

Skills Development and Economic Welfare among the Youth in Kisoro District Uganda

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ABSTRACT

This study sought to establish the effect of skills development on economic welfare among the youth in Kisoro district Uganda. Quantitative research approaches were adopted using descriptive, survey, correlational and cross-sectional designs. Data was collected using self-administered questionnaires on a sample of 113 respondents. Findings revealed that 39% of economic welfare was accounted for by skills development (R Square .390). This study recommends that, to enhance economic welfare among the youth in Kisoro District, Uganda, the government, in collaboration with local leadership, should proactively initiate projects that foster skills development. These projects should focus on a diverse range of skills, including marketable skills (such as vocational training), job-creation skills (such as entrepreneurship training), innovation and creativity, and technology-enabled skills (such as digital literacy). By strategically investing in these skill development initiatives, the government can empower young people, boost employment opportunities, and contribute to the overall economic well-being of the district.

Keywords: Skills Development, Economic Welfare, Youth in Kisoro District Uganda.

INTRODUCTION

Economic welfare in Uganda has gained significant attention in recent years as a means of promoting economic growth and reducing poverty. The government of Uganda and various non-governmental organizations (NGOs) have implemented several programs aimed at promoting entrepreneurship and supporting entrepreneurs. Livelihood programs have been shown to have a positive impact on poverty alleviation. In a study conducted by the International Labour Organization (ILO) in 2015, it was found that livelihood programs in several countries, including Bangladesh, Indonesia, and Sri Lanka, had contributed to poverty reduction by providing opportunities for income generation and improving the economic status of households (ILO, 2015).

Kisoro district in southwestern Uganda is one such area where Economic welfare has been a priority. The district has a predominantly rural population and limited employment opportunities, making entrepreneurship a critical means of generating income and reducing poverty.

Economic empowerment refers to the capacity of both women and men to participate in, contribute to, and benefit from growth processes. It involves recognizing the value of their contributions, respecting their dignity, and enabling fairer distribution of the benefits of economic progress¹. Specifically, economic empowerment encompasses the following aspects: Participation in Decent Work and Social Protection; Control over Resources and Decision-Making; and Increased Voice and Agency (Reed et-al., 2021).

The impact of Economic welfare programs in Uganda, including those implemented in Kisoro district, has been mixed. While these programs have had some success in promoting entrepreneurship and generating income, they have also faced challenges such as limited access to finance, lack of infrastructure, and limited access to markets (Ssewanyana et al., 2015).

Despite these challenges, there have been some success stories in Kisoro district. For example, a study by the International Labour Organization (ILO) found that participants in the YEP program were more likely to start their own businesses and generate income than those who did not participate (ILO, 2016).

Uganda is a developing country with a high youth unemployment rate. In recent years, the government and non-governmental organizations (NGOs) have implemented various youth livelihood programs aimed at addressing this issue. These programs provide funding, training, and mentorship to young people to start their own businesses and become self-employed.

According to the Uganda National Household Survey 2019/2020 by the Uganda Bureau of Statistics, the unemployment rate for youth aged 18-30 years is 11.6%. This high unemployment rate among young people has led to increased poverty, limited access to education and health services, and increased social problems. This paper therefore seeks to examine the effect of Skills Development on the economic welfare particularly among the youth in Kampala District Uganda.

LITERATURE REVIEW

Economic Empowerment

Economic empowerment is the transformative process of moving away from exploitation and toward increased choice and opportunities to gain independence, stability, skills, and advancement in all areas related to one's economic well-being (Reed et al., 2021). According to Reed and colleagues, economic empowerment is not merely about financial gains; it represents a transformative process. Here are some elaborations:

Independence and Stability: Economic empowerment enables individuals to break free from dependency and achieve financial independence. Stability refers to consistent access to resources and opportunities.

Skills Development: It involves acquiring practical skills (e.g., vocational training, financial literacy) that enhance employability and income generation.

Advancement: Economic empowerment allows upward mobility, career progression, and improved living standards.

Choice: Individuals gain the ability to make informed decisions about their economic well-being.

According to ACF (2023), Economic empowerment involves moving away from exploitation and toward increased choice and opportunities for independence, stability, skills, and advancement in all aspects related to economic well-being. In other words, Economic empowerment refers to gaining independence, stability, skills, and advancement in all areas related to economic well-being.

Administration for Children and Families (ACF) emphasizes the following aspects:

Choice and Autonomy: Economic empowerment grants individuals the power to choose their economic path. It's about having options.

Skills Enhancement: Beyond financial gains, it includes skill-building (e.g., job training, entrepreneurship) to navigate economic challenges.

Reducing Vulnerability: By gaining control over resources, people become less vulnerable to economic shocks.

Skills Development and Economic Welfare

According to King & Palmer, (2007), they explained that the purpose of the state-of-the-art review was to assess assumptions and beliefs about the relationship between skills development and poverty reduction, placing it in historical context. They mentioned a specific attempt to examine knowledge about skills in rural areas. However, they acknowledged that both "skills development" and "poverty reduction" were relatively

new terms. While skills development had limited prominence, especially among national policy communities and vocational educators, development agencies frequently used the term. Similarly, “poverty reduction” was primarily associated with donor agencies and had become integral to their mandates and visions, often operationalized through poverty reduction strategy papers (PRSPs).

“The neoclassical growth accounting model, employed by the Bureau of Labor Statistics (BLS) to analyze contributions to U.S. economic growth, assigns a relatively minor role to education. However, this finding appears inconsistent with the technological revolution and the rise of the ‘knowledge economy,’ as well as the increased educational attainment and higher wage premiums associated with advanced education. In this paper, we revisit this outcome using an ‘old-fashioned’ activity analysis approach instead of the neoclassical production function. Our activity-based technology model highlights that labor and capital are strong complements, both essential for activity operation. The composition of activities over time significantly influences the demand for labor skills, with technical innovation driving changes in this composition. Notably, the results suggest that the BLS findings on sources of growth could equally align with the activity-analysis model, emphasizing the importance of labor skills and education.” (Hulten, 2017).

"Reaching income growth in rural areas presents serious obstacles to further poverty reduction and economic progress. In order to evaluate the effects of a vocational skills training program targeted at diversifying earnings beyond agriculture, we polled households in rural Bhutan. The program was successful in diversifying household incomes into other skill areas, even though it had modest beneficial effects across economic and psychosocial dimensions. Notably, earnings for trainees in non-competitive labor markets were higher, especially when they made up a smaller portion of the population as a whole. Our results highlight a few important points: (i) It's critical to make links between the training program and opportunities for earning money (like job placement services, entrepreneurship, or mentoring), particularly in competitive labor markets where there are too many trainees; (ii) Curriculum revision and longer training periods can improve skill development; and (iii) Supporting equality may entail offering training options that are gender-neutral, flexible in scheduling, and held in different locations (Chun & Watanabe, 2011).

According to Benson and Lydia (2023), in their research that focused on enhancing sustainable quality of life through the United Nations' Millennium Development Goals and Sustainable Development Goals. They highlighted the crucial role of Micro, Small, and Medium-sized Enterprises (MSMEs) in achieving these global objectives. The study investigated the impact of Research and Development (R&D) practices on MSME growth. Employing quantitative methods, the authors find that approximately 18.7% of MSME growth can be attributed to R&D efforts. Their recommendations include adopting R&D policies, promoting R&D practices, and allocating financial resources and grants to support MSMEs' survival and expansion. Probably, the same recommendations can be adopted in the case of Kisoro district, Uganda to enhance economic welfare among the youth.

METHODOLOGY

Study Approach and Design

This study adopted quantitative methods approach to be able to achieve the specific objectives as set out by the study. By quantitative, this study found it as the most suitable approach because of its ability to measure the effect of one variable over the other using quantified results, specifically the interpretation was based on number presented in form of R Square, p values, Beta and sig. values respectively.

This study also used descriptive, correlational, cross-sectional and survey designs during the process of data collection and analysis. This design were chosen because of the descriptive nature of the research questions. This focus on 6 parishes which were be obtained using simple random sampling in a few parishes in Kisoro district. Consequently, it was be facilitated fast conclusions and recommendations to the research problem. Similarly, as Amin (2003) indicated, findings from cross sectional studies can be generalized to the entire population despite their reliance on samples.

Study Population and Sample Size

The study population shall compose of 115 participants aged who are engaged in income generating activities that reside or live in Kisoro district. The eligibility criterion for the study was based on the population with the specified description. Using Slovene’s formula and confirmed by Krejcie and Morgan (1970) table for determining sample size, a sample size of 113 respondents was used in the study.

Data Collection Methods

Under this study, self-administered questionnaires will be used to capture data from the respondents in the sample. This method will involve designing closed-ended questions that will be used in the actual data collection, and will then be gauged on a 5-Likert scale with extreme values of 5 to mean Strongly Agree and 1 for Strongly Disagree. The 4-Likert scale type questionnaire was used because Creswell (2014) recommends that it generates uniform responses on top of guaranteeing a higher volume of reliable interval data than other scales. The researcher also personally distributed the questionnaire instrument to the respondents to increase data accuracy since any respondent who had any question was clarified on spot.

Data Analysis

After the field work, primary data from the questionnaires was coded, cleaned, classified, tabulated and analyzed quantitatively. Quantitative data analysis was done using the Statistical Package for Social Sciences (SPSS v.26) (Nelson et al., 2022) for purposes of data presentation and processing. Data regarding demographic characteristics of respondents was presented in form of frequencies and percentages which were used to analyse the data. In addition, the study used inferential statistics of correlation and regression tables to obtain answers to the research questions and achieve the specific objectives. Correlation analysis was used to ascertain the nature and strength of the relationship between variables of skills development and economic welfare among the youth in Kisoro District, while regression analysis determined the degree of predictability of the independent variables.

RESULTS

This study’s objective was to establish the effect of Skills Development on Economic welfare among the Youth in Kisoro District Uganda. For this to be achieved, a regression analysis was done. However before the regression analysis could be done, the researcher measure the level of skills development and economic welfare respectively using descriptive statistics. Thereafter, relationship between variables was tested using Pearson Linear coefficient correlation before a regression analysis could be done. Results are presented below:-

Descriptive Statistics on Skills Development among the Youth in Kisoro District Uganda

Table 1: Descriptive Statistics on Skills Development

Descriptive Statistics		
Skills development	Mean	Std. Deviation
We have received skills that are marketable	3.4625	.67400
We have been equipped with skills that have created jobs	3.3875	.64619
We have been equipped with skills that support employment	3.3625	.69799
Poor youth and the disabled have been trained in hands on skills like metal fabrication, carpentry, tailoring, salon etc.	3.2875	.76628
Youth have been trained and equipped in how to create new products and how to market them	3.2000	.62440

Youth have been trained on how to do things different from others	3.2000	.62440
The youth have been impacted with modern skills to perform their jobs than they used to do	3.0625	.66263
We have received training that encourages and promotes innovations	2.9875	.87863
Average Mean	3.2438	

Source: Primary Data

Descriptive statistics showed that, with an overall mean of 3.2438, skills development was typically high based on Table 4.2 findings. In Kisoro District, respondents gave very high ratings to the provision of marketable skills, tools for skills that have created jobs, skills that promote employment, and training for youths in practical skills like metal fabrication, carpentry, tailoring, hairdressing, etc. The researcher's remaining queries were also given great ratings. Still, Kisoro District gave skills development a high rating

Table 2: Descriptive Statistics on Economic Empowerment

Access to Financial Services	Mean	Std. Deviation
Youth has access to low interest loans	3.2875	.76628
The youth have access to financial services that can be paid back in 12 months	3.1250	.81714
There is existence of loans that do not require assets/collateral	3.2125	.86703
Loans are given to both new and existing groups	3.1500	.79715
Formal registration are not a pre-condition to access loans	2.8625	.82283
There are minimal administrative charges levied on loans for the youth	2.9250	.88267
The youth can easily get money from the government through their groups	2.9500	.91264
Average Mean	3.0732	
Poverty Reduction	Mean	Std. Deviation
There has been a reduction in literacy levels among the youth	2.9500	.80975
The youth are resistant to diseases due to proper feeding	3.1250	.70036
The youth and other groups have access to healthcare	3.2375	.73336
There is access to safe drinking water and sanitation	3.2000	.73605
There exists access to job opportunities (formal or informal)	3.1000	.78917
The children have access to education	3.2250	.71112
At least each and every household has an income	3.1000	.78917
Every household has access to shelter and information	3.2375	.86043
Average Mean	3.1469	
Human Capital Development	Mean	Std. Deviation

The youth and children have access to education in our district	3.2125	.86703
There is free access to medical care in our district	3.1625	.81821
Youth have been imparted with skills in communication skills to improve their social status	3.1250	.70036
The youth care more on individual fame and brand image nowadays	3.0375	.77040
There has been a lot of skill development to improve the individual social welfare of the youth	2.9875	.83429
Average Mean	3.1050	
Overall Average Mean	3.1084	

Source: Primary Data

Economic welfare among the Youth in Kisoro District Uganda was measured using three variables namely; Access to Financial Services, Poverty Reduction and Human Capital Development as presented in table 2 above. Overall, it was revealed high level of economic welfare among the youth in Kisoro district Uganda, this was revealed by an overall mean of 3.1084. Specifically, access to financial services was rated with mean of 3.0732, poverty reduction had a mean of 3.1469, while human capital development scored a mean value of 3.1050. All of these findings point to increased financial service accessibility, decreased poverty, and increased human capital. With a mean of 3.1469, poverty reduction was ranked as the highest of the three indicators. This suggests that more has been done to lower the rates of poverty among young people in the Kisoro district.

Table 2: Relationship between Skills Development and Economic Welfare among the Youth in Kisoro District Uganda

Correlations			
		Skills Development	Economic Empowerment
Skills Development	Pearson Correlation	1	.624**
	Sig. (2-tailed)		.000
	N	80	80
Economic Empowerment	Pearson Correlation	.624**	1
	Sig. (2-tailed)	.000	
	N	80	80

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

Source: Primary Data

Table 2 results showed a positive and significant association ($r = .624$, $\text{Sig.} = .000$) between skill development and economic welfare among youths in the Kisoro district. These findings imply that improving skill development will improve youth economic well-being. After confirming the favourable relationship between skill development and economic welfare among youths in the Kisoro district, the study conducted a regression analysis in accordance with the findings shown in Table 3.

Table 3: Regression Analysis for Skills Development and Economic Welfare among the Youth in Kisoro District Uganda

Model Summary

Model Summary						
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	
1	.624 ^a	.390	.382		.40888	
a. Predictors: (Constant), Skills Development						
ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.336	1	8.336	49.864	.000 ^b
	Residual	13.040	78	.167		
	Total	21.377	79			
a. Dependent Variable: Economic welfare						
b. Predictors: (Constant), Skills Development						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.889	.318		2.799	.006
	Skills Development	.684	.097	.624	7.061	.000
a. Dependent Variable: Economic welfare						

Source: Primary Data

Regression analysis was specifically employed to determine the effect of skills development on youth economic welfare in Uganda's Kisoro District. Table 4.5's results show that; under Model summary, an R Square of .390 means that skills accounted for a 39% influence on the Economic welfare among the Youth in Kisoro District Uganda. Under ANOVA, a sig. of 0.00 indicates a significant relationship between Skills Development on Economic welfare among the Youth in Kisoro District Uganda. While, under Coefficients, Beta value of .624 indicates that, a unit change in Skills development leads to a .624 change in Economic welfare among the Youth in Kisoro District Uganda.

DISCUSSIONS

This study's findings revealed that skills development has a significant effect on economic welfare among the youth in Kisoro district Uganda. It demonstrates that, while teamwork did grow between the early 1990s and 2006, this was mostly due to the rise of teamwork that gave employees minimal decision-making ability. The prevalence of self-directed teamwork decreased. At the same time, our research demonstrates that the benefits of teamwork, in terms of increasing job motivation and employee wellbeing, are limited to self-directed teams, whereas non-self-directed teams discourage the use of personal initiative and discretion at work (Gallie et al., 2012).

The main findings are that digitization coordinates, education, and digital skills are critical for improving the economic development and labour market performance of diverse regions in Romania, with positive spillover effects on long-term economic welfare and poverty reduction. These advances highlight significant shifts in both demand and supply sides across regional economies that affect equilibrium and overall performance, while public discourse, regulatory authorities, policymakers, and business representatives emphasize the critical need to strengthen understandings in this scientific field (Noja et al., 2022).

The key findings show a disparity between the degree of digital skills necessary in the labor market and the actual level of digital skills in both young people and social workers, despite both groups' efforts to enhance their skills. To overcome the digital divide, initiatives promoting digital skills are advocated. Finally, it was determined that both groups might serve as mutual drivers of digital transformation (LópezPeláez et al., 2020).

According to this study's findings, skills development has an effect on economic welfare of the youth in Kisoro District Uganda. Thus, an improvement in skills development leads to an improvement in the economic welfare among the youth in Kisoro District Uganda.

By skills development, the study refers to skills that are marketable, skills that create jobs and create employment, skills in innovation and creativity, skills that are technology enabled among many others, that if properly implemented they lead to a change or improvement in the economic welfare of the youth in terms of access to financial services, poverty reduction and human capital development which were the key indicators of economic welfare as per this study

In summary, research findings highlight the significance of skills development, digitization, and education in shaping economic welfare and growth. Specifically, in Kisoro district, Uganda, skills development positively impacts youth economic well-being, with self-directed teams yielding greater benefits. In Romania, digitization and digital skills contribute to long-term economic welfare and poverty reduction. Meanwhile, addressing the digital skills gap among young people and social workers is crucial for overall economic development and transformation.

RECOMMENDATIONS

To enhance economic welfare among the youth in Kisoro District, Uganda, the government, in collaboration with local leadership, should proactively initiate projects that foster skills development. These projects should focus on a diverse range of skills, including:

Marketable Skills: Encourage training programs that equip young people with practical skills relevant to the job market. This could involve vocational training in areas such as carpentry, tailoring, plumbing, and agriculture.

Job-Creation Skills: Promote entrepreneurship and self-employment by providing training in business management, financial literacy, and marketing. Encouraging youth to start their own ventures can lead to job creation and economic growth.

Innovation and Creativity: Foster an environment that encourages innovation and creativity. This might involve organizing workshops, and idea-sharing platforms where young minds can explore new solutions and technologies.

Technology-Enabled Skills: Given the digital era, proficiency in technology is crucial. Training in digital literacy, coding, and online marketing can empower youth to participate actively in the digital economy.

By strategically investing in these skill development initiatives, the government can empower young people, boost employment opportunities, and contribute to the overall economic well-being of the district.

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