Toward Addressing Skills Development and Employment Crisis in Uganda: The Role of Public Private Partnerships

Augustus Nuwagaba

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TOWARD ADDRESSING SKILLS DEVELOPMENT AND EMPLOYMENT CRISIS IN UGANDA: THE ROLE OF PUBLIC PRIVATE PARTNERSHIPS

Augustus Nuwagaba[*]

Abstract: The paper explores the relevance of education in the transformation of the country through skills development. Socio-economic transformation is not based on mere education but on human capital development. The latter comprises skill formation manifested in innovation, and individual competitiveness which defines one's employability in the competitive job market. The paper considers the role of Public-Private Partnerships (PPPs) in enhancing skills development and employment. It discusses the situation analysis on education in Uganda, employment levels, existing contradictions and the realities that prevail in the education system, the relationship between the education curriculum, job market and employment. It also captures the binding constraints to human resource development and ways of unlocking these constraints. The paper shows the need for Uganda to create a knowledge and skills-based economy and developing national ethos on human capital development. The paper is premised on a research conducted in twelve districts drawn from all the regions of Uganda. The major objective of the study was to analyse the changing character of education under the macro-economic policy reforms and the coping mechanisms adopted by households to ensure that their children access education. The methodology followed comprised: a quantitative survey conducted among scientifically selected households; focus group discussions with men, women and youth - both educated and uneducated - and key informants, including policy makers as well as local community leaders. The central argument is that, contrary to earlier suppositions, privatization and liberalization of the economy has not born much fruit because, while many institutions of learning have been established (largely by private entrepreneurs) and many graduates have been registered, the majority of these graduates are unemployable due to lack of skills demanded in labour markets. There is a contradiction characterized by soaring numbers of highly educated people amidst high levels of unemployment. In order for Uganda to learn lessons from success stories, "best practices" in human Capital and skills development are explored from countries like, Singapore, Malaysia, and Mauritius. Without being overly pedantic, it is re-iterated that education and training need to be refocused toward vocationalisation. However, given the unpopularity of and the negative attitude toward vocational training in Uganda, it is recommended that vocationalisation should be integrated into formal training structures and systems in all institutions of learning. As a way forward regarding what should be done in order to address the critical issues of education, skills development, employment

[*] Department of Social Work and Social Administration, Makerere University, P. O .Box 7062, Kampala Uganda, E-mail swsa@ss.mak.ac.ug

and productivity, the paper underscores the need to adopt a new national qualification framework comprising two strands of award, namely the award for formal training, and its equivalent for vocational training. Such a framework will improve the recognition of vocationalisation and enhance the social status of the graduates of vocational training, hence, improved motivation for others to pursue vocational training. At the same time, it is pertinent that the private sector catalyze employment opportunities through increased investment and job creation.

Keywords: Human capital development, labour market penetration, investing in people, radicalizing the education system, transformative leadership

1. DEFINITION OF CONCEPTS

1.1 Skills Development is a process of empowering individuals and communities through provision of useful and employable skills for self-sustenance and for the benefit of the economy both in the formal and informal sector. It involves stimulation of intellectual, technical and vocational growth of people in order to make them productive members of society. It is about imparting applied knowledge and skills required in the world of work for non-formal and formal employment. Skills development caters for diverse individual (irrespective of age, education level and socio-economic status) who demand and are able to pay for it.

1.2 Human capital development in the contemporary world refers to the expansion of choices, capabilities and capacities that help individuals and societies maximize their own potential and contribute to social and economic development of their societies. Human resources must not only comprise the capital component but also capabilities so as to contribute to economic growth and development.

1.3 Public–private partnership (**PPP**) describes a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies. These schemes are sometimes referred to as PPPs, P3 or $P^{3.}$ A Public–private partnership (PPP) involves a contract between a public-sector authority and a private party, in which the latter provides a public service or project and assumes substantial financial, technical and operational risk in the project.

1.4 Double Strand National Qualification Framework is a system of academic award that recognizes both formal and informal training, particularly artisans and other forms of vocational training. This system is widely used in China and it has been found very effective in transforming economies.

1.5 Macro-Economic Policy Reforms-These refer to reforms that were implemented under the auspices of the Breton Woods institutions: World Bank and International Monetary Fund (IMF). The reforms comprised linearisation of the economy particularly privatization of former public enterprises. This was premised on the fact that the government was a poor entrepreneur, hence, the need to place enterprises in the hands of private individuals. Under this policy, the private sector has assumed the central role in the social sector mainly education and training.

2. SITUATION ANALYSIS

2.1 The Problem

The need for skills development is rapidly growing in Uganda. Creating knowledge and skills-based economy is a great prerequisite for the attainment of socio-economic development. The presence of a competent and well-trained workforce improves investment climate and is a powerful benchmark for productivity and international competitiveness. Investing in human resource development both by the public and private sector encompasses focusing on relevant and employable skills that are needed in the labour market. Unfortunately, this is largely the most deficient element in the country, and it derives from inappropriate education and training that does not focus on innovation and creativity, entrepreneurship, science and technology as a holistic means to enhancing individual and national competitiveness. The main paradox is the soaring unemployment rates amidst highly educated people in Uganda essentially because of lack of competitive (marketable) skills.

2.2 Conceptual Framework

It is understood that the purpose of education is to achieve two main objectives, namely: 1) education is consumption good. Once an individual is educated, it is assumed that such a person will provide livelihood for him/herself; 2) however this is not enough. Education is an investment commodity. An educated person is expected to contribute significantly to the development of his/her community. This is expected to be achieved through more awareness creation, building capacity of communities to appreciate development, and actual participation in development activities like marketing infrastructure, encouraging communities to undertake economic activities and direct engagement in enterprise development.

Despite tremendous investments in education made by the Uganda government, there is little that has been achieved in skills development. Since 1997, the Uganda Government has invested heavily in education sector particularly under Universal Primary Education (UPE). In Financial Year (FY) 2009/10, FY 2010/11 the education sector has been allocated the largest percentage of the national budget (Ministry of Finance, Planning and Economic Development 2010). For example, the budgetary allocation to

education has been relatively high; 15.4 per cent in FY 2008/09, 15.3 per cent in FY 2009/10 and 15.8 per cent in FY 2010/11, which in itself is encouraging but still inadequate. Much of this allocation is directed to primary education where skills training are not much emphasized. The introduction of UPE saw an increase in the pupil enrolment from 2.7 million in FY 1996/97 to 7.96 million in FY 2008/09 but the completion rate has been very low especially among the girls; 28 per cent and 22 per cent for boys and girls respectively (Ministry of Education and Sports 2008). Prominent among the reasons for the high dropout rates for girls include: early pregnancies, lack of appropriate sanitary facilities (that would provide convenience for girls during menstruation period) and lack of gender sensitive policies that would for instance allow girls who have delivered to resume their education (MoE Annual Report 2010). The few students who join secondary and university education are not well engrained to improve their skills and employability and therefore, unable to create or secure employment in the public or private sector.

With the current trend of globalization where education has been liberalized, education has on one hand contributed to skill enhancement while on the other hand, it has been disastrous. For example, with liberalization, entry into University has ceased to be strictly based on merit or talent but rather on the basis of ability to pay, and yet, those who are able to pay are not necessarily the finest. The private sector is profit driven and so invests in less demanding (less costly) courses (theoretical fields) that contribute very little to skills development. Strengthened PPPs would provide a great foundation to addressing the skills and employment crisis in Uganda. This can be done through: sanctioning some functions to private enterprises such as immunization by private health providers; and supporting private education institutions in acquisition of teaching equipment among others.

Similarly, the private companies need to be engaged in training and skills development. In FY 2009/10, the main thrust of government's activities in the promotion and facilitation of investment was creating employment. In regard to this, from the 353 projects that were licensed by Uganda Investment Authority (UIA), 90,776 jobs have been planned. Fulfilling this would mean an impressive 144 per cent increase from the 37,216 jobs envisaged in FY 2008/09. However, the problem is that most of such good plans have remained on paper rather than being implemented. This therefore has not had significant benefit to the public as many people who possess the required skills have remained unemployed despite the existence of the plan. This has been worsened by the declining private investment, for example, according to the UIA statistics, of FY 2009/10, the planned investment declined from US $ 2.08 billion in FY 2008/09 to US$ 1.6 billion in FY 2009/10 and this was attributed to the global financial crisis. As a result, job creation has been affected and so worsening the

unemployment problem. Fig 2.1 shows the conceptual model that helps to understand the relationship between human capital/skills development and employment creation in Uganda.

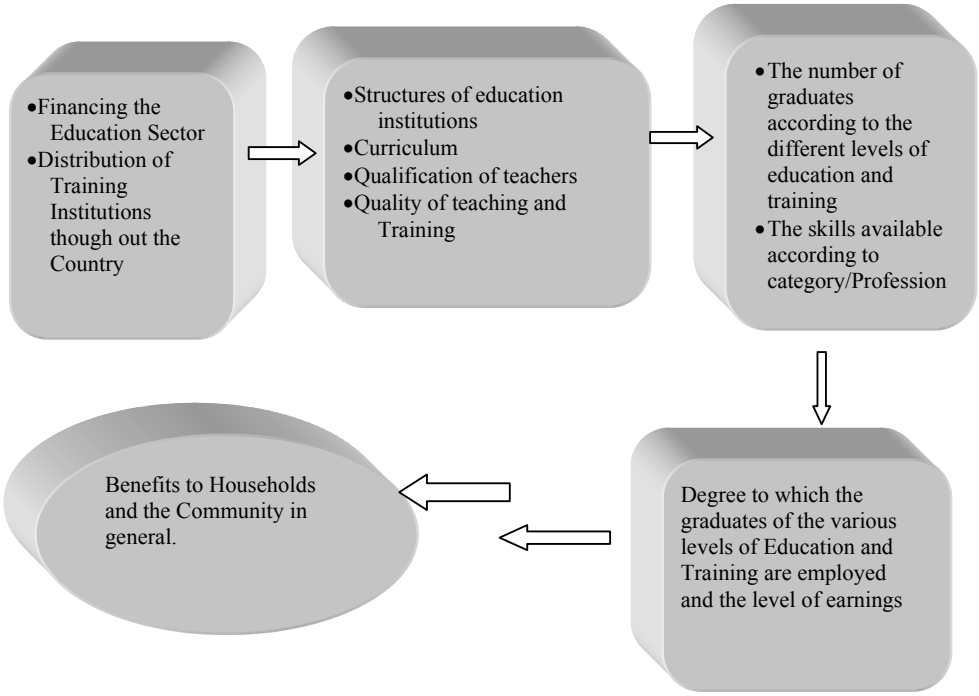

Fig 2.1 Systems Analysis Model for Understanding the Relationship between Education and Skills Development

The model is built on systems analysis where the level of unemployment is dependent on the inputs into the education sector. The process describes the structures, curriculum and such other factors such as the qualification of teachers and the general quality of teaching. The outputs reflects the number of graduates according to the different levels of education and training while the outcomes and impact connotes the degree to which the graduates of the various levels of education are employed, the level of earnings and the benefits to households and the community in general.

2.3 Education in Uganda

2.3.1 Evolution

The Pre-Colonial and Pre-Missionary Period

In the pre-colonial period, the youths used to be given indigenous or traditional forms of education. The aims of such tacit education were: to mould children to fit into their respective societies, to promote harmony in the societies, to enable the youths to solve individual and societal problems, to equip the youths with production skills, to promote cultural heritage, to develop character training and respect for elders among the youths, and to enable the youths to acquire and apply life skills. The indigenous education was characterized by an informal curriculum. Evaluation was through observation of an individual's performance in real situations in life, for example through battles, production, marriages, civic duties and leadership. This system was more practical and related to ones environment.

Mission schools that were established in Uganda in the 1890s ushered in the formal education and in 1924, the government established the first secondary school for Africans. By 1950, however, the government operated only three of the fifty-three secondary schools for Africans. Three others were privately funded, and forty-seven were operated by religious organizations. Education was eagerly sought by rural farmers as well as urban elites, and after independence, many villages, especially in the south, built schools, hired teachers, and appealed for and received government assistance to operate their own village schools. Most subjects were taught according to the British syllabus until 1974, and British examinations measured a student's progress through primary and secondary school. In 1975, the government implemented a “local curriculum”, and for a short time most school materials were published in Uganda. In 1990, national adult literacy was estimated at 50 per cent. In order to re-establish the national priority on education, the NRM government adopted the Universal Primary Education (UPE), and as a result, the primary enrolment swelled from 2.7 million in FY 1996/97 to 7.96 in FY 2008/09 (MoES 2008).

2.3.2 The Current Education in Uganda

Uganda’s education system comprises Pre-Primary, Primary, Secondary, Tertiary, Business, Technical and Vocational Educational and Training (BTVET) and higher education levels. It also includes public, private and community physical education and sports. Education is backed by the legal framework as enshrined in Article 30 and 34 (2) of the constitution of Uganda that provide the right to basic education for every Ugandan. Within the tertiary education level, there are various types of institutions which include: Technical schools, Agricultural institutes, Primary Teachers’ colleges, Colleges of Commerce, Para-medical institutions, Theological

colleges, Fisheries, Cooperative institutions, Aeronautical and tourism institutes, among others.

BTVET is an overlapping three-tier system; comprising craftsman level training offered by technical schools and institutes, technician level training offered by technical colleges and graduate engineer level training offered by universities. It comprises 133 public institutions, about 600 private training service providers and 17 apprenticeships and enterprise-based training programs representing 17 per cent, 81 per cent and 2 per cent respectively (National Development Plan 2010/11). The system of education in Uganda has a structure of 7 years of primary education, 6 years of secondary education (divided into 4 years of lower secondary and 2 years of upper secondary school), and 3 to 5 years of post-secondary education. It follows a 7-4-2-3 or 5 pattern. The present system has existed since the early 1960s. Figure 2.2 shows the structure of the education system in Uganda.

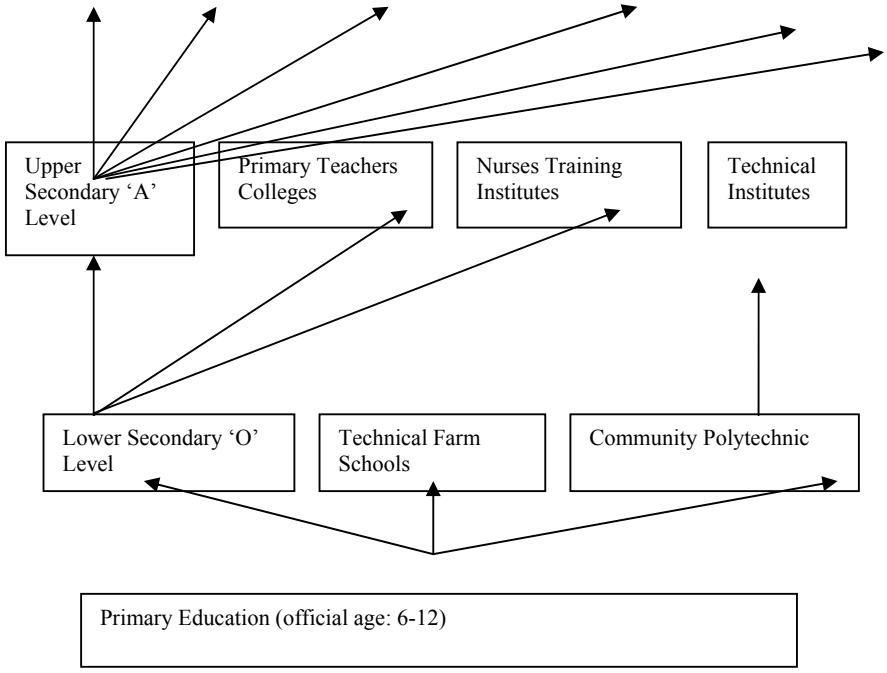

Fig 2.2 Uganda's Educational Structure

SOURCE: Ministry of Education and Sports (MoES), Statistical Abstract, 2010

The level of enrolment in tertiary institutions has improved over time in Uganda as indicated in Table 2.1.The major explanation for the surge in enrolment is the liberalization of the education sector characterized by

licensing of private institutions as well as introduction of privately[1] sponsored programmes in public institutions. These actions opened up tertiary institutions to students who would previously have been barred from accessing tertiary education.

Table 2.1 Tertiary enrolment trends in Uganda (1950-2010)

Year	Enrolment in Tertiary Institutions
1950	0
1960	2,000
1970	5,000
1980	7,000
1990	10,000
2000	42,500
2010	108,000

SOURCE: Ministry of Education and Sports (MoES), Statistical Abstract, 2010

It is apparent that the level of enrolment in tertiary education is high. Many households have struggled to have their children access tertiary training. However, the problem is the relevance of the acquired training in the global job market and the high levels of unemployment arising largely from failure for the educated to market their acquired knowledge. The problem of unemployment has also been exacerbated by the slow growth of the private sector culminating in little absorption of the graduates into the available enterprises (Uganda Investment Authority (UIA) statistics, FY 2009/10).

2.4 Skills Development in Uganda

Skills development in Uganda is comprised of formal public and private institutions, private training providers (PTP), private companies and non-formal training arrangements. Its scope covers vast areas that span business, technical, health, agriculture, and Para-professional fields. It is carried out in a number of centres and places of learning including places of work. Formal skills development institutions are registered with the Ministry of Education and Sports whereas non-formal institution providers are unknown. The private vocational training institutions are estimated at over

[1] For example, in 1994, Makerere University, the highest institution of learning in Uganda introduced privately sponsored academic programmes leading to the increase of undergraduate students from 7,107 in the academic year 1994/95 to 35,512 in the academic year 2009/10 (Makerere University, Academic Registrar's Office 2010).

1,000. However, private training providers are registered with Ugandan Association of Private Vocational Institutions [UGAPRVI] and are encouraged to register with MoES. Some of these private skills providers operate as micro or small business in the informal sector and deliver their own certificates that are not formally recognized by MoES. A vast majority of them concentrate on office related skills development areas such as secretarial services, computer skills and apprenticeship.

The number of skills development service providers has increased from 575 in 2006 to 734 in 2008 (137 public and 600 private) and offers over 10,000 training vacancies. Non-formal institutions are estimated at 1,000 private training providers and over 600 private and public companies. The number of private formal training institutions registered with MoES increased from 450 (2006) to 600 (2008), while public owned institutions also grew from 103 in 2000 to 137 in 2008 (NDP 2010/11). Figure 2.3 shows the formal skills development institutions by ownership.

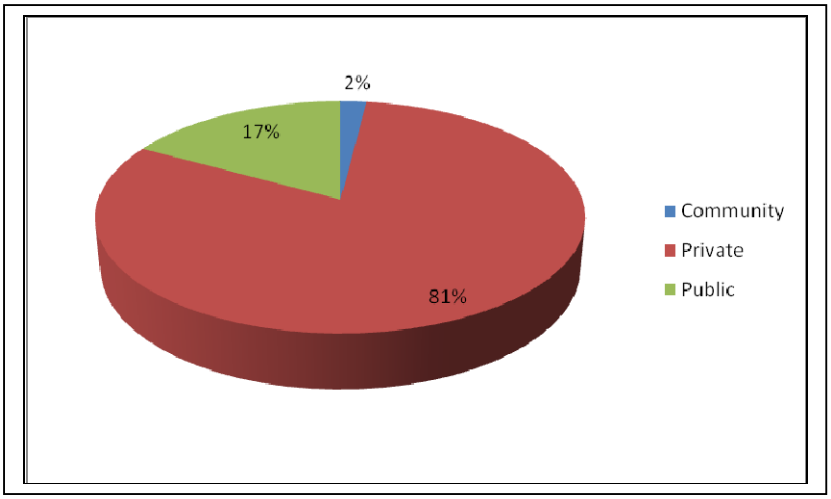

Fig. 2.3 Formal Skills Development Institutions, by Ownership

SOURCE: Education Management Information System (EMIS), 2008

2.5 Relationship between Curriculum and Human Resource Demand

In Uganda, education curriculum almost at all levels is largely theoretical, elitist, non transformative, non creative and largely irrelevant as regards the job market. This mainly stems from the colonial system of education. Students from primary to university have very few (if any) skills to exploit opportunities in the job market, hence, the paradox of high unemployment amidst high demand for specific critical skills. This is because of the nature of subjects that are largely taught across the different levels of education

(certificate, diploma and degree levels). Of the 23 private universities licensed and unlicensed in Uganda (as of 2008) only two offered science/technical studies (NCHE 2008). The humanities account for 29.9 per cent of the academic programmes at certificate level, 31.6 per cent at the diploma level; and 56.2 per cent at bachelor's degree level. By contrast, agriculture has very few programmes at certificate level, i.e. 0.9 per cent of the programmes at diploma level and 2.4 per cent at bachelor's level. The corresponding percentages for engineering academic programmes are 9.3 per cent, 7.0 per cent, and 6.7 per cent respectively. Similarly, the percentages of science are 4.4 per cent for certificate, 1.3 per cent for diploma and 4.8 per cent at bachelor's level. For the academic programmes in selected discipline areas, the share of arts based disciplines (Humanities, Business Studies, and Management) is 77.3 per cent, 78.4 per cent, 75.7 per cent, 87.5 per cent, and 64.7 per cent at certificate, bachelors, postgraduate, master's and PhD levels respectively. The corresponding percentages of academic programmes for the science and technology disciplines are 22.7 per cent, 21.6 per cent, 44.3 per cent, 12.5 per cent, and 35.3 per cent respectively. It is therefore evident that the education system in Uganda is 'Humanities'-based and therefore more theoretical than practical. As a result, marketable and employable skills in the job market are limited to few Ugandans, leaving the majority unemployed.

2.6 Labour and Employment Level

Uganda's total labour force was estimated at 10.9 million persons in 2006 (UNHS 2005/06) and is projected to reach 19 million by 2015. Out of 12 million Ugandans in the working age group, only 6.4 million were actively working in 2002, with 75 per cent working in rural areas. Most of these were employed in subsistence production. About 50 per cent of the economically active youth in Uganda are not engaged in income generating employment, i.e. neither paid employment nor self-employment. Of these, 6 per cent are looking for employment while the rest are employed as unpaid subsistence workers. The most affected is the young female population group (14-30 years of age) of which 70 per cent are engaged in unpaid household work (UBS 2002). The proportion of the permanently employed to the total labour force was 4.8 per cent in 2000/03 and decreased to 4.6 per cent in 2005/06.

Uganda is in a precarious situation with thousands of graduates who pour onto the streets every year looking for jobs. Statistics from the labour department shows that 390,000 students who complete tertiary education each year have only 8,000 jobs to fight for. This means that for every one job that is available, there are about 50 people competing to fill it. According to the labour force flow figures at the Uganda Investment Authority (UIA) and the Uganda Bureau of Statistics (UBOS), more than 400,000 Ugandans enter the labour market each year,but only about 3,000 are absorbed in formal employment, leaving the rest have to join the

informal sector. Statistics from the Labour Department show that the current labour force is estimated at 9.8 million, of which 53 per cent are females and about 75 per cent is aged below 40 years (Republic of Uganda 2009).

2.7 Previous and Ongoing Initiatives in Addressing Contradictions in the Education System in Uganda

2.7.1 Introduction of Universal Primary Education

The government of Uganda has made tremendous efforts in addressing the challenges in the education system in Uganda. Various programs like Universal Primary Education (UPE) and Universal Secondary Education have been implemented. UPE was introduced in 1997 and it resulted in a phenomenal increase in primary school enrolment- from 3 million in 1997 to 7.3 million in 2004 (MoES 2008). Similarly, there has been a significant quantitative increase in Tertiary enrolment. However, as has been illustrated, one major contradiction is that while Uganda boasts of a large critical mass of educated people, most of these people do not possess competitive skills. They do not comprise "a demographic gift" as they are unemployable. As a result, most of them remain unemployed despite their high levels of education.

2.7.2 Linking the Private Sector with Training Institutions.

There has been significant growth of the private sector, but this growth is delinked from the skills training institutions. There is a disconnect between private sector companies and training institutions and the result has been high unemployment due to the mismatch between the private sector human capital needs and the academic training programmes of training institutions. The message that emerges from this scenario is the need to link training institutions with the private sector. Makerere University has already initiated linkages with the private sector foundation in this regard. For instance, the Faculty of Agriculture partners with the United Nations World Food Programme (WFP) to conduct short courses on Hunger Management, where 30 people are admitted per year from various organizations and companies. The training takes two weeks and it is currently incorporated into the curriculum of the faculty. Similarly, the Faculty of Veterinary Medicine has embarked on training farmers in livestock management and meat processing for export. This should be supported because it is in the right direction.

2.7.3 Liberalization of Education

The current liberalization of education has seen a tremendous increase in access to education at all levels, particularly at university level where very important qualifications such as bachelor's and postgraduate degrees, diplomas, and even PhDs are acquired. For example, the universities offer 93.8 per cent of the first- degree academic programmes and 98.6 per cent of

the academic programmes at master's level. Such education is meant to prepare students to become great potential human resources, but the contradiction is that these programmes offered at university level are dominated by humanities which are less relevant in job creation and innovativeness. As a result of liberalization of the education sector, private entrepreneurs have invested in faculties or courses with higher returns to investment rather than on those that require large amounts of capital. For example, science-based and technical courses require a lot of capital input to establish laboratories, demonstration farms and even training materials. On the contrary, theoretical courses (mainly arts and humanities) do not require all these expensive inputs. Therefore, for a profit-seeking entrepreneur, the choice of where to invest is obvious.

Secondly, with liberalization, entry into university has ceased to be based on meritorious performance or talent but on 'ability to pay'. Students who are able to pay do not necessarily have to be the finest. They enrol in universities based on financial muscle and are simply happy to join a university, often opting for less academically challenging disciplines as shown in Table 2.2.

Table 2.2 Distribution of academic programmes, by selected discipline levels in public tertiary institutions in Uganda

Discipline	Bachelor's		Master's		PhD	
	No	%	No	%	No	%
Agriculture	10	2.4	N/A		N/A	
Humanities	236	56.2	59	48.5		
Business Studies	72	17.1		10.7	1	5.9
Engineering	28	6.7	N/A	N/A	--	--
IT	21	5.0				
Management	10	2.4		1.6		
Medicine	19	4.5				
Science	20	4.8	47	38.5	6	35.3
Others	4	1.0	1	0.8		
Total	420	100		100		

SOURCE: 1) Ministry of Education and Sports, , Uganda Education Statistics Abstract; 2002, 2003

2) United Nations Development Programme (2004), Country Common Assessment, Kampala

The above table indicates clearly that humanities take the highest percentage at all levels (bachelor's, master's and even PhD). However, most humanities do not emphasize skills development and are more

theoretical as compared to programmes like Information Technology (IT), agriculture and science that are usually avoided by most students. This is why there have been soaring unemployment rates even among the highly educated in Uganda because of the lack of competitive (marketable) skills. Besides this, the situation of unemployment is worse among the youth given that substantial numbers of the youth drop out of school before reaching university level. Figure 2.4 shows the level of unemployment according to educational attainment.

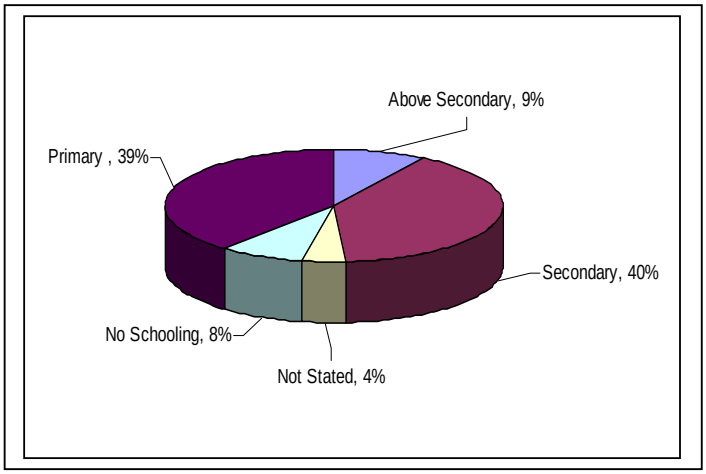

Figure 2.4 Percentage Distribution of Unemployed Youth, by Educational Attainment

SOURCE: Uganda Bureau of Statistics, Uganda National Household Survey (2002/2003); Report on the Labour Force Survey, Kampala.

From the figure, it is clear that at higher education level, unemployment becomes less for instance at the level above secondary (9 per cent) as compared to primary level (39 per cent). However on the contradictory side, for the population that is not schooling, the level of unemployment is less (8 per cent). With the deficiencies that exist in the education system, the level of unemployment in Uganda will still continue to be high. This problem has been exacerbated by the rate of population growth (3.2 per cent per annum), which has led to high competition for the few available jobs, leaving the majority unemployed or even under-employed.

2.7.4 Costing and Financing of Education

Financing of education, like in many Sub- Saharan African countries relies both on government as well as private funding. Table 2.3 shows the level and trends in the financing of education by the Uganda government.

Table 2.3 Level and trends in the financing of education by the Uganda government

Financial Year	Amount (Ug.Shs.) billions	Percentage of national budget	Total national budget (billions)
FY 2001/02	350.53	3%	2,567.4
FY 2009/10	1,079.62	15.3%	7,044.5
FY 2010/11	1,139.54	15.8%	7,204.48
FY2011/12 (projected)	1,213.83	16%	7,579.1

SOURCE: Ministry of Finance, Planning and Economic Development, Background to the Budget, Kampala, 2010

It is apparent that government has significantly increased funding of the education sector from 3 per cent of the national budget in Financial Year 2001/02 to 15.8 per cent of the budget in FY 2010/11.

The government provides block grants to public institutions and government sponsored students in public institutions. Private institutions rely exclusively on fees and other donations. Table 2.4 shows the analysis of government's commitment to education and human capital development through intra-budgetary allocations over the years.

Table 2.4 Total budget shares of primary, secondary, BTVET, and tertiary education, 2001/02-2005/06 (in Billions of Ug. Shs.)

	2001/02 Estimates	2002/03 Planned	2003/04 planned	2004/05 Planned	2005/06 planned
Total education sector recurrent(in Ug Shs. billion)	350.53	403.07	425.04	441.06	425.04
Primary education	65%	63%	65%	66%	66%
Secondary education (including NTCs)	16%	18%	18%	18%	17%
BTVET	4%	4%	4%	3%	3%
Tertiary (without tertiary BTVET/ NTCs)	12%	12%	11%	11%	11%
Others	3%	3%	2%	2%	2%
Total	100%	100%	100%	100%	100%

SOURCE: Summary Education Medium Term Budget Framework, Ministry of Finance, Planning end Economic Development (MoFPED) June, 2003.

In the FY 2010/11 National Budget, the Uganda government proposed to address the issue of youth unemployment by setting up school leavers Industrial Training Fund at the Directorate of Industrial Training and thus provided UShs. 2 billion for this fund. Other initiatives include such as sourcing for funding to enable acquisition of small scale machinery and processing units for the Jua Kali (local artisans engaged mainly in metal fabrication) businesses. In addition, an Industrial Processing Venture Capital Fund (Ushs. 4 bn in FY 2010/11 pg 29-30) will avail financing for bankable start-up ventures for university and college graduates with interest rates not exceeding 5 per cent within 8 years (MoFPED 2010/11). These are modest interventions, given the large number of unemployed youth, but in the right direction.

Education financing is mainly through private sources, which include fees paid by parents of students and development partners. Research carried out by Makerere Institute of Social Research (2003) indicates that private sources have grown beyond the government's level in financing. For instance in Makerere University, funding from private sources has grown from less than Ug Sh. 500million in FY 1993/94 to over Ug Sh. 18 billion by FY 2001/02. The unit cost study done by MISR in 2003 found that, of the fifteen (15) institutions surveyed, private funds generated was Ug Sh. 22 billion as compared to public funding of Ug Sh. 30 billion.

The budgetary allocation to education has been high at 15.4 per cent in FY 2008/09, 15.3 per cent in FY 2009/10 and 15.8 per cent in FY 2010/11 which in itself is encouraging but the contradiction is that the budget is not adequate. For instance, the Ug Shs. 40.945 billion that has been allocated to the sector is to cover aggregated functions including: purchase and Distribution of instructional materials; retention of teachers in hard to reach areas; and construction of classrooms (MoFPED, BFP, 197). In addition, this allocation is skewed towards pre-primary and primary education with Ug Shs. 513 billion (39 per cent), with little allocations to tertiary and higher education where skills development should be emphasized. Only 0.1 per cent of the education budget allocation is for skills development in FY 2010/11. Therefore, the education system is not based on human capital development and yet, in reality, education should lead the educated to secure skills that enhance their employability.

3. BEST PRACTICES IN HUMAN CAPITAL DEVELOPMENT AND ECONOMIC TRANSFORMATION

There are a number of lessons and good practices that can be learnt, adopted, and scaled up. These are illustrated in the experiences of different countries as indicated in the proceeding illustration.

Box 3.1. Mauritius

Unlike most of the African countries, Mauritius put in place a comprehensive strategy, involving what is called "Strategic Flagship Planning Approach". Under this approach, there was massive investment of Government into education (approximately 70 per cent of the national budget between 1990-1999), which translated into heavy capitalization of education institutions. With the abolition of ranking, the schools reclaimed their primary function, which is the holistic development of the child. Nevertheless, a measure of healthy competition was maintained for the child to excel, for her/him to compete with herself/himself instead of engaging in a permanent stressful rivalry with other children on a national basis. These achievements came with various benefits which included among others; tangible and innovative solutions to learning and knowledge application. These measures were developed with provision of excellent infrastructure in schools and the education sector in general producing relevant human resource base that is highly demanded not only in the country but even on the global market. The results have been a highly skilled population with only 4 per cent unemployment level.

Mauritius demonstrates a national economy that has systematically transformed from an agrarian economy, through an agro-based industrial to a service based economy and is consciously moving into a knowledge-based economy.

From Mauritius' experience, Uganda should increase the budgetary allocation to education but with an emphasis on skills development. This is because if compared with Mauritius' 70 per cent of the national budget and 15.8 per cent for Uganda, the latter needs to adjust in order to improve its human capital development and reduce the unemployment level. The allocated funds however need to be appropriately disbursed within different education sub-sectors namely: primary, secondary, and tertiary.

Box 3.2. Singapore

Skills development in the tiny city-state of Singapore is deliberate and systematic. Five features characterize its approach:

1) Government-shaped national human resource policies tailored to each phase of economic development;
2) Incentives for foreign investors to collaborate with the state in establishing training centres;
3) A "skills development fund" that collects and redistributes money to employers as skills-training grants;
4) An education policy that promotes long-term skills development; and
5) Communication and coordination among government agencies involved in skills development, buttressed by a tripartite structure that gives labour, management, and government a place at the table.

Singapore is relatively well positioned to continuously upgrade the skills of its population. A 25-year history of concerted government efforts to link economic development with workforce development by focusing on training and education, forging consensus over goals and strategy with business and labour, and adhering to an export orientation have been a boon to Singapore. Its drive may be slowed, however, by limited basic research capabilities, insufficient venture capital, and low social tolerance for entrepreneurial risk occurs within organizational silos; thus, the ability to develop a coordinated response to the looming skills.

In Uganda, a "skills development fund" that collects and redistributes money to employers as skills-training grants would make a great contribution to the skills development. This has worked for Singapore and should therefore be inculcated in Uganda. An education policy that promotes long-term skills development should be established and implemented.

Box 3.3. Malaysia

Malaysia has greatly invested in the development of Information and Communication Technology (ICT) as one way to attain the development of human capital and to transform into an ICT-driven and knowledge-based economy. Education and training, being the key variable of human capital, the government of Malaysia has increased its expenditure on them. ICT development has been measured in terms of the personnel involvement in Research and Development (R&D) in related areas of technology or the development allocation and expenditure for R&D especially in Science and Technology, as well as for the development of intellectual human capital.

It has used the Modified Budgeting System (MBS) where government agencies are required to enter into a programme Agreement with the Treasury which specifies the inputs as well as the expected outputs and impact of a particular activity for the financial year. MBS in Malaysia has resulted in improvements to the Government's

budgetary process in terms of accountability, resource allocation and the implementation of programmes and activities of the agency by putting emphasis on the linkages between the inputs used in a particular programme or activity to its outputs and impact.

Education in Malaysia has been characterized by skills-mix training through linking it with the need for transformation. The government has ensured that the skills acquired are not only relevant but also consistent with the National vision. The training given to the Malaysian population focuses on electronic engineering, management and production of high-tech equipment.

The government has recognized that a trained, skilled and well-educated workforce is critical in enhancing work and economic performance and sustaining competitiveness as Malaysia transforms into an ICT-driven and knowledge-based society (Zainol 1999). By using technology as a tool, ICT has emerged as an enabler in creating, manipulating and distributing information and communication to improve the quality and effectiveness of both the public and private sector programs and services (Mazlan 1998). Under the Seventh Malaysia Plan 1996-2000, and more so under the Eighth Malaysia Plan 2001-2005, the government has placed much emphasis on ICT utilization during the implementation of policies and programs and the need to use this process as a means for the creation of new technologies.

In its effort towards shifting to a knowledge-based economy, Malaysia's main responsibility lies with the development of human and intellectual capital to produce adequate supply of, support and sustain a flexible, agile, and mobile workforce with relevant knowledge and skills.

Uganda can pick lessons from Malaysia's experience regarding addressing skills and unemployment crisis. Ugandan government should increase its investment in Information and Communication Technology (ICT) to develop its human capital and to transform into an ICT-driven and knowledge/skills-based society. This can be done by allocating a favourable proportion of the budget to the sector and motivating potential trainees to take up IT programmes. It is however imperative that Education in Uganda should be characterized by skills-mix training through linking it with the need for transformation, more relevant and consistent with the National Vision, like Malaysia has done. The impact of the aforementioned changes in these countries' education sectors *vis-à-vis* the Ugandan existing systems can further be portrayed by the Human Development Report, 2007/2008 (UNDP 2007). It is clear that these countries after implementing various positive changes have over time experienced outstanding levels of transformation and development as illustrated in Table 3.1.

Table 3.1 Human Development Index: Malaysia, Mauritius and Uganda

Country	Human Development Index (UDI)Value	GDP Per Capita	Education Index
High Human Development			
Malaysia	0.811	10,882	0.839
Mauritius	0.804	12,715	0.813
Medium Human Development			
Uganda	0.505	1,454	0.412

SOURCE: UNDP, Human Development Report 2007/2008

Malaysia and Mauritius belong to the high human development category on the World Human Development Index. On the other hand, Uganda belongs to the Medium Human Development Category (first on the borderline with countries of the Lower Human Development Category). One of the major explanations for the transformation of Malaysia and Mauritius is "investing in people" particularly in the area of human capital development focusing on skills mix training in science and technology.

4. BINDING CONSTRAINTS TO HUMAN CAPITAL DEVELOPMENT

4.1 Attitude and Mindset

Most Ugandans have inherent negative social perceptions and attitude towards technical and vocational education. Most people would do everything possible to have their children go through the colonial education system even when they are doing less practical and marketable courses. This perception was created by the colonial orientation which mainly trained people for "white collar" jobs especially as clerks and administrators. This has had a negative impact and attitude towards blue collar jobs and training. Most parents consider technical and vocational education as fit for the academically less endowed. Students themselves feel stigmatized if they join vocational institutions. This is because of lack of sensitization about the benefits of attaining technical knowledge and skills.

4.2 Gender Stereotypes in Technical Training

There is deep-rooted gender stereotyping in skills development courses. This is premised on the contention that girls comprise a "weaker sex" and therefore cannot manage pursuance of science courses such as mathematics, engineering among others.

4.3 Lack of significant government investment in science education characterized by lack of well equipped science laboratories, instructional materials and science teachers. There has been a reduction in the funding of

the tertiary institutions particularly Universities (Mamdani 2006; MoES 2006). The reduction of government funding has greatly affected research activities as well as the quality of teaching particularly, for science disciplines that require significant resource outlay for equipment, teaching aides, scholastic materials, conducting experiments, and training the science teachers.

4.4 High school fees for science training due to need for purchase of required equipment among others. This, however, is closely linked to high poverty levels (31 per cent) households who live under the poverty line (UBOS 2005) and 7,000,000 people who live under chronic poverty (Chronic Poverty Report 2006).

4.5 Inadequate policy and failure in inspectorate function of the Ministry of Education and Sports. This largely results from dearth of the institutional structure, decadence of national ethos and emergence of a culture of 'I don't care' attitude among public officials. It also results from poor pay and lack of motivation of public officials.

4.6 Licensing of unworthy education and training institutions resulting in poor quality education. This largely results from high levels of corruption where un unscrupulous public officials license un deserving institutions which offer poor quality education.

4.7 Lack of Linkage between the Private Sector Human Resource Needs and Academic Programmes in Training Institutions

This disconnect results from the isolationist approach that limits collaboration and cooperation of the private companies and training institutions especially technical and vocational institutions. This has continued to limit the students' opportunity to get hands-on experience and to know exactly what employable skills are required by these corporate companies.

5. UNLOCKING THE BINDING CONSTRAINTS

5.1 Investing in People

Given the current globalization, it is more viable to invest in people focusing on skills-mix formation than mere education that does not link with the country's and the world's transformation needs. Investments that result into enhanced quality of the population would create opportunities for a dramatic increase in economic productivity, employment and social cohesion. Lessons from the transformed countries clearly show that actions that improve the quality of human resource focus on: education sector investment; emphasis on technical skills and tertiary training; business training and entrepreneurship, and investing in a healthy population.

5.2 Radicalizing the Education System

This requires government efforts to re-orient the education system so as to make it more skills based and to change from just mere education to human capital development. The education curriculum should be made more relevant both local and global employment market.

5.3 Need for Attitudinal Change in Education and Training

There is need for attitudinal change for both students and their parents to understand the benefits from technical training. This will be achieved through intensified and purposeful mass sensitization about the relevance of technical training. In addition, creating more highly paying jobs for graduates who have acquired the necessary technical skills will encourage other people to join technical vocational institutions. There should be clear connection between institutions of learning and the labour market to keep students equipped with labour market information and the skills required to maintain a competitive edge.

5.4 Linking Technical Skills and Tertiary Training, and Labour Market Penetration

In order to transform the education sector, the government should heavily invest in technical and tertiary training. The main emphasis should be placed on developing technical skills that can drive industrialization, technological innovations and pioneering new enterprise opportunities. Thus technical skills training should be popularized as equally prestigious professional disciplines. Popularizing technical education and training, establishing network polytechnics, creating appropriate industry, skills and marketing linkages and creating innovation centres will help to address skills and employment crisis (National Planning Authority 2007). However, such high production of technical and high value human capital must link with market penetration so that there is sustained motivation for the graduates from training institutions. Linking graduates to employment will help to change negative attitude and perception against vocational and technical education.

5.5 Investment in Science and Technology

Uganda should deliberately and consciously invest in the development of science, technology and innovation. This will be achieved through creation and investment in niches for long term competitiveness, investment in research and development covering basic, applied and product development research; establishing science and technology parks for the technology deepening and broadening, and technology transfer and innovation fund. It is through science and technology that countries such as Mauritius have transformed from material production to knowledge and skills-based with high levels of productivity.

5.6 Leveraging the Private Sector

The private sector should be given a conducive environment to operate in order to expand its ability to create more opportunities for employment (absorption). There should be well developed and maintained Public-Private Partnerships (PPPs) in the skills development. This can be done through creating linkages between corporate companies and training institutions for example companies such as Coca-Cola, Britannia Company, and other companies that deal in beverages and food staffs can partner with the Faculties of Food Science and Technology of the various tertiary institutions in the country. In addition, Telecommunication companies like MTN, UTL, ZAIN, and WARID among others should be engaged in developing training curricula, provision of scholarships, internship places to students of related fields. This can also be done through practical engagement of companies in curriculum development; actual training of students; academic visits; and other collaborative approaches. This will model the students into the reality of job markets through creating relevant skills.

5.7 Improved Remuneration and Motivation of Public Officials

Improved pay will result in increased motivation for public officials to carry out their functions effectively. In 2000, the Uganda government approved a relatively good pay structure but this structure has not been implemented. The reasons for the failure to implement this structure are many but rotate around lack of funds yet Uganda Shs 600 billion (US$ 3m) is lost through corruption each financial year (Republic of Uganda, Inspectorate of Government 2008).

5.8 Transformative Leadership

While it is apparent that an appropriate education system requires adequate financial resources, it is clear that corruption and lack of accountability have increasingly curtailed service delivery. It is therefore crucial that decisive steps are taken to plug the holes in the revenue collection and public expenditure management even at the local governments' level. It is through transformative leadership that government will establish strong investments in human capital development through prudent resource allocation and management. There is need for raising government ability to identify capacity gaps, procure training and other capacity building services and to build and develop public-private partnerships in education service delivery.

6. ISSUES, PROBLEMS, AND STRATEGIES NEEDED

In order to sustainably address the binding constraints in building partnerships in education and human capital development, there is need to clearly diagnose the problem, and devise the most appropriate action. Table 6.1 shows the way forward.

Table 6.1 The way forward

Issue #1	Problem
	There is a lack of a well-defined governance structure allowing for a proper distribution of responsibilities to all 'players'.
Legal and regulatory framework	*Needed:* • A clear legislative framework specifying the roles of both sectors, their relationships and the areas of cooperation; • Definition of the roles of the public sector at the various levels (central –provincial –district-institutional); • Definition of the roles of private 'for-profits' and the NGO/communities.

Issue #2	Problem:
Linking partnerships with challenges in education	Current partnerships are not clearly linked with resolving the challenges faced by the education sector.
	Needed: • Clarity about the objectives; • Sharing of benefits as well as responsibilities; • Transparency in terms of who is doing what with whom and with what effect.

Issue #3	Problem:
Issues of trust	Lack of trust and mechanisms upon which to build such trust
	Needed: • Conduits between the two sides that support dialogue and ongoing debate (within the private sector – 'intra' or among all its members and 'inter' – between the public sector and the two components of the private sector, the 'for- and not-for-profit' arms)

Issue #4	Problem:
Accountability	The public sector as the main provider of services is not made rigorously accountable for the quality and equity of its service provision; The private sector tends to feel responsibility primarily for their organizational goals, be they for profit or otherwise. ***Needed:*** • Means of distributing information with regard to institutional performance; • Mechanisms that enable greater involvement of the parents in a child's education.

7. CONCLUSION

As the old adage asserts, *"education is the best inheritance a parent can bequeath the child"*. Indeed, in a poor country like Uganda, it is through education as a "liberating tool" that poor households are prospective that improvement of their socio-economic status will be achieved through educating their children. This will enable the children to acquire knowledge and skills, secure well paid jobs, and subsequently improve household livelihoods. It is this "intergenerational wealth flow" that is the main motivation that compels many households to undertake all sorts of risks including selling family land and other assets to educate their children. The challenge is that of recent, it has become difficult for graduates from training institutions to secure jobs, resulting in high rates of unemployment. Such unemployed persons even include the highly educated. The main problem culminates largely from the curriculum that does not create human capital but rather creates blue-collar job seekers. The result is a paradox of highly educated people but who do not possess human capital, hence, the high level of unemployment amidst a "sea "of highly educated people.

There has been significant private sector investment in education. However, the private sector has not successfully absorbed the graduates from training institutions and the reasons to explain this are: 1) The private sector investment targets soft investments mainly in humanities with minimum costs in science and technological equipment such as laboratories. They prefer low cost investment in Arts subjects in order to maximize profits, yet, these subjects do not emphasize skills training that are required by most private enterprises. 2) The existing corporate companies do not link with training institutions to influence curriculum and demand-driven training.

There is a big wall between what companies require and what the training institutions are providing, hence, high unemployment amidst a 'sea' of educated people. With strengthened Public-Private-Partnerships (PPPs), skills development and unemployment crisis can be significantly addressed. However, there is need for a holistic approach, i.e. the capacity of the government to develop the partnerships and the ability of the private sector to collaborate in tandem. This can be operationalised through a deliberate policy that underscores education and training as a benchmark for socio-economic transformation. The specific policy instruments could constitute a planning budgeting regime where education and training are re-oriented as engines of growth and transformation. In this regard, the national budget is skewed toward funding education and training, a process referred to as strategic flagship planning approach. But in order for this approach to succeed, there ought to be vocationalisation of education and training as a stimulus to the private sector led economic growth. The focus here should be popularizing skills development as a tool for enhancing individual competitiveness in the national, regional and global economy.

However, not all is lost. There are a number of best practices in human capital development that can be learnt, adopted and scaled up from different countries such as Mauritius, Singapore and Malaysia. As clearly elucidated in the foregoing, these countries have significantly invested in the population. Their respective governments strategically flagged education and training as a panacea for transformation and indeed, the results have been phenomenal.

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