

Justification. Stakeholders say youth who start fail along the way as they lack enough capital to market their products.

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Statistics show that more than 40,000 young people graduate from universities every year and compete for only 8,000 formal jobs available in Uganda today.

Vocational training institutions also churn out a substantial number of graduates but the major hindrance is capital to enable them start up their own income generating activities.

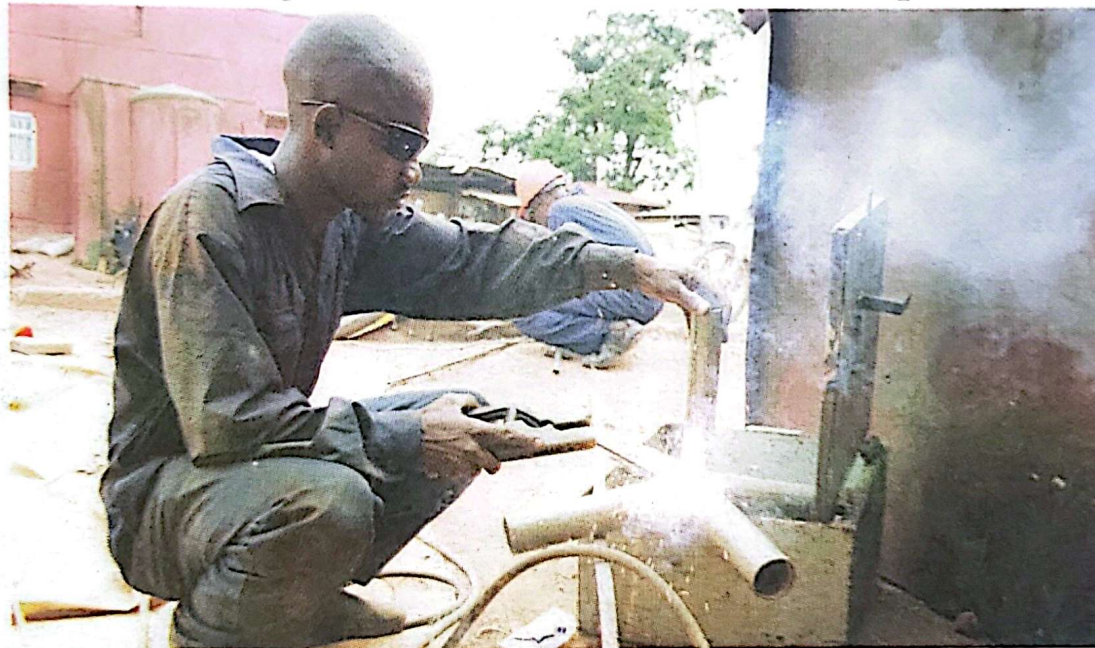
Mr Isaac Arinaitwe, the programmes officer at Platform for Labour Action (PLA), says the nature of job market requires young people to start their own businesses.

"Youth need to be drivers of their own employment and have the entrepreneurial skills. Lack of capital, therefore, makes the youth fail to utilise the skills gained from the vocational training institutes to start up their own businesses and employ others," says Mr Arinaitwe.

He explains that there are youth who have struggled to start but fail along the way due to the fact that they lack enough capital to market their products.

"Uganda's tax policy is one of the poorest in Africa. Young businesses are not given an opportunity to grow before they can be

Lack of capital a hindrance to youth self-employment



Stakeholders say a youth development bank with less stringent credit terms can help finance youth self-employment ventures. FILE PHOTO

taxed and as a result, they die out quickly," says Arinaitwe.

He observes that the youth who decide to venture in agriculture

do it at a high risk because with threats such as pests and diseases, the youth do not have money to buy pesticides and fertilisers.

Ms Elone Natumanya, the coordinator of the Uganda Parliamentary Forum on Youth Affairs, attributes the challenge to country's financ-

ing model which does not take into context youth actual needs.

"The financing we have is commercialised for it needs collateral which leaves young people at the mercy of guarantors and yet the government mechanisms of forming groups is also associated with challenges due to difference in ideologies," says Ms Natumanya.

"We are asking government for a youth development bank. This will be able to bring together collective structure. This would help to look at outcome to finance and support the youth," adds Natumanya.

The executive secretary of the National Youth Council, Mr Nasser Mukwaya, says: "We are advocating for creation of government youth financing programme that can offer financial services without demanding for security or collateral."

Mr Mukwaya appeals to government to promote entrepreneurship culture in schools and communities as well as youth friendly programmes to promote the culture of doing formal business in the country.