

*Original Paper*

# Population Growth and Economic Development: Unemployment Challenge for Uganda

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## **Abstract**

*Much of the anxiety concerning the harmful consequence of a hasty population growth on economic development is grounded mainly on the understanding that in developing countries its linked on numerous challenges such as; poverty, unemployment, high infant mortality, hunger, inadequate social services and poor infrastructure. Secondary data analysis claimed that this view is erroneous implying that unemployment might be as a result of unfortunate education system in Uganda which produces job seekers than job creators, limited experiences, lack of awareness of the prevailing jobs and nepotism. The paper recommended major intervention in skills development for young people and proper implementation of policies and increased Investment in agriculture and other subsequent sectors while offering quantity but low productivity jobs and building skills and equipping labor with requisite knowledge and setup capital will lead to job creation.*

## **Keywords**

*population growth, economic development, unemployment challenges and Uganda*

## **1. Introduction**

Population and development are closely entwined in a complex and dynamic relationship, which is mediated by a number of socioeconomic, cultural, political, and developmental variables whose relative significance varies considerably from one context to another. For example, the impact of economic development on population growth and the impact of population growth on economic development, which has been considered as a part of this study (Katzen, 1994) (as cited in Essays, UK, 2018). The negative impact of a fast growing population on the economic development especially with regards to

developing countries like the Sub Saharan Africa (SSA) will be a big challenge if not properly managed, and these negativities are commonly being referred to as the Cost of Population Growth (Katzen, 1994). Furthermore, rapid population growth in developing countries is linked to many problems, including poverty, unemployment, hunger, high infant mortality and inadequate social services and infrastructure etc. In some cases, population growth is quite directly related to a social problem because it increases the absolute numbers whose needs must be met. For example some less developed countries like Uganda have made attempts in implementing a number of programs aimed at creating employment including those aimed at providing an enabling environment for the private sector to create jobs and those targeted at building the skills necessary for employability (Ahaibwe & Kasirye, 2015; Ahaibwe & Mbowa, 2014; Ahaibwe & LM, 2012). Though these policies have generated much-needed economic growth, they have not created enough jobs for the Ugandans, a situation that has been exacerbated by population growth during the same period, the number of people who are not employed also increased because the policies failed to consider the structural nature of the economy, which is largely agrarian (Ahaibwe, Mbowa, & Lwanga, 2013; Ahaibwe & LM, 2012; Mbowa, 2014).

Uganda's population has continued to grow over the last 50 years where it increased from 9.5 million in 1969 to 34.6 million in 2014. Between 2002 and 2014 the population increased from 24.2 million to 34.6 million representing an average annual growth rate of 3.0 percent and it is projected to be 39 million in Mid-2018 (UBOS, 2018). In fact according to 2019 estimates, the population of Uganda is around 44.27 million, up significantly from 2014's of 34.6 million, and worse still, there is a continuous growth in the population of people below 18 years, which Dr. John Ssekamate, a population expert at the National Planning Authority, explains that can't be sustained by Uganda's economy (Bwambale, 2013).

According to Bishai, (2006), there is a relationship between population growth and specific aspect of development i.e. environment, agriculture development, employment, education, health, food and nutrition, water resources and urbanization. However, for this current study the employment aspect of development is considered. This is because as it is for other countries around the world, jobs are essential for Uganda's economic development because they determine the living standards of individuals and households, support economic transformation, and promote social cohesion. In relation to this (Kothare, 1999) studied the relationship between population growth and economic development in India and found that population growth has a positive effect on economic development. Similarly, (Albatel, 2005) analyzed population growth and economic development in Saudi Arabia and found that rapid population growth has a negative impact on both savings and economic growth. Also, in an African study, (Asongu, 2011) cited in (Nyoni & Bonga, 2017) looked at population growth and investment in Africa and found a long-run positive causal linkage from population growth to only public investment.

On the other hand, it is argued that rapid population growth in developing countries is linked to many problems, including unemployment, which remains a serious policy challenge in many Sub-Saharan

Africa (SSA) countries, including Uganda. Therefore, the big concern here for Uganda is whether sufficient employment opportunity are being created to absorb the country's growing labour force (rapid population growth). This in effect calls for the attention of nationals, policy makers, economists, government officials, politicians and other stakeholders in ensuring employment opportunities match with population growth. It is against this background that this paper attempts to study the relationship between population growth and specific aspect of development (employment) in Uganda. This paper is guided by the following objectives to; analyze the population and employment trends in Uganda, and examine the relationship between population growth and unemployment rates in Uganda.

### **Objective**

To examine the relationship between Population growth and unemployment in Uganda from 1991 to 2017.

### **Hypothesis (Alternative)**

**Ho1:** Population growth has a significant relationship with unemployment in Uganda from 1991 to 2017.

## **2. Literature Review**

From a theoretical perspective this study is grounded on one of the Theories of Population and Development interrelations advanced by Thomas Malthus referred to as the Malthusian theory (Malthus, 1986). In his book "Essay on the principles of population" proposes that if the population is left unchecked for any reason it will lead to a rise in geometric proportion with subsistence left or constrained to increase in arithmetic proportion (Boserup, 2003, 2007, 2011; Schultz, 1981). He went on to say that an increase in population within a limited life-sustaining resource (like land) is likely to lead to a set-in of diminishing returns.

According to Malthus a nation which has an unimpeded population growth is likely to experience an unfavorable economic growth, mainly due to the presence of limited resources with which economies are endowed (Malthus, 1986). To him diminishing returns will most likely affect food and resources as an increase in the population of a country is expected to decrease available natural resources and in the long-run lower the production of goods. In relation to the current study, unchecked population growth in Uganda led to declining national per capita grain-land (traditional source of employment), which for the case of the global level, world grain area per person reduced by 50% since 1950 due to rising population, and the situation is worse for Uganda, which is largely agrarian (Lee & Mason, 2006; Mbeine, 2012).

Conferring to Cohen (1995) population growth is seen as a numerical increase in people who occupy a certain area measured within a period of time. Population increases when people are either born in a country or immigrate to a different country from their country of birth. The population equally

decreases as people die out or emigrate out of their country of birth. On the other hand, total population is different from population growth according to the World Development Indicator (2009) which counts all residents regardless of legal status or citizenship-except for refugees who are not permanently settled in the country of asylum, who are generally considered part of the population of their country of origin.

Furthermore, as earlier stated, population growth is closely linked with economic development, which is taken to mean the process by which the quality of life of the population of a given area is improved; and this can be achieved through increasing the standards of living of the people in terms of improved education, healthcare, food consumption levels, income levels etc. (Schumpeter & Backhaus, 2003; Schumpeter, 2017). These usually advance the values of human dignity thereby enhancing the peoples' sense of worth and raising the opportunities enjoyed by the people by way of increasing the variety of goods and services available to them. Economic development can equally mean a more improved state of the economy transiting from a lower level of activity to one characterized by improved advancements and technologic activity (Coale & Hoover, 2015; Lucas, 1989) explains economic development as a transformation of a major agrarian-based economy to one that utilizes more machinery in the form of tools and equipment, possessing a mix of labor and where amenities such as improved healthcare and sanitation, transportation, law and order, communication etc., exist to help reduce the death rate.

Population growth competes with capital formation. A growing population could result in a continuously increasing dependency ratio (i.e., the ratio of the non-working population to the working population) and as such more is spent on the dependent ratio at the expense of other investments (Habakkuk, 1971). This is because the combination of an increase in birth rate and a decrease in death rate is likely to increase the dependency ratio of the population. The assumption that this dependency ratio is made up of a high number of children between the ages of 15-16 years might aggravate the problem of food supply and employment creation (Katzen, 1994) as (cited in Essays, UK, 2018).

Therefore, the impact of population growth on economic development featuring as a focus of this study maintains that the negative impact of a fast-growing population on economic development especially with regards to SSA or less developed countries is a big challenge more particularly when not properly managed. This is obvious because an increasing population has the tendency of slowing down the per capita income growth in developing countries leading to income distribution inequalities. It also stifles savings and capital investment thereby limiting the growth rate of the nation's Gross National Product leading to slow economic activities hence less employment opportunities. An increase in population with a fixed amount in land tends to lower man-land and man-resource proportions. This means that a static backward economy without any form of technical progress might lead to an increase in poverty,

especially with a growing pressure on available resources (Katzen, 1994) (as cited in Essays, UK, 2018).

There is a relationship between population growth and specific aspect of economic development, i.e., environment, agriculture development, employment, education, health, food and nutrition, water resources and urbanization but for this paper, the focus is employment. However, if economic development doesn't match at the same pace with population growth, there we witness the negative impact of a fast-growing population on economic development, and for this case unemployment. Causes of unemployment especially youth unemployment is believed to be multifaceted, ranging from an inadequate investment/supply side of jobs, insufficient employable skills (i.e., youth possess skills that are not compatible with available jobs) and high rates of labor force growth at 4.7 percent per annum as a result of rapid population growth.

According to the International Labour Organization (ILO), "unemployment is the share of labour force without work but available for and seeking employment". Truly, those who are capable and enthusiastic to work nevertheless cannot find jobs at the current wage rate constitute a large share in the LDCs (Choudhry, Marelli, & Signorelli, 2012; Parodi, Pastore, Choudhry, Marelli, & Signorelli, 2012). According to (Odidi, 2012) cited in (Imoisi, Olatunji, & Ubi, 2013). "Unemployment is defined as a state of people living in absolute joblessness which range fall between the ages of 20-40 while underemployment is a situation where people who are gainfully employed but not financially rewarding to authenticate their qualifications".

The employment problem, which includes open unemployment, underemployment, low wage employment, social exclusion, idleness etc., is noticeable in almost every market economy today. They are, however, more serious in the Less Developed Countries than in the Developed Countries. Worse still, unemployment is still high among young people (due to population growth), moreover, this is exacerbated by the mismatch between vocational training and the employment needs of the economy. Unemployment manifests itself mainly in the form of underemployment. For example, youth unemployment is a major social problem." This indicates the extent to which the problem of employment has really eaten into the economy of Low Developing Countries (LDCs) like a cancer. This is partly due to high population growth rocking the LDCs. This is of serious concern to the citizens, economists, government and other analysts in the economy.

### **Population growth and un/employment trends in the developing countries and Uganda**

From 1950, the populations of developing countries have increased rapidly where in some case have tripled or at least quadrupled, and these populations are projected to increase many times by 2050 because of high levels of fertility and reduced child mortality rates. With such conditions for example Niger's population would increase 57 times, Uganda's population 4 times, and the population of Timor-Leste by almost 1 time. Only Afghanistan, Guinea, Guinea—Bissau and Timor-Leste has seen a

mere tripling of their populations (UNFPA, 2017). Such predictions would be a source of worry if the less developed countries, whose population growth rate triples that of the developing countries, are unable to meet the vast needs of growing numbers of people.

Consequently, SSA is already facing double digit unemployment rate and the size of labor force will more than triple by 2050 meaning these economies will have to absorb twice as many new entrants as in year 1998, each year in next 20 years. This is obviously a big worry for the developing and less developed countries which may not be able to create employment opportunities for meeting the rising labour force out of the rapid population growth. Also, youth unemployment remains a serious policy challenge in many sub-Saharan African countries, including Uganda. In 2013, youth (aged 15 to 24) in sub-Saharan Africa were twice likely to be unemployed compared to any other age cohort. It has thus been suggested that due to the cost of rapid population growth (as most countries who experience population explosion have high birth rates and low death rates), especially in the case of most Less Developed Countries, that policies be put in place to control the population growth in question.

#### **Ugandan perspective**

Unemployment especially youth unemployment remains a serious policy challenge in many sub-Saharan African countries, including Uganda. In 2013, youth (aged 15 to 24) in sub-Saharan Africa were twice likely to be unemployed compared to any other age cohort. For Uganda, in 2012, the Uganda Bureau of Statistics revealed that the share of unemployed youth (national definition, 18-30 years) among the total unemployed persons in the country was 64 percent (UNBS, 2013). Given the rapid growth of the Ugandan population, three-quarters of the population are below the age of 30 years coupled with the fact that the youth are getting better educated through higher access to primary and secondary education, a stronger focus on job creation for this cohort of people cannot be overemphasized. Worse still, unemployment is still high among young people (due to population growth), moreover, and is exacerbated by the mismatch between vocational training and the employment needs of the economy.

In fact, one to understand the relationship between population growth and employment in Uganda, need to first take a view of the population trends in Uganda. Uganda's population has grown from 9.5 million in 1969 to 34.6 million in 2014. It is projected to reach 75 million by 2040. With a growth rate of 3 per cent per annum, Uganda has the third fastest growing population in the world. This is a result of a high fertility rate (currently 5.4) and a declining mortality rate (Sengooba, 2018; UNFPA, 2017). For example, the 2002 Census suggests that Uganda had a population of 24.7 million in that year. The total fertility rate (TFR) (the number of children that, given current age-specific birth rates, women will have in their lifetime) as estimated by the DHS, stood at 6.9, largely unchanged over the past ten years and much higher than in neighboring countries (e.g., Kenya: 4.7; Tanzania: 5.6, see (U. UBOS, 2010a)). Consequently, the population growth rate was about 3.4% per year between 1991 and 2002, which puts

Uganda among the countries with the highest population growth rates in the world. The demographic implications of this high population growth rate can be seen in the table below which shows demographic projections from the United Nations Population Division based on the medium variant of the 2002.

According to these projections, Uganda's population is expected to reach 103.2 million people in 2050. This projection is based on considerable fertility decline from presently about 7 to only 2.9 in 2045-2050. Whether this will be achieved is far from certain and will likely depend on overall economic development in coming decades as well as government efforts to support a fertility decline. But even with this considerably fertility decline, population growth will still be over 2% per year in 2045-2050 and Uganda's population is projected to stabilize at a population of some 200 million only in the 22<sup>nd</sup> century.

**Table 1. Demographic Projections for Uganda 2000-2050**

	<b>Population</b> (‘000)	<b>Pop.</b> <b>Growth</b>	<b>Population</b> <b>Density</b>	<b>TFR</b>	<b>Dependency</b> <b>Rate</b>	<b>Pop.</b> <b>Aged</b> <b>15-64</b>	<b>Growth</b> <b>15-64</b>	<b>Pop.</b> <b>Aged</b> <b>5-19</b>
<b>2000</b>	23487	3.30%	100	7.10	110	11164	3.16%	9504
<b>2005</b>	27623	3.62%	117	6.78	112	13044	3.67%	11167
<b>2010</b>	32996	3.58%	140	6.37	111	15621	3.88%	13467
<b>2015</b>	39335	3.46%	167	5.93	108	18894	4.06%	16167
<b>2020</b>	46634	3.31%	198	5.43	102	23051	4.00%	19115
<b>2025</b>	54883	3.11%	233	4.87	96	28051	3.86%	22143
<b>2030</b>	63953	2.84%	271	4.27	89	33894	3.64%	25287
<b>2035</b>	73550	2.53%	312	3.70	82	40522	3.38%	28395
<b>2040</b>	83344	2.27%	353	3.24	74	47844	3.12%	31096
<b>2045</b>	93250	2.06%	395	2.90	67	55801	2.79%	33051
<b>2050</b>	103248		438		61	64039		34326

Klasen, & Lawson, 2007.

Currently standing at about 40 million, Uganda's population is likely to rise even faster in the foreseeable future. According to the UN Department of Social and Economic Affairs, from this year (2017) to 2050, it is expected that half of the world's population growth will be concentrated in just nine countries, including Uganda. Uganda is expected to be a major contributor to this growth, given its current high population growth rate of about 3.2 percent. With the country's projected to have a population of 103 million by 2050, the burden on limited resources and employment opportunities is

obvious. According to some experts, Uganda is experiencing the population boom due to cultural beliefs by some Ugandan families especially the uneducated high fertility rates. Statistics indicate that two million babies are born in Uganda every year, making the country one of the fastest growing populations in the world. With the country's fast-growing population, experts believe that the trend is likely to greatly impact on the nation's pursuit for the middle-income status.

Apart from the Uganda's public sector, the private sector was envisioned to be the driver of economic growth and employment creation. Macroeconomic stability, low inflation and stable foreign exchange rates were looked at as sufficient prerequisites for investment, economic growth, structural transformation and jobs creation. While these policies have generated much-needed economic growth, they have not created enough decent and productive jobs for the Ugandan to match with population growth rate hence the high levels of unemployment. Analysts have blamed this poor performance on the failure of the policies to consider the structural nature of the economy, which is largely agrarian (Lee & Mason, 2006). Consequently, an increase in population with a fixed amount in land tends to lower man-land and man-resource proportions hence less employment opportunities (unemployment) especially in an agrarian economy like Uganda.

According to (UNFPA, 2017), it is estimated that currently the Ugandan economy needs to absorb, on yearly basis about 392,000 new entrants into the labour market. The labour force growth rate was estimated at 4.7 per annum, a rate even higher than the population growth rate. The growth in the youth labour force is even much higher at 5.7 percent annually. The economy will therefore need to generate many jobs for the rapidly expanding labour force, in key growth sectors such as Agriculture, Tourism and Minerals, oil and gas which have the job multiplier effect and can spur inclusive economic growth. Therefore, in accordance with the International Labor Organization definition of unemployment, Uganda's measured unemployment rates are relatively low for the region though they have been increasing over time (from 1.9 percent in 2005/2006, to 3.6 percent in 2009/2010, and recently to 5.1 percent in 2012). Despite the low measured unemployment figures, it doesn't necessarily signify a healthy labor market. The overall unemployment rate has risen to 9.2 percent in 2016/17 with the females experiencing higher unemployment rate (13 percent) than males (6 percent). There were differentials by residence with the levels of unemployment being higher among urban residents (14 percent) than rural residents (6 percent) during 2016/2017 (UNHS 2016/2017, UBOS).

**Table 2. Unemployment Rates by Sex and Residence, Percent (14-64 Years)**

<b>Unemployment rate</b>	<b>2012/13</b>	<b>2016/17</b>
<b>Sex</b>		
Male	8.0	5.8
Female	11.0	13.1
<b>Residence</b>		
Rural	10.0	6.3
Urban	8.0	14.4
<b>Total</b>	<b>9.4</b>	<b>9.2</b>

*Source:* UNHS 2012/13 & UNHS 2016/17, UBOS.

In addition, the population of the youth was estimated to be 7.7 million representing 21 percent of the total population, and the proportion of the youth (18-30 years) who transited either to stable or satisfactory jobs (based on those in employment) was 27 percent showing inadequate stable or satisfactory employment opportunities for the youth in Uganda (Amamukirori, 2018). The majority of the youth (62 percent) were in transition while about nine percent had not started transition as per UNHS 2016/2017 (Saul, 2017; UBOS, 2018). Furthermore, proportion of the youth Not in Employment nor Education nor Training (NEET) was placed at 40.7% (UBOS, 2018). Notable also, there have been mismatches between labour supply and demand reflected as labour underutilization is the unmet need for employment. It is comprised of unemployed youth and those in employment but with unmet employment needs. Labour underutilization focuses on issues of insufficient labour absorption as result of mismatch between population growth and employment opportunities.

For instance, a large proportion of youth have given up the search for jobs and are more likely to be discouraged than unemployed, and the official measured unemployment does not capture this. As higher population growth will, in time, deliver a higher population basically as a result of high fertility rate and if Uganda succeeds in reducing its fertility rate, it would be able to reduce its population growth rate without affecting its growth rate of the labour force for the coming decades and thus reap significant benefits. Based on the cross-country evidence presented above a reduction in the population growth rate of 1 percentage point could boost economic growth in the medium term by about 0.6-2.8 percentage points per year.

According to Keynesian theory, unemployment is as a result of shortage of aggregate demand for goods and services by the different sectors in the economy i.e., government, householders, e.g., consumers, business sector (investors) and foreign sector. The sectors demand for goods and services hence total demand is either low or high. In Uganda we have low aggregate demand hence those who invest will be less thus low jobs will be created which results into low incomes. Unemployment is not from the

supply side but the demand side. The people have low purchasing power hence results into low levels of investment in the country. The reason why we have unemployment in Uganda government demands less and this ends up into low investment and few exports with poor quality thus few jobs will be created which results into low incomes, low saving hence low investments cycle. Real wage is the amount of goods the real wage can purchase they are less; it results into the low real wage and people work because they need jobs but they are paid less and they keep complaining with nothing to do. In this theory the people are ready to work in spite of the wage but the jobs don't exist in Uganda. People are not employed by choice it's the vicious cycle of related issues on the demand side that bring unemployment (Abraham & Ozemhoka, 2017).

It's due to ineffective demand when production is low, investment is low, and the investors will lay off works because they can't meet the production costs. In Uganda there is low culture of investment, consumption and saving thus affecting demand because of low development so unemployment is caused by ineffective supply not demand because we lack enough capital hence low output which later affects the demand of goods and supply.

According to classical theory real wages are normally set above the market wage hence translated in the basket of goods hence excessive supply of labor. We can't even get a minimum wage in Uganda of excessive supply of labour which causes low pay results into low purchasing power hence affects investment and those working are complaining every day because the wage earned is not enough to meet their needs hence can't invest (Kurayish & Planner, 2017).

### **3. Methods**

This study involves analyzing the available data drawn from various sources. The time series data on demographic/population surveys, Uganda National Household Surveys, and Uganda Population and Housing Census obtained from the Uganda Bureau of Statistics (G. o. U. UBOS, 2006; U. UBOS, 2010b) for the period 1969-2018. This data was further demarcated into parameters such as total population, population growth rates, total fertility rate, and unemployment rates. The relationship between population growth and economic development aspects (e.g., un/employment) is viewed in a time series analysis for a single country such as Uganda, under a cross-section analysis.

**Table 3. Normality Test on Population Growth and Unemployment in Uganda from 1991 to 2017**

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
<b>Population growth (Million Annual)</b>	.094	27	.200	.950	27	.213
<b>Unemployment rate (% of total labor force)</b>	.139	27	.198	.931	27	.071

*Null Hypothesis: The variables are normally distributed at 5% level of significance*

Source: Author's computations from World Bank Development Indicators (2020).

Testing for normality is a fundamental step as it spells out variables with a lot of variations which may result into biased results. Thus, the study employed Shapiro-Wilk and Kolmogorov-Smirnov test to assess if the observations on the variables of Population growth and unemployment were normally distributed from 1991 to 2017. By looking at the P-values of Population growth for Shapiro-Wilk and Kolmogorov-Smirnov test (0.200 and 0.213 respectively), they are above 5% level of significance indicating that the series/observations of population growth were normally distributed from 1991 to 2017. Similarly, the P-values on unemployment (0.198 and 0.071) were above 5% level of significance implying that unemployment series/observations were distributed normally from 1991 to 2017.

#### 4. Results

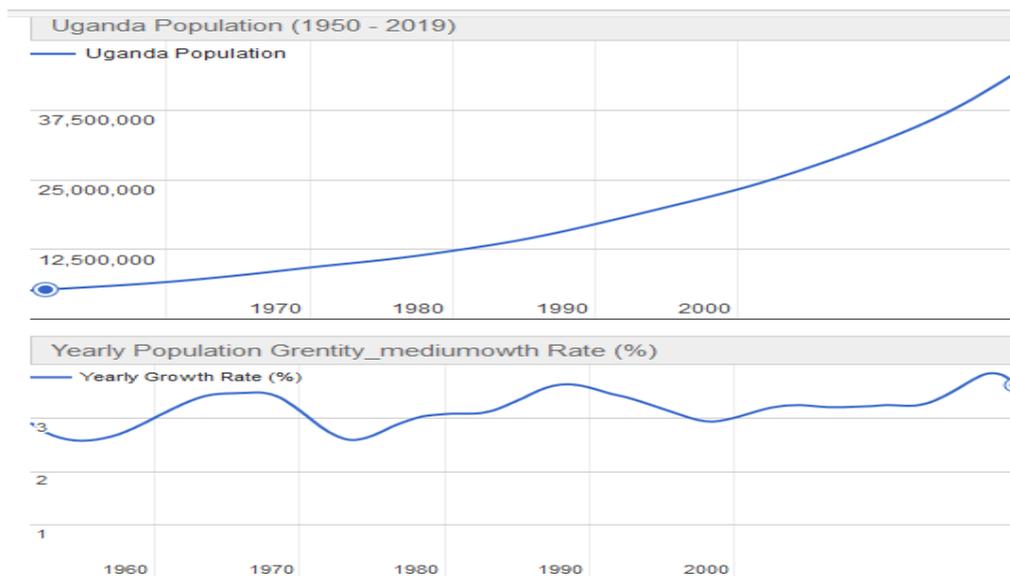
**Table 4. Relationship between Population growth and Unemployment in Uganda from 1991 to 2017**

		Annual Population growth (Million annual)	Unemployment rate (% of total labor force)
<b>Annual Population growth (Million annual)</b>	Pearson	1	.267
	Correlation		
	Sig. (2-tailed)		.178
	N	27	27
<b>Unemployment rate (% of total labor force)</b>	Pearson	.267	1
	Correlation		
	Sig. (2-tailed)	.178	
	N	27	27

Source: Author's computations from World Bank Development Indicators (2020)

After ascertaining that the series on population growth and unemployment were normally distributed, therefore it is recommendable to use Pearson correlation test to examine the relationship between the two variables. From Table 4 above, it is explicitly shown that annual Population growth had a positive, weak but insignificant relationship with unemployment rate in Uganda ( $r=0.267$ ,  $P<0.05$ ) from 1991 to 2017. The results indicate that growth in unemployment every year in Uganda may not be fundamentally determined by annual population growth. Thus, this may imply that unemployment might be resulting from other factors like; poor education system in Uganda which produces more of the job seekers than creators; limited experience, and lack of awareness about the prevailing jobs in the market. In addition, related studies need to be conducted by considering other determinants like; Years spent schooling, education curriculum, and teacher-students ratio visa-vie the unemployment rate in the country.

Data on Uganda's total population and growth rate over the years in relation to the study is presented in Figure 1 below.



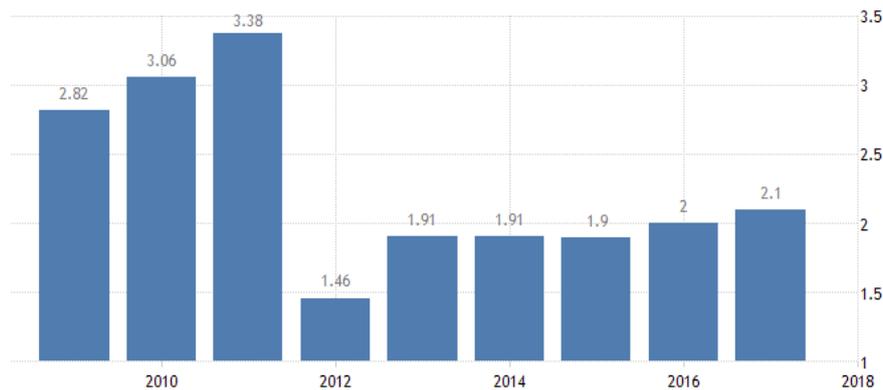
**Figure 1. Uganda Population and Population Growth Rate from 1950-2019**

Worldometers, 2019.

According to Figure 1 above, Uganda's population has grown from 5.1 million in 1950 to 34.6 million in 2014. It has now reached 44.5 (2019) and it is projected to reach 75 million by 2040 with the average growth rate of 3 per cent per annum, which has made Uganda the third fastest growing population in the world. This is a result of a high fertility rate (currently 5.4) and a declining mortality rate. This indicates that Uganda's population rises steadily, which is likely to heavily place a burden on limited

resources and this calls for policies be put in place to control the population growth as echoed by Todaro and Smith (2009).

The findings also focused on the unemployment rate that measures the number of people actively looking for a job as a percentage of the labour force and the figure2 presents the unemployment rate in Uganda for the last ten years.



**Figure 2. The Unemployment Rate for Uganda from 2009-2017**

*Source:* UBOS, 2018.

From the findings above, the unemployment rate in Uganda increased to 2.10 percent in 2017 from 2 percent in 2016. Unemployment Rate in Uganda averaged 2.38 percent from 1991 until 2017, reaching an all-time high of 3.50 percent in 2002 and a record low of 0.94 percent in 1991. This is an indication that unemployment rate for Uganda was relatively low for some years after years of steady increase, which has again started to rise. This calls for policy maker to formulate policies that consider the structural nature of the economy, which is largely agrarian because investment in agriculture is still low and subsequently the sector has been experiencing low average growth rates of about 2 percent for the 1990-2012 period, and offering quantity but low productivity jobs as per (UNFPA, 2017).

Furthermore, the study results focused on the relationship between Population growth and unemployment in Uganda from 1991 to 2017 using Pearson Correlation analysis as shown in Table 5 below,

#### **Assessing the Poverty level**

**Table 5. Relationship between Population Growth and Unemployment in Uganda from 1991 up to 2017 Using Pearson Correlation Analysis**

		Unemployment	Population growth
Unemployment	Pearson Correlation	1	.346**
	Sig. (2-tailed)		.007
	N	27	27
Population growth	Pearson Correlation	.346**	1
	Sig. (2-tailed)	.007	
	N	27	27

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Author's own computations from World Bank, 2019

The findings from Table 5 above shows that there is 34.6% positive significant relationship between population growth and unemployment in Uganda at 0.01 level of significance ( $p < 0.007$ ). The findings indicate that as population grows, there would be an increase in unemployment in Uganda which consequently raises the level of poverty due to decline in income. Government and private sector should harness job creation among Ugandans. The findings are in line with past studies done proving that unemployment is among the cases of poverty (Lubaale, 2019).

This may imply that government should enhance the polices in place since they have managed to reduce poverty levels from 31.1 in 2006 to 16.7 in 2016. More interventions are needed since Uganda's population is still leaving below the poverty line. In spite of the important strides taken, the country lagging behind in areas i.e., sanitation, access to electricity, education and child and maternal health care (WB, 2016).

There is need for policy makers to provide setup capital for the unemployed class and youth to enable them start self-employment. Government should ensure that programs designed to support the youth, i.e., youth lively hood program should trickle down to rural areas as it will prevent rural urban migration. There is need for central government to enact aggressive policies and programs to encourage job creation rather than job seeking this will stop migration which will reduce the influx of the people in Kampala looking for jobs. This will enable the government to increase on the income derived from agriculture due to favorable prices and wealth.

Ministry of health should engage the development agencies, international and local non-governmental organizations, legislators, civil society, government ministries, private sector, government, population, religious and cultural leaders and local leaders and the population to act vigorously in the continuous use of family planning in order to reduce on the growing unplanned population to avoid increase in unemployment.

## 5. Recommendation

Private sector should be trained on how to increase market efficiency because of the availability of sound policies in investment cutting-edge areas of infrastructure, economic liberalization, and better trade services. Urbanization should be utilized as an advantage given their welfare gains as a result of rural to urban migration. Free adult education should be emphasized to enable the populace to learn the basics to enable them manage their own businesses since education is associated with income growth.

Diversification from agriculture should be emphasized in all parts of the country. Access to services should be evenly distributed if the government is to achieve equal growth opportunities and need for government to propose development policies per regions in the country. Re-examination of agriculture policies to focus on extension services, revitalize cooperatives, affordable input availability and access to credit by the farmers. Investment in quality research through data collection per household should continue since this will avail necessary required statistics for planning and implementation of designed programs.

As such, government and its planning authorities will need to devise effective strategies to prevent this population boom from turning into a major development hurdle for the country. In the recent past, the government has invested in education and family planning to slow the rate at which Ugandans give birth but these efforts remain insufficient and need a boost for effectiveness purposes.

While these policies have generated much-needed economic growth, they have not created enough decent and productive jobs for the Ugandan youth. Analysts have blamed this poor performance on the failure of the policies to consider the structural nature of the economy, which is largely agrarian. Investment in agriculture is still low and subsequently the sector has, and offering quantity but low productivity jobs. Building skills and equipping labor with requisite knowledge and setup capital will lead to job creation.

Another major intervention that needs to be taken by government relates to skills development for young people. Upon recognizing that youth lack employable skills or possess skills that are irrelevant in the current job market, since 1997 the government has focused on a phased curriculum review at all levels of education with a focus on business, technical, vocational education and training (BTVET).

Although improvements in the investment climate and building of skills are crucial to jobs creation, there is a need for an effective strategy for industrial development. It is thus imperative that the government builds on the efforts to address skill gaps, investment constraints faced by the private sector, and, above all, prioritize industrialization. International initiatives, such as the African Growth and Opportunity Act (AGOA) and Everything but Arms (EBA) should be exploited to boost exports and create jobs.

## 6. Conclusion

Government needs to implement the favorable policies for municipalities, districts and cities to enable them become competitive and functional. This requires an all-inclusive set of actions to create the most needed business setting essential to create industrious jobs; to provide a conducive working environment for workers; to develop favorable housing and buildings; to advance infrastructure quality; and to safeguard decent access to community services, mainly education and health. Lack of support to enhance the potentials people poses may result in a slow growth. Suitable investment in the growth of the country's cities is vital to avoid urbanization from resulting in diseconomies of scale. While this situation will require a well-organized public investment programs, the involvement of the private and informal sectors is also extremely necessary.

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