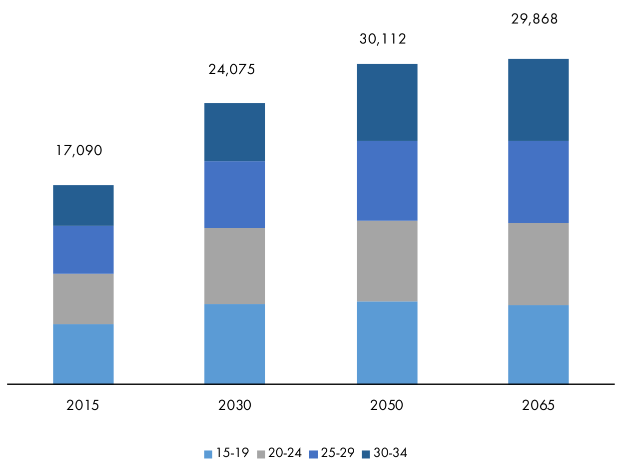


Figure 4: Projected Kenyan youth population 15-34 years, UN Low Variant Scenario (in thousands)



[24] Chen N, Valente P, Zlotnik H. (1998).What do we know about recent trends in urbanization? In: Bilsborrow RE, ed. Migration, Urbanization, and Development: New Directions and Issues. Norwell, MA: UNFPA–Kluwer Academic; 1998: 59–88
[25] Beguy D, Bocquier P, Zulu E. (2010). Circular migration patterns and determinants in Nairobi slum settlements. Demogr Res. 2010; 23(20): 549–586
[26] UN Habitat. (2016). Urbanization and Development: Emerging Futures. World Cities Report, 2016. United Nations Human Settlements Programme (UN-Habitat). Nairobi, Kenya.
[27] Ministry of Lands, Housing and Government of Uganda. Uganda National Housing Policy, 2016. Kampala, Uganda
[28] Ministry of Lands, Housing and Government of Uganda. (2013). Uganda National Land Use Policy, 2013. Kampala, Uganda
[29] International Organization for Migration, 2015. Migration in Uganda. A rapid country profile, 2013
[30] Nguyen et al. Intent to migrate among nursing students in Uganda: Measures of the brain drain in the next generation of health professionals. BMC Human Resources for Health.
[31] United Nations, Department of Economic and Social Affairs, Population Division (2015). World Population Prospects: The 2015 Revision, Methodology of the United Nations Population Estimates and Projections, Working Paper No. ESA/P/WP.242.

decades to come. Furthermore, the desirable age-structure which is dominated by the working-age population can only be achieved with significant investments to rapidly reduce the fertility rate. The large youthful population has created population momentum, implying that the population will continue to grow for several decades even if the country were to achieve replacement level fertility of 2.1 in the next 30-50 years. Projected population numbers of youth are shown in Figures 3 and 4.

Using UN models to generate population projections for 2030, 2050, and 2065, we assessed the future demand for schools, family planning services, and jobs. The UN Medium variant scenario assumes that increases in contraceptive use will result in lower fertility in patterns similar to the experience of other countries that have gone through the demographic transition. The UN Low variant scenario, assumes that for most of the projection period, fertility is half a birth lower than the Medium variant. The UN model makes allowance for high mortality due to HIV/AIDS in high prevalence countries and migration in countries where there is significant people movement.[31] We also analysed an Accelerated model, where we assumed total fertility declining to replacement level by 2065. The Accelerated scenario and Low variant model are almost identical in terms of the projected populations.

Uganda's official primary school age range is 6 - 12 years, and 13-18 years for secondary education. Figure 5 shows that under the UN Medium variant scenario, the primary school age population is expected to increase from an estimated 8.4 million children in 2015 to 12.3 million, 17.3 million and 20.1 million children by 2030, 2050 and 2065 respectively. The numbers will grow at a slower pace under the Accelerated model with the population of primary school age children increasing to 12 million,15.3 million and 17.2 million by 2030, 2050 and 2065 respectively. The secondary school age population under the UN Medium variant projection is expected to increase from an estimated 5.8 million in 2015 to 9 million, 13.5 million and 16.2 million by 2030, 2050 and 2065 respectively. On the other hand, under the accelerated model, it is expected that this segment of the population will increase to 9 million, 12.5 million and 13.4 million by 2030, 2050 and 2065 respectively (Figure 6).

The high fertility rate prevailing in Uganda has the serious implication that the school age population at both primary and secondary school levels will be on the rise for decades to come with the associated rise in the costs for the provision of education being borne by both the state and households. However, if mortality and fertility decline faster as is the case under the Accelerated model, these costs can be cut significantly. For instance, in 2065, the projections show that compared to the Medium variant, the accelerated model will have about 2.9 million fewer Ugandans of primary school age and also 2.9 million fewer within the secondary school ages.

Uganda was one of the first countries in the continent to establish a free secondary education policy, but while this has played a

Figure 5: Estimated number of primary school age population (age 6-12), Uganda (in thousands)

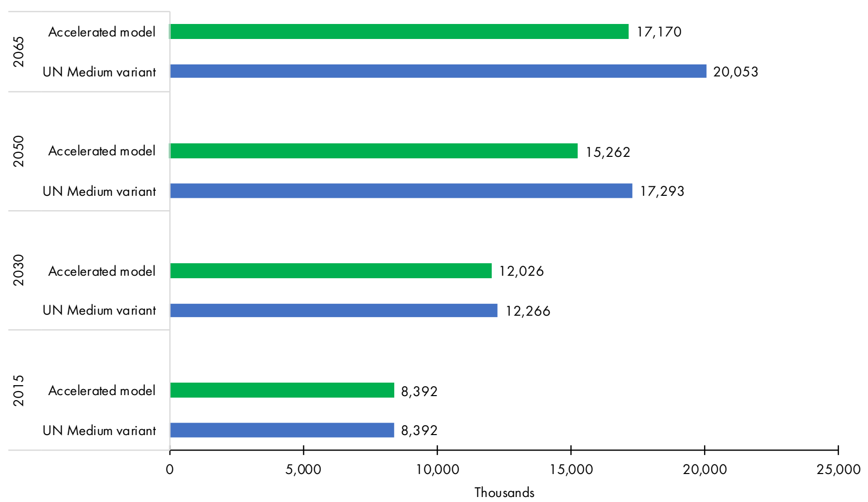


Figure 6: Estimated number of secondary school age population (age 13-18), Uganda (in thousands)

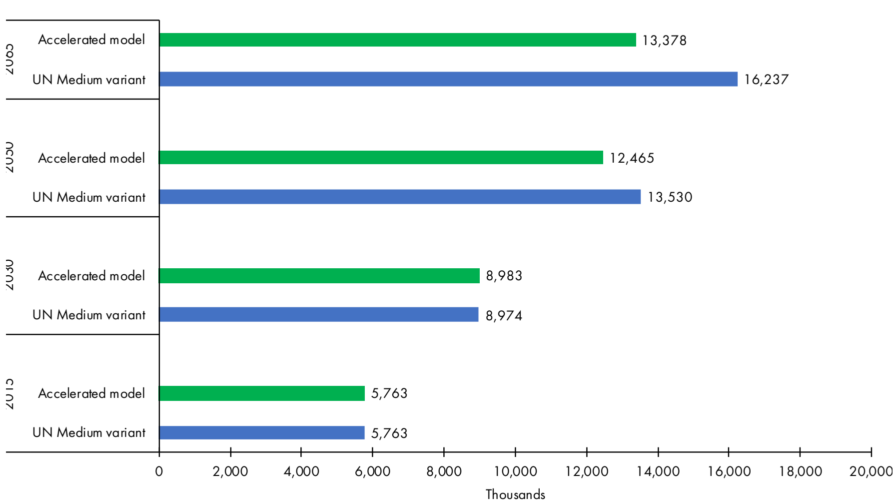


Figure 7: Number of Uganda youth, 15-34 years in need of contraception, 2015-2065 (in thousands)

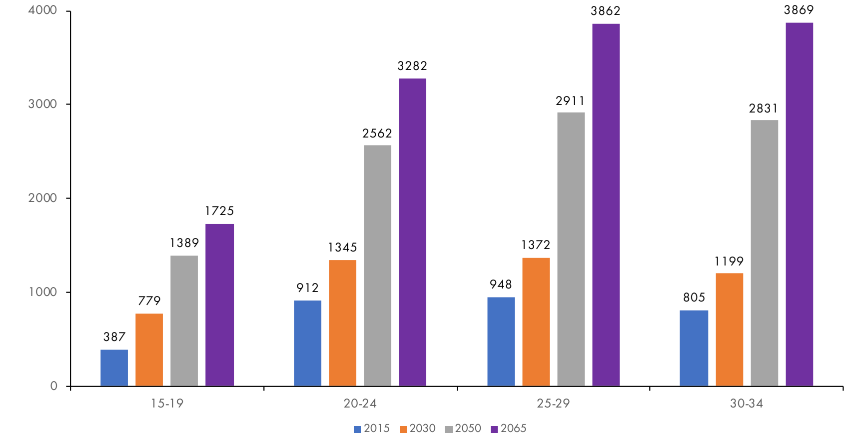
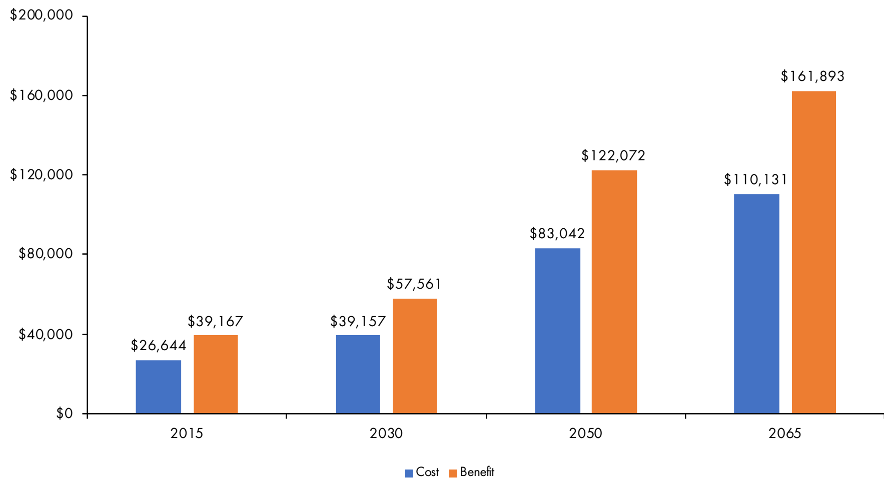


Figure 8: Cost of providing contraception to Uganda female youth, 15-34 years (US$ thousands) and benefit due to pregnancies and births averted



role in boosting transition rates from primary to secondary school, there are still significant numbers of dropouts. Few Ugandan teenagers proceed beyond junior secondary school and only about 1 out of every 5 Ugandans of secondary school age are enrolled at this level. The expected significant increases in the school-age population at both primary and secondary school level in Uganda implies that the country will have to devote substantial resources to expand school infrastructure and teaching and management staff and pursue innovative education and training ventures such as digital learning to cope. If the enrolment rates are to increase to the current average levels of Upper-middle-income countries, then the primary school net enrolment rates could get as high as 95% while the secondary school net enrolment would increase to 79%. Such increases will also require an expansion of access to tertiary education and technical and vocational training to absorb the young people who will graduate from the expanded secondary school stream.

Demand for contraception among female youth

Using the Medium variant population projections for 2015-2065, we estimated the future total demand for contraception among sexually active female youth (married and unmarried) in Uganda. Total demand includes women using contraception and those who have unmet need for contraception. For 2015, we use the 2011 Uganda DHS total demand for contraception for ages 15-34 years. For the 2030 projections, when Uganda's total fertility rate (TFR) will be about 4.7 we use the distribution based on the average for low and middle income countries with a TFR of between 4.6-4.9; for 2050, when Uganda's TFR is projected to be between 3.1 and 3.6, we use the distribution for countries with TFR of around 3.1-3.7; and for 2065 we use the distribution for countries with TFR of 2.5-3.0 since Uganda's TFR is projected to be about 2.8. The results are shown in Figure 7. Demand for contraception will increase steadily at all age-groups. For example, among the oldest female youth group, 30-34 years, the demand for contraception will increase from 805,000 to nearly 3.9 million.

The Guttmacher Institute, in their 2014 'Adding It Up' publication estimate that in low income countries, the cost of providing adequate contraception per women is around $10, and that each dollar invested in contraception reduces the costs of healthcare as a result of unintended pregnancies, unsafe abortion, HIV in pregnancy care, and unplanned births by $1.47. Assuming constant costs between 2014 and 2065, the cost and benefit of providing contraception to female youth is shown in Figure 8, showing an increase in the cost of contraception from $26.6 million to $110 million, but also an increase in savings due to averted pregnancies and births from $39.2 million to $161.9 million over the same period.

Table 1: Estimated number of young people Not in Education, Employment or Training [NEET], Uganda (in thousands)

Age Group	2015	2030		2050		2065	
	Baseline (UN Medium Variant)	Accelerated	UN Medium Variant	Accelerated	UN Medium Variant	Accelerated	UN Medium Variant
15-19	606	970	964	1,377	1,482	1,461	1,796
20-24	499	835	831	1,293	1,345	1,474	1,688
25-29	403	700	698	1,180	1,198	1,436	1,570
15-29	**1,508**	**2,506**	**2,493**	**3,850**	**4,024**	**4,371**	**5,053**

Youth population not in education, employment or training

The share of the young people not in education, employment or training (NEET) provides a broad measure of the untapped potential of young people who could contribute to national development through work. The International Labour Organisation (ILO) points out that this group is also important since they are neither improving their future employability through investments in skills nor gaining experience through employment. As a result the group is particularly at risk of both labour market and social exclusion.

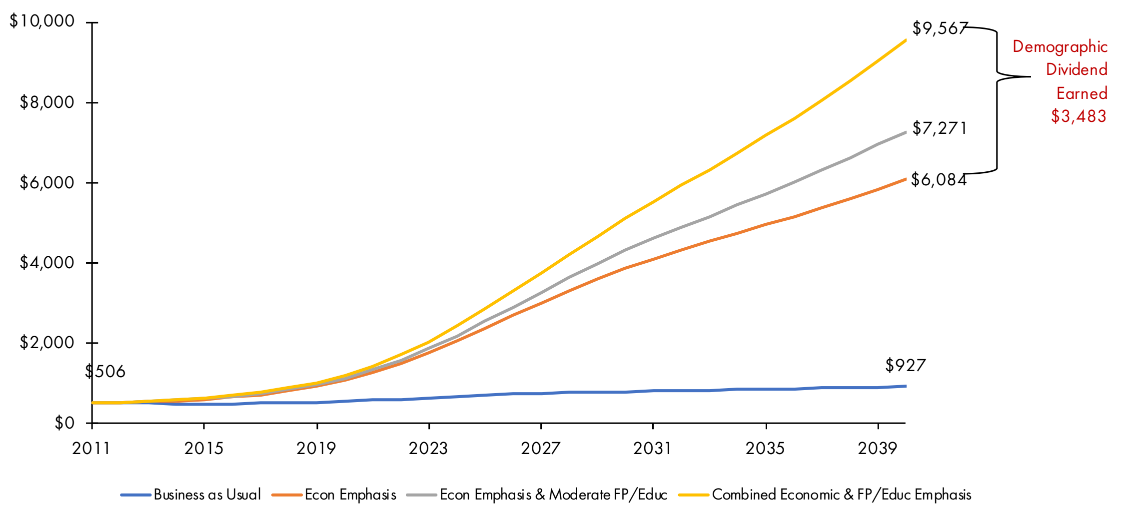
The 2015 Uganda School-to-Work Transition Survey shows that the 15-29 age group NEET was 13.5% and more than double for females (19%) compared to their male counterparts (7%). Making the assumption that these NEET rates remain constant over the next forty years, we find that the absolute number of the 15-29 years NEET is expected to rise significantly (Table 1). From a baseline of 1.5 million in 2015, the numbers could rise to 2.5 million, 3.9 million and 4.4 million in 2030, 2050 and 2065 respectively under the Accelerated model. The number of NEET in this age group could rise as high as 5 million by 2065 under the UN Medium variant scenario. Apart from these socially excluded young people being at a high risk of falling into the poverty trap, they are also a potential destabilising force that can cause civil disturbance and be a potential recruiting pool for radical forces (including rebel groups and terrorists). They also form a pool of desperate potential labour migrants.

Modelling the demographic dividend

The potential demographic dividend Uganda could earn between 2014 and 2040 has been estimated using the DemDiv modelling tool [32] under four policy scenarios: (i) Business as Usual, where slow progress in economic reforms, human capital development and decline in fertility rate persist till 2040; (ii) Economic emphasis, where the focus of investments is on improving economic competitiveness and productive efficiency without simultaneous focus on investing in education and family planning; (iii) Economic and Education emphasis, where investments are made to enhance both economic competitiveness and education levels but not on family planning; and Combined emphasis, where optimal investments are made in family planning in addition to economic competitiveness and education.[8]

Of the four scenarios used, by 2040, the economic growth would be highest under the Combined scenario which follows an integrated (economic, social and demographic factors) investment framework. The GDP per capita would increase to USD 9,567 by 2040, up from USD 506 in 2011. At this level, Uganda would move up into the upper middle-income category, earning a demographic dividend (the difference between GDP per capita under the Combined and Economic Emphasis scenarios) of USD 3,483 (Figure 9). This will happen

Figure 9: Projected per Capita GDP (USD)



[32] Moreland, S., E. L. Madsen, B. Kuang, M. Hamilton, K. Jurczynska, & P. Brodish. (2014). Modeling the Demographic Dividend: Technical Guide to the DemDiv Model. Washington, DC.

because the population will have a youth bulge, fertility will have declined to 2.2 children per woman, and there will only be 58 dependents for every 100 persons of working age. As such the living standards will improve, and the country will achieve its socioeconomic transformation under the Vision 2040.

What is the risk of "business as usual"?

The projected growth of the youth population in Uganda will place significant strain on the country since these youths will have to be educated, housed, and be provided with healthcare. As the population grows in rural areas and land for growing food becomes scarce, there is likely to be increased migration from rural to urban areas in search of livelihoods. International migration is also likely to increase as young people seek livelihood opportunities in neighbouring countries and beyond. Estimates from the United Nations migration statistics suggest that roughly 2.5 million inhabitants from Kenya, Tanzania, Rwanda, and Uganda emigrated in 2015 alone and about 35% were youth between 15-34 years. Men and women were equally likely to migrate. The price of inaction is high since uneducated, unskilled, unemployed, and disillusioned youth can be agents of social unrest, crime, and violent extremism.[33, 34]

Recommendations

The demographic dividend can help unleash the power of Uganda's youth to engineer the country's socio-economic transformation agenda by empowering them to innovate and engage in economic productivity. However, the country will have to judiciously invest in interventions that will accelerate fertility decline to open the window of opportunity for the demographic dividend, while simultaneously prioritising investments in human capital development, economic reforms that will create an enabling environment for the private sector to blossom, make the economy globally competitive and create more decent jobs for its workforce. The **government** should invest in the following specific areas:

- **Improve Health and wellbeing of the population:** Strenghten ongoing interventions to improve child survival to accelerate fertility decline and ensure universal access to contraception to address the high unmet need especially among those living in rural areas, urban slums, and among youth. Also key is to prevent new HIV infections among youth and treat those who are infected to improve human capital among youth and addressing the growing burden of chronic and degenerative diseases.
- **Enhance access and quality of Education and skills development:** Invest in school infrastructure including training more teachers to match the growth of school age population, with more focus on secondary, vocational and tertiary institutions, and enhance the quality and relevance of education so that children are equipped with the necessary skills to drive a 21st century economy. This includes reorienting the education curricula at all levels to match the job market and society needs.
- **Accelerate Economic reforms to facilitate jobs creation:** Create an enabling environment for the private sector to create jobs through increasing the stock and quality of strategic infrastructure (energy, transportation, and communication) so as to ease the cost of doing business. In addition, support enterprise development among the youth by encouraging savings for pensions; promoting innovation hubs and facilitating the financial inclusion of youth, coupled with tax rebates to youth businesses to increase start-up business survival rates. Improve urban planning and governance and development of urban economic infrastructure to turn Uganda's rapid urbanisation into a valuable engine for socio-economic transformation.
- **Strengthen good governance, efficiency and accountability:** Support development and operations of advocacy CSOs that demand and foster culture of openness, ethics and transparency in use of public resources, and strengthen monitoring and accountability systems.
- **Enhancing women and girls empowerment:** Adopt policies and laws, which empower women as equal participants in the development process of their country as their male counterparts ensuring that they get similar rewards for the labour, legislate against early marriage, and mobilise communities to maintain girls in school, with particular emphasis on universal secondary and tertiary education and enrolment in science, technology, and mathematics.
- **Promoting sustainable environment and climate:** for sustainable development, the country should pursue green economy, and take advantage of the young people to raise awareness of environmental issues and good stewardship of natural resources.

The **development partners** and **private sector** have a big role to play in realising the demographic dividend, by helping the country break away from the prevailing business-as-usual culture of doing things. The specific areas to focus on include:

- Capacity building to translate the many policies and frameworks into actionable interventions with clear indicators of progress to enable tracking implementation progress
- Developing and enforcing monitoring and accountability systems for tracking the progress of implementation to know what is working well, and fix what is not working well, and ensure that involved parties are held accountable for all resources.
- Partnering with government to fund promising programmes to address identified challenges among the young people

Acknowledgements

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[33] Cramer, C. World Development Report (2011). Unemployment and Participation in Violence. London

[34] CAzeng, Therese F. and Yogo, Thierry U. (2013), Youth Unemployment And Political Instability In Selected Developing Countries, Working Paper Series N° 171 African Development Bank, Tunis, Tunisia